House Communications & Technology Committee

Public Hearing Agenda

Monday, December 15, 2025
1:00pm
140 Main Capitol

1:00pm **Call to Order**

Roll Call

Opening Remarks:

- Majority Communications & Technology Committee Chair Joe Ciresi
- Minority Communications & Technology Committee Chair Jason Ortitay
- Representative Arvind Venkat

1:10pm **Panel 1:** Advocates & Tech Industry

- J.B. Branch, Big Tech Accountability Advocate, Public Citizen
- James Sullivan, Past President, Healthcare Information and Management Systems Society, Inc. (HIMSS) Keystone Chapter

1:40pm **Panel 2:** State Government

- Michael Humphreys, Commissioner, Pennsylvania Insurance Department
- Ester Blair, Senior Deputy Attorney General, Pennsylvania Office of Attorney General
- Elizabeth Oquendo, Senior Deputy Attorney General, Pennsylvania Office of Attorney General

2:15pm **Panel 3:** Hospitals & Health Systems

- Jess Boyle, Senior Director, Digital Transformation, Children's Hospital of Philadelphia (CHOP)
- Dr. David Vega, MD, MBA; Chief Medical Officer, WellSpan Medical Group; Senior Vice President, WellSpan Health
- Hunter Young, Head of State Government Relations, ATA Action

2:45pm **Break**

2:55pm **Panel 4:** Healthcare Professionals

- Dr. Liz Werley, President, Pennsylvania College of Emergency Physicians (PACEP)
- Maureen May, RN, President, Pennsylvania Association of Staff Nurses & Allied Professionals (PASNAP)

3:25pm **Panel 5:** Insurers

- Jonathan Greer, President and CEO, Insurance Federation of Pennsylvania
- Megan Barbour, Executive Director of Government Affairs, Insurance Federation of Pennsylvania
- Aaron Smith-McLallen, PhD, Director, Data Science & Health Outcomes Research, Independence Blue Cross (IBX)

3:55pm **Closing Remarks**

4:00pm **Adjournment**

Written Testimony Only:

- Pennsylvania Department of Health
- Pennsylvania Department of Human Services
- America's Health Insurance Plans (AHIP)
- TechNet
- Hospital & Healthsystem Association of Pennsylvania (HAP)
- AdvaMed

Testimony Before the House Communications and Technology Committee

HB 1925 – Artificial Intelligence in Healthcare

Rep. Arvind Venkat

Chair Ciresi, Chair Ortitay, and Members of the House Communications and Technology Committee, thank you for holding this public hearing on HB 1925 – Artificial Intelligence in Healthcare. All of us recognize that artificial intelligence (AI) is a transformational technology. In my own medical practice, AI has begun to ease the administrative burden of clinical documentation. In both clinical medicine and health insurance, AI is being rapidly deployed in areas of diagnosis, treatment plans, utilization review, among many others. In Pennsylvania, we are well positioned to be a leader in AI.

But unlike other technologies that are passive in their application and completely reliant on human input and decision making, AI purports to approach or even surpass human intelligence and function autonomously. We rightly expect in healthcare that patients and the public will receive an individualized diagnostic evaluation and therapeutic plan that is developed in collaboration with a licensed practitioner who has accountability to laws related to safety, liability, privacy, and informed consent, among others. We also rightly expect that health insurers in conducting utilization reviews will perform an individualized assessment of the clinical circumstances under the purview of a credentialed healthcare provider. Given the characteristics of AI, it is appropriate for us as legislators, on behalf of our constituents, to determine how the deployment of this technology appropriately meets the expectations of all Pennsylvanians in that most personal area of healthcare.

HB 1925 is a bipartisan bill that recognizes the need for innovation and advancement of AI while placing guardrails around its application in conformity with public expectations. The bill mandates transparency to patients and the public when AI is used in clinical decision making or utilization reviews, a critical requirement given that patient and public data is used to further the power of this technology. HB 1925 also requires that there be an ultimate human decision maker who makes an individualized assessment and application of outputs from AI to the patient or insured individual. This is important given the evidence that the most accurate and beneficial outcomes from AI in healthcare come from the combination of a human decision maker with this technology and not from reliance on AI alone. Finally, this bill requires healthcare facilities and insurers to attest to their regulators that when using AI, they are examining and can show how they are following existing laws related to privacy and anti-discrimination while preventing foreseeable material harm to patients or the insured.

Right now, there is no regulation or legislation specific to the use of AI in healthcare in Pennsylvania. There is an Insurance Department bulletin asking insurers to comply with existing laws, but how that is enforced beyond a complaint process is unclear, especially since the public and patients do not have insight into whether AI is used in their healthcare or not. While there have been federal efforts to develop AI standards (or prevent them) and attempts to create model legislation on the use of AI in health insurance, those have not come to fruition. There have also been reports that both the insurance industry and AI companies are trying to prevent regulation at the federal level or through model state legislation. Why is not clear.

