



NDMA 2023 Policy Forum

October 6, 2023

Policy No. 1

Submitted By: NDMA Council

Subject: Regulatory Oversight of the Use of Artificial Intelligence for Patient Claims and Prior Authorization

Summary:

Health insurers and benefit managers are increasingly requiring health care professionals to obtain prior authorization before providing pharmaceuticals and medical services. To manage the increasing number of prior authorization requests, insurers turn to artificial intelligence (AI) to speed up requests. Insurers also use AI to automate the claim review process.

The use of artificial intelligence for prior authorization and claims processing can interrupt care, divert resources from patients and complicate medical decision-making.

Relevant Information:

- As reported from news source *ProPublica*, over a period of two months in 2022, Cigna doctors denied more than 300,000 payment claims as part of a review process that used artificial intelligence, with Cigna doctors spending an average of 1.2 seconds on each case.
- A federal lawsuit alleges that Cigna used a computer algorithm to automatically reject payment for claims without examining them individually as required by California law.

Proposed Action:

To address this concerning phenomenon, NDMA should advocate greater regulatory oversight of the use of augmented intelligence for review of patient claims and prior-authorization requests, including whether insurers are using a thorough and fair process that:

- Is based on accurate and up-to-date clinical criteria derived from national medical specialty society guidelines and peer-reviewed clinical literature.

- Includes reviews by doctors and health care professionals who are not incentivized to deny care and with expertise for the service under review.
- Requires such reviews include human examination of patient records prior to a care denial.

Adopted November 28, 2023

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Policy Forum Chair