We therefore must act. I know that my co-prime sponsors and I do not wish to impede the innovation and advancement of the use of AI. We have received amendment language suggestions to reduce the administrative burdens of this legislation and are open to its inclusion. But requiring transparency, individualized decision making, and compliance with existing laws related to healthcare and insurance along with the prevention of harm is what our constituents are rightly demanding.

The question I hope the committee will keep in mind as we listen to testimony today is this: If we, our family, or a member of our community is receiving healthcare, would we expect anything less than these requirements?

Thank you again for the opportunity to appear before you today and your consideration of this legislation. I look forward to listening to the testifiers with you and learning how we might move HB 1925 forward.

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December 15, 2025

Pennsylvania House Communications & Technology Committee
Majority Chairman Joe Ciresi and Republican Chair Jason Ortitay
501 N. 3rd Street, 32 East Wing
Harrisburg, Pennsylvania 17125

J.B. Branch Remarks for Pennsylvania House Communications and Technology Committee

Thank you, Chairman Ciresi, Republican Chair Ortitay, Committee Members,

My name is J.B. Branch. I am an artificial intelligence (AI) public policy expert at Public Citizen, a nonprofit with more than one million members and supporters nationwide that works to defend democracy, resist corruption, and challenge corporate greed.

Artificial intelligence is rapidly becoming part of the health care ecosystem—shaping clinical decision support, insurance determinations, and managed-care operations. House Bill 1925 recognizes this reality and establishes clear, commonsense rules for how AI should be used when someone's health, safety, and access to care hang in the balance. The bill reflects values shared across the political spectrum: transparency, fairness, accountability, and the belief that patient care must remain fundamentally human-centered.

Transparency and Trust

Patients and clinicians deserve to know when AI is being used in medical decisions or insurance reviews. Today, in many cases, that clarity simply doesn't exist. House Bill 1925 ensures that facilities, insurers, and managed-care organizations clearly disclose when AI-based algorithms are being used and how they factor into decision-making.

This transparency builds trust by giving patients a full understanding of the tools influencing their care. When people know what is guiding their treatment or coverage decisions, they can ask informed questions, catch potential issues, and engage meaningfully in their health care. Clear disclosure is one of the simplest and most powerful consumer protections.

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Accuracy, Safety, and Prevention of Bias

AI systems can be useful in identifying patterns and supporting clinical workflows, but they are not infallible. Studies have repeatedly shown that algorithms may reflect the shortcomings or blind spots of the data used to train them. In health care, errors or hidden biases can have serious consequences—misdiagnoses, inappropriate care plans, or unequal treatment for women, Black patients, individuals with disabilities, rural communities, and other groups who have historically experienced disparities in medicine.

House Bill 1925 takes these concerns seriously. It requires health care facilities and insurers to ensure that their AI systems do not directly or indirectly discriminate and that their performance is regularly evaluated for accuracy and reliability. These reviews create an essential feedback loop—one that protects patients and ensures AI is used responsibly and safely.

These commonsense safeguards are what enables innovation to be trusted.

Human Accountability in Medical Decisions

No algorithm—no matter how sophisticated—can replace the clinical judgment, empathy, and contextual understanding of trained health professionals. Health care decisions often involve nuance, ethical responsibility, and individualized assessment. Two patients with the same diagnosis may require different care based on factors that cannot be captured in a dataset.

House Bill 1925 affirms this by requiring that AI recommendations never supersede clinical judgment. Before any insurer or managed-care entity denies, reduces, or terminates a service, a qualified health care professional must review the full clinical record and exercise independent judgment. This keeps people—not machines—responsible for decisions that affect coverage, treatment, and outcomes.

This framework strengthens care, safeguards due process for patients, and ensures that AI serves as a tool rather than a substitute for human expertise.

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Responsible Data Use and Oversight

Health information is among the most sensitive data a person has. House Bill 1925 places clear limits on how patient data can be used within AI systems, ensuring that it is only used for the intended purpose and in compliance with state and federal privacy laws. This is an essential safeguard in a world where data can easily be repurposed, shared, or repackaged without a patient's knowledge.

The bill also establishes ongoing oversight through compliance statements, annual reporting, and the ability for state agencies to request additional information. This creates a living regulatory framework—one that can evolve with technology and ensure responsible use over time.

These are all best practices in data stewardship.

Why House Bill 1925 Is a Strong Path Forward

Health care is uniquely personal. It is a setting where empathy, trust, and human understanding are indispensable. When AI enters that environment, it should do so in a way that strengthens rather than weakens those foundations.

House Bill 1925 does exactly that. It sets clear expectations for transparency, ensures that tools are accurate and nondiscriminatory, keeps human judgment at the center of care, and builds accountability into the system. It gives patients and clinicians confidence that AI will be used wisely and ethically, while giving innovators a clear framework that guides responsible deployment.

This is a thoughtful, forward-looking bill that positions Pennsylvania as a leader in ensuring that AI enhances care and protects patients. It is grounded in values we all share: fairness, safety, accountability, and respect for the people we serve.

Thank you for your time and for your leadership on this important issue. I look forward to answering your questions.

House Communications & Technology Committee Testimony of Mr. Jim Sullivan, HIMSS Public Policy Committee, HIMSS Keystone Chapter Board Executive / Past President and Strategic Advisor Healthcare Industry Solutions & Services
Monday, December 15, 2025

Majority Chairman Joe Ciresi, and members of the House Communications & Technology Committee, thank you for the opportunity to provide testimony on behalf of the Healthcare Information and Management Systems Society (HIMSS) on Pennsylvania HB 1925. HIMSS is a global advisor and thought leader and member-based society committed to reforming the global health ecosystem through the power of information and technology. As a mission-driven non-profit, HIMSS offers a unique depth and breadth of expertise in health innovation, public policy, workforce development, research, and analytics to advise global leaders, developers, end users, patients, and influencers on best practices in health information and technology driven by health equity.

Through our innovation engine, HIMSS delivers key insights, education and engaging events to healthcare providers, governments, and market suppliers, ensuring they have the right information at the point of decision. HIMSS serves the global health information and technology communities with focused operations across North America, Europe, the United Kingdom, the Middle East, and Asia Pacific. Our members include more than 127,000 individuals, 480 provider organizations, 470 non-profit partners, and 650 health services organizations.

To accelerate digital health transformation, Health information and technology serves as the catalyst for transforming the health ecosystem, modernizing care delivery, driving health innovation, lowering costs, improving efficiency, and enabling health research. Artificial intelligence (AI) drives numerous applications that offer the potential to improve patient outcomes, accelerate early detection of disease, and enhance point of care and administrative efficiency.

AI also has the potential to promote embedded biases and inaccuracies in our healthcare data. AI tools are positioned to drive innovation and digital transformation. Policies and regulatory frameworks should find a balance that promotes and accelerates the responsible deployment and use of safe and trusted AI demonstrated to benefit stakeholders in the health and human services sector while ensuring that AI is continually monitored and revalidated following deployment in the field. HIMSS advocates for a "human-in-the-loop" design for AI tools, ensuring that technology supports rather than overrides a clinician's decision-making process.

States' Role in Legislation and Implementation:

Moreover, States have been at the forefront of legislating AI in healthcare, often with a focus on administrative and billing functions, particularly within **Medicaid and CHIP programs**.

- **Indiana (SB 5, enacted 2025)** allows state agencies, including Medicaid, to use AI for financial statements and budget projections.
- **New York (AB 7305, pending 2025)** aims for AI and data analytics to combat insurance fraud.
- **Pennsylvania (HB 1925, pending 2025)** sets requirements for responsible AI use and disclosure in Medicaid/CHIP.

These legislative efforts demonstrate states' active role in defining how AI can be used to improve administrative efficiency, detect fraud, and ensure responsible deployment within their health programs.

HIMSS developed its Public Policy Principles to ensure that all governments—regardless of structure, payment system, or geography—have tools to improve policy, support the rapid speed of innovation, and address the growing complexity of health and delivery systems.

These principles serve as HIMSS guideposts for policy development and analysis across all health domains supporting HIMSS's foundational goals. The AI principles urge AI governance and deployment that demonstrate benefit to stakeholders in the health and human services sector and ensure AI is continually monitored and revalidated following deployment in the field including:

Policy frameworks for the use of AI in the health and human services sector should have guardrails which consider the unique use cases and risks associated with patient safety and potential harmful biases.

- Policy makers should adopt a risk-based regulatory approach that weighs the different intended use cases, risk levels for each use case and unintended uses, types of AI (generative, agentic, etc.), levels of intervention required by a clinical decision authority, and potential impacts on patients of AI when establishing requirements impacting the development and monitoring post-deployment of AI.
- Policy frameworks should focus on development, initial deployment, and the evolution of AI once the tools have been deployed and evolve as they ingest data.

- For the development of AI used in the health and human services sector, policy frameworks should ensure appropriate feasibility and safety testing during the development cycle of AI tools and models to ensure the AI will produce comparable and consistent results against intended outcomes in all appropriate settings. The development cycle processes should monitor and test to ensure that the model isn't perpetuating harmful biases.

- Following the development of AI for use in the health and human services sector, policy frameworks should require appropriate explainability of AI tools on an ongoing basis by providing clinicians with sufficient and ongoing evidence of fair and robust performance so they can make informed decisions about adopting AI in their setting of care.

HIMSS encourages Pennsylvania to convene clinician leaders to determine what information is needed for explainability by providers to make informed decisions for adopting and user AI tools. What will be required for "explainability" will adjust as health systems increase the sophistication of their understanding of AI performance as time moves forward and the government framework should have the flexibility to evolve as the knowledge base of end users grows.

- Following the implementation of AI in hospitals, provider practices, and other care settings, policy frameworks should require thoughtful monitoring and action by all parties, from market suppliers to hospitals and providers to ensure AI solutions are generating appropriate outputs that do not put patients at risk.

- Policy should consider the use of technologies including AI tools to evaluate and monitor the performance of the AI model and provide feedback to the developers (foundation model developers and developers/tools that incorporate the foundational model) and end-users of the AI tool to indicate if the AI outputs are drifting from the intended outputs.

- Unless an organization has a clear analytics strategy, as required for a Stage 7 designation on HIMSS Analytics Maturity Adoption Model and a team with the competencies to assess safety, accuracy, and appropriate use of AI, **then the organization should carefully consider not adopting technologies they cannot safely manage.**

HIMSS acknowledges that the workforce in many healthcare organizations does not have these competencies at the present time.

- HIMSS recommends that States invest in appropriate workforce training to ensure that healthcare organizations have the competencies to safely manage and monitor emerging AI tools and models to improve efficiency and drive better care outcomes.

- Public policy frameworks should support adding the skillsets and knowledge needed for a clinical and IT support workforce focused on testing, monitoring, and revalidating AI following deployment in the field.

The framework should require that AI data governance and stewardship models are developed and regularly updated to promote the authorized use and disclosure of data.

- The framework should account for use case fidelity and model development, monitoring, and operations. Data governance and stewardship models should incorporate guidelines for appropriate data-sharing nation-wide and consider the varying data protection laws across countries.
- For healthcare, HIMSS believes the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and subsequent updates cover privacy, disclosure, and consent standards that should be applied to evolving AI technologies.
- Accompanying standards should support the capacity of individuals to restrict the sharing of personal confidential information.

Public policy frameworks should facilitate the consensus-based development and harmonization of standards to ensure AI technologies can appropriately exchange data and learn across different healthcare systems using different technologies and be safely integrated the exchanged information into existing clinician workflows.

- Standards should be promulgated through the regulatory process to ensure consistent adoption by software developers.
- Public policy frameworks should require that AI data governance and stewardship models are developed and regularly updated to promote the authorized use and disclosure of data.
- The framework should account for use case fidelity and model development, monitoring, and operations.
- **Data governance and stewardship models should incorporate guidelines for national data-sharing and consider the varying data protection laws across countries.**

AI that is utilized to determine access to healthcare benefits should not restrict access based on protected characteristics, including but not limited to:

- people with limited English proficiency
- people of ethnic, cultural, racial, or religious minorities
- people with disabilities
- people who identify as lesbian, gay, bisexual, or other diverse sexual orientations

- people who identify as transgender and other diverse gender identities
- people living in rural communities
- people otherwise adversely affected by persistent poverty or inequality.

In conclusion, HIMSS' Global AI Policy Principles recommend that clinical decisions involving or influenced by AI/ML should be made collaboratively between humans and technology, to the extent necessary to preserve patient autonomy and comfort and improve clinical care outcomes. Providers should use tools that are determined safe and appropriate by governing bodies to provide the highest quality clinical care, including AI-enabled systems. If fully autonomous systems that make independent decisions in patient care will be used, patients should be informed prior to receiving care enabled by these systems.

Thank you very much for the opportunity to testify. I welcome any questions from the Committee.

House Communications and Technology Committee

Michael Humphreys, Insurance Commissioner

Testimony on HB 1925

December 15th, 2025

Good morning Chair Ciresi, Chair Ortitay, and members of the committee. My name is Mike Humphreys, and I serve as Pennsylvania's Insurance Commissioner. I want to thank you for inviting the Pennsylvania Insurance Department ("PID" or "The Department") to offer remarks on House Bill 1925, which deals with the use of artificial intelligence (AI) in health care and health insurance. My comments will focus on the use and regulation of AI in the health insurance industry.

The insurance industry is constantly changing to adapt to technological advances. Many insurers are undertaking digital transformations to incorporate emerging technologies, like AI, into their business practices. This enables insurance companies to provide consumers with innovative products and improved consumer interfaces that promote efficiency and accuracy. Insurers deploy AI across all stages of the insurance life cycle, including product development, marketing, sales and distribution, underwriting and pricing, policy servicing, claim management, and fraud detection. While the Department lauds technological advancements, the Department expects insurers to incorporate these advancements responsibly. Incorporating these technologies can present unique risks to consumers, including the potential for inaccuracy, unfair discrimination, data vulnerability, and lack of transparency.

In 2023, the National Association of Insurance Commissioners (NAIC) adopted a Model Bulletin after extensive engagement with consumer representatives, insurers, and insurance producers, among others. Pennsylvania adopted the NAIC Model Bulletin as Notice 2024-04 on April 6, 2024. As of October 31, 2025, 25 states have adopted some version of the Bulletin.

The Bulletin was intended to ensure that insurers are aware of the regulators' expectations as they relate to how AI systems should be governed and managed and to confirm that existing insurance laws and regulations apply to insurers' use of AI. The Bulletin includes recommended best practices for how insurers obtain, develop, and use certain AI technologies and systems, and advises insurers on how to make informed decisions on the use of AI in a manner that does not conflict with the Commonwealth's existing laws and regulations. It also advises insurers of the kinds of information and documents that the Department may ask for during an investigation or examination.

In addition to the 25 states that adopted some version of the Bulletin, several other states have chosen to incorporate the NAIC recommendations into their regulatory or statutory framework. For example, New York and Colorado enacted measures to prohibit insurers from utilizing AI technology in a way that unfairly discriminates against or otherwise harms consumers. In July of 2024, New York adopted Circular Letter No. 7, which governs the Use of Artificial Intelligence Systems and External Consumer Data and Information Sources in

Insurance Underwriting and Pricing. Colorado (SB 21-169 of 2021) prohibits insurers from using any external consumer data and information source, algorithm, or predictive model concerning any insurance practice that unfairly discriminates against an individual based on race, color, national or ethnic origin, religion, sex, sexual orientation, disability, gender identity, or gender expression. Under Colorado law, each company must submit an attestation from its Chief Risk Officer that certifies the company has implemented a risk management framework. Colorado continues to implement its legislation through the regulatory process.

As Chair of the NAIC's Working Group on Big Data and Artificial Intelligence, I am committed to guiding the Working Group in its efforts to understand and promote effective regulation of the use of AI in the insurance industry. The Working Group has continued its hard work since I was last before the House Insurance Committee in October of 2024. At that time, we were in the process of examining how health insurers use AI. This effort followed similar studies of the homeowners, private passenger auto, and life insurance industries. In May of this year, the Working Group released a 226-page report on health insurers' use of AI and a summary document of our findings. PID is glad to make that information available to the Committee, but I'll share a few highlights here:

- 92 percent of reporting companies (86 out of 93 companies completing the survey) indicated that they use, plan to use, or plan to explore using AI or machine learning (AI/ML) in business operations.
- Only seven companies that completed the survey indicated that they had no plans to use or explore the use of AI/ML.
- Health insurers indicated that they most commonly use AI/ML in strategic operations (79%), utilization/severity/quality management (70%), fraud detection (70%), and sales & marketing (70%).

After issuing the report, I issued a Request for Information seeking feedback from stakeholders on whether a NAIC model law would help move the national discussion forward. We received feedback from stakeholders across the healthcare spectrum – including health advocacy groups, such as the Leukemia and Lymphoma Society (LLS), hospital associations like the American Hospital Association, provider associations such as the Emergency Department Practice Management Association, and carrier trade associations such as the Blue Cross Blue Shield Association (BCBS), and the America's Health Insurance Plans (AHIP).

While feedback on the development of an AI Model was mixed, the comments offered a clearer picture of how providers and carriers utilize AI in the insurance cycle. For example, one group cited their support of the development of a model law to create a regulatory floor across states, thus promoting fairness and transparency for both consumers and industry. They went on to state that the model should focus on areas like prior authorization and utilization management. The conversation then pivoted to the carrier side, with America's Health Insurance Plans (AHIP) and BlueCross BlueShield Association (BCBSA), the national trade associations representing the health insurance industry generally and BlueCross and BlueShield plans specifically.

The health insurance trade association representatives suggested that the discussion of a model law was premature, while they expressed support for the Model Bulletin and scope of existing state laws and regulations. The representatives also discussed a recent announcement where BCBSA and AHIP members committed to streamlining prior authorization processes to improve patient care and remove administrative burdens. Randi Chapman, who represents the BCBSA, said that member companies affirmed that requests not recommended for approval based on clinical reasons will continue to be reviewed by medical professionals before potentially being denied. According to Chapman, the BCBSA recognizes the risk to patients if AI is overused in decision-making, and its member companies have made the decision not to make denial determinations without review by a human clinician with the appropriate expertise. The BCBSA believes that by using AI to assist, not replace, human reviewers, health plans are able to make the process faster, more accurate, and less burdensome for providers and patients. There are plans that use AI in the approval process to help ensure that patients receive results faster, more accurately, and in a less burdensome way.

In examining the existing legal standards surrounding the regulation of insurers, I would like to take this opportunity to highlight Pennsylvania's bipartisan Act 146 of 2022, which provides for updates to the prior authorization review process. The law states that:

> "Other than an administrative denial of a prior authorization request, a request for prior authorization may only be denied upon review by either of the following:
>
> (i) a licensed health care provider with appropriate training, knowledge or experience in the same or similar specialty that typically manages or consults on the health care service in question; or
>
> (ii) a licensed health care provider, in consultation with an appropriately qualified third-party health care provider, licensed in the same or similar medical specialty as

> the requesting health care provider or type of health care provider that typically manages the covered person's or enrollee's associated condition. Any compensation paid to the consulting health care provider may not be contingent upon the outcome of the review."

Consistent with the Bulletin, trade representatives' comments before the NAIC, and Act 146, we interpret this to mean that insurers may not deny prior authorization requests without involving a human being in the review process, which is consistent with the provisions in HB 1925.

The Department believes that several of the provisions of HB 1925 could be beneficial. We appreciate the requirement that insurers shall disclose to both in-network providers and insureds if they are using or will use AI-based algorithms in the utilization review process. This is a critical provision for transparency and consumer protection. We also appreciate the reporting requirements, as many of the suggestions are consistent with the Model Bulletin. The requirement to report to the Department a summary of the function and scope of the AI-based algorithms used for utilization review will provide PID with a clearer understanding of how insurers are utilizing this technology. Furthermore, we appreciate the inclusion of language that requires a healthcare provider to review individual clinical records and other relevant information before making any AI-assisted decision to deny, reduce, or terminate benefits for a healthcare service. This is consistent with existing state law, and we support its inclusion here.

The Department understands AI will likely play a critical role in the insurance industry and insurers may employ it in ways that can benefit consumers and streamline processes. PID encourages the development and use of AI systems that contribute to safe and stable insurance operations. Insurers that use AI are expected to develop, implement, and maintain written policies for the responsible use of AI systems. Insurers should design any systems to mitigate the risk of adverse consumer outcomes and maintain stringent internal governance controls that protect consumers' data, even if the AI system is developed by a third party.

HB 1925 includes a provision that would have contractors and vendors of an insurer be subject to the requirements of the bill. We respectfully suggest that that provision is misplaced in a law directed toward insurers, though we would welcome a discussion on how to appropriately regulate third parties. The Department does not regulate entities that supply AI algorithms or services, just as it does not regulate a myriad of other entities that contract with insurers. It is incumbent on each insurer to assure that it complies with any given law, whether the insurer performs the service directly or contracts with another entity

to provide that service. This principle applies whether the contractor or vendor provides algorithms, software, claims processing, or any other service. In addition to modifying or removing that provision, the Department would suggest a few technical edits and offers to work with the Committee to address them. Those edits would include, for example, clarifying that MA and CHIP managed care plans are subject to enforcement through their agreements with the Department of Human Services, not through the Unfair Insurance Practices Act; and to remove from Title 40 (Insurance) of the Pennsylvania Consolidated Statutes the provisions related to AI use by MA or CHIP MCOs, as neither MA nor CHIP is insurance, but rather, both are programs administered by the Department of Human Services.

The Department appreciates the introduction of HB 1925 and the opportunity to further engage on insurers' use of AI technology. Several concepts in the bill are key to developing any comprehensive strategy to regulate AI, including transparency surrounding any AI-based processes used by insurers and requirements for documentation of insurers' internal processes.

The provisions of HB 1925 are consistent with some of the themes that the NAIC Working Group is developing in a draft Systems Evaluation Tool. This tool, which is a series of exhibits that state regulators may use to better understand and evaluate an insurer's use of AI—and identify risk—is in the final stages of a public drafting process that incorporated feedback from many stakeholders. At last week's NAIC Fall National Meeting, the Working Group spent four hours working through the second version of this tool with the goal of piloting it in a number of volunteering states in 2026.

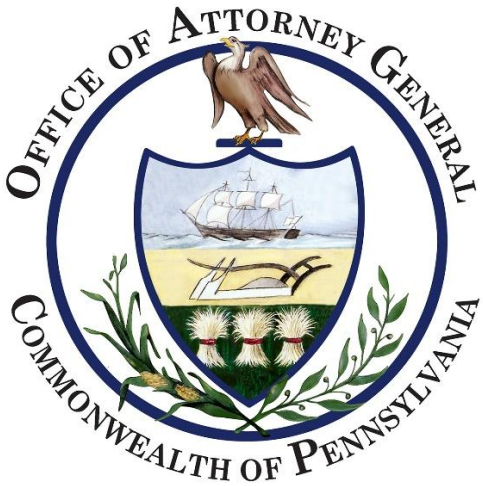
The Department, along with other states and the NAIC itself, continues to navigate the ever-changing regulatory landscape and challenges surrounding the use of AI and Machine Learning in the insurance industry. PID remains committed to striking the appropriate balance between encouraging innovation while maintaining the strong consumer protections embedded in our regulatory system.

Again, thank you for the invitation to engage on this important issue. The Department is open to further conversations and looks forward to a productive dialogue during and after today's hearing.

Sincerely,

Michael Humphreys

PA Insurance Commissioner



Testimony of the

Office of Attorney General

Health Care Section

Ester Blair, Esq, CIPP/US

Senior Deputy Attorney General

Elizabeth Oquendo, Esq, MBA

Senior Deputy Attorney General

Public Hearing Before the House

Communications and Technology Committee

December 15, 2025

Room 140, Main Capitol Building

Harrisburg, PA

Thank you, Chairman Ciresi, Chairman Ortitay, Representative Venkat and committee members for inviting us to speak today about House Bill 1925, an Act amending Titles 35 (Health and Safety) and 40 (Insurance) of the Pennsylvania Consolidated Statues, providing for artificial intelligence in facilities, for artificial intelligence use by insurers and for artificial intelligence use by MA or CHIP managed care plans; imposing duties on the Department of Health, the Insurance Department and the Department of Human Services; and imposing penalties.

The mission of the Health Care Section of the Pennsylvania Office of Attorney General is to safeguard the rights of all Pennsylvanians to receive fair, equal and adequate healthcare. We advocate on behalf of Pennsylvania consumers who have issues with health care providers, pharmacies, insurers and medical equipment manufacturers and we work to protect the privacy rights of Pennsylvania health care consumers. The Health Care Section enforces the Unfair Trade Practices and Consumer Protection Law, 73 P.S. §§ 201-1, et seq. ("UTPCPL"), the Health Insurance Portability and Accountability Act ("HIPAA") of 1996, PL 104-191, as amended by the Health Information Technology for Economic and Clinical Health Act ("HITECH"), passed as part of American Recovery and Reinvestment Act of 2009 ("ARRA"), PL 111-5 (collectively "HIPAA/HITECH") and its implementing regulations at 45 C.F.R. § 160 *et seq*. and Pennsylvania's Breach of Personal Information Notification Act, 73 P.S. §§ 2301, *et seq*. ("BPINA"), as well as other consumer protection statutes.

The Office of Attorney General's authority to protect consumers is rooted in the *parens patriae*[1] duty of the Commonwealth to protect the health, safety and welfare of all Pennsylvanians. This responsibility is delegated, in part, to the Attorney General by the Commonwealth Attorneys Act, which designates the Attorney General as the chief law enforcement officer of the Commonwealth, 71 P.S. §§ 732-204(a), and empowers the Attorney General to administer provisions relating to consumer protection under the Administrative Code of 1929, 71 P.S. §§ 307-1 to 307-6.

Attorney General Dave Sunday has made health care accessibility a top priority of his administration. In the face of potential federal bans on state regulation of AI, General Sunday has recently led bipartisan coalitions of Attorneys General to ensure that states have the ability to manage the growing role that Artificial Intelligence plays in our lives through legislation and regulation. General Sunday believes that with an issue as complicated and fast moving as AI that the states play an essential role in protecting those we serve from some of the dangers of this powerful new tool at our disposal in health care and in many other sectors.

The Health Care Section accepts complaints from health care consumers. Our agents attempt to resolve these complaints through mediation between consumers and the health care entities involved. In 2024, our agents opened 3,404 new complaints and saved consumers $1,548,982.38 after successful mediation. Through these complaints, the Health Care Section often learns of issues impacting Pennsylvanians as they happen.

[1] *Parens patriae* is the power of the state to protect the health and welfare of the people. BLACK'S LAW DICTIONARY (12th ed. 2024).

Our office regularly receives complaints regarding the denial of coverage for insurance claims by insurers. We have seen concern from consumers that Artificial Intelligence ("AI") may be used to deny claims erroneously or unfairly.

AI offers tools to health care providers, health insurers and managed care plans that improve health care access, delivery and outcomes for patients. For example, the recent development of a deep learning AI model to predict which patients are most at risk of sepsis, a major cause of death, has been shown to reduce mortality by 17 %.[2] It is important that health care systems and insurers have access to AI tools and innovations such as this that benefit all Pennsylvanians.

However, there is potential for AI tools to lead to adverse patient outcomes, to produce erroneous recommendations or to limit healthcare access for certain groups. There are some checks on the use of AI in place through existing legislation. For example, for entities that receive Federal financial assistance, Section 1557 of the Affordable Care Act, 42 U.S.C. § 18116(a), prohibits discrimination in health programs or activities on the basis of race, color, national origin, sex, age, or disability. Current federal regulations make explicit that this prohibition extends to the use of AI by such health care organizations and insurers, 45 C.F.R. § 92.210(a). The regulations clarify that entities have a duty to make reasonable efforts to determine whether their AI tools use protected traits as variables, 45

[2] Aaron Boussina, Supreeth P. Shashikumar, Atul Malhotra, *et al.*, *Impact of a Deep Learning Sepsis Prediction Model on Quality of Care and Survival*, NPJ DIGIT. MED. 7, 14 (2024), https://doi.org/10.1038/s41746-023-00986-6.

C.F.R. § 92.210(b) and, if they do, to mitigate the risk of discrimination, 45 C.F.R. § 92.210(c).

The protections of Section 1557 do not extend to health care entities that receive no Federal financial assistance, such as physicians who do not accept Medicaid. They also do not reach the potential for error in AI tool recommendations. House Bill 1925 addresses these outstanding concerns. The Bill proposes guardrails that will guide the use of AI while protecting healthcare consumers and allowing for the innovation and efficiency that AI tools can provide. The Health Care Section supports the Bill's plan to regulate the potential of AI tools to create erroneous information, through hallucination or other mechanisms, or to make recommendations that result in bias or discrimination among patients. We agree that any recommendations made by AI tools should be reviewed by a competent human to provide an important check on machine-based decisions.

The Health Care Section suggests that House Bill 1925 could be strengthened by adding some additional provisions that center on coordination of regulatory guidance and rulemaking, ensuring consumer privacy rights are protected, and recognizing the Office of Attorney General's enforcement authority to protect consumers. First, the Office of Attorney General believes that regulations or guidance promulgated by the Department of Health, Department of Insurance and Department of Human Services, should have some congruence. While we recognize that these three agencies have jurisdiction and specialized knowledge as relates to the entities they regulate, collaboration among the three Departments in developing and promulgating regulations would be beneficial so that

there is uniformity and consistency in the understanding of requirements for the use of AI for health care entities, consumers and state agencies.

Second, regulations and guidance developed should also address the need to protect the privacy of health care data, should limit the use of data collected to its intended purpose, and should ensure that AI tools have adequate safeguards in place to ensure the confidentiality and integrity of health care data. It is important that health care entities recognize and implement the existing regulatory requirements relating to health data privacy and security.

The HIPAA/HITECH regulations require that covered entities[3] notify consumers of the types of uses and disclosures of protected health information[4] that covered entities make. 45 C.F.R. § 164.520(a); 45 C.F.R. § 164.502(i). This includes consumers' right to know that their protected health information is being processed using an AI tool for treatment, payment or operations purposes. 45 C.F.R. § 164.506(a). When covered entities are using protected health information to train AI models, they must obtain a written authorization from the consumer. 45 C.F.R. § 164. 508(a).

If a covered entity engages a vendor or business associate[5] to perform a function that involves the use or disclosure of protected health information, it must obtain

[3] A covered entity is a health care provider, a health care clearinghouse or a health care plan that transmits any health information in electronic form in a covered transaction. 45 C.F.R. § 160.103.
[4] Protected health information is individually identifiable information that is created or received by a covered entity relating to the past, present or future physical or mental health condition of an individual, or the provision of health care to an individual, or payment for the provision of health care for an individual. 45 C.F.R. § 160.103.
[5] A business associate is a person or entity, other than a member of the covered entity's work force, that creates, receives, maintains or transmits protected health information on behalf of, or provides services to, a covered entity. These services include payment or health care operations activities such as claims

satisfactory assurances that the business associate will appropriately safeguard the protected health information in accordance with the HIPPA/HITECH regulations, 45 C.F.R. § 164. 502(e), will limit the business associates' use of the information to the minimum necessary, 45 C.F.R. § 164.502(b), and will enter into a contract that contains the specific provisions detailed in 45 C.F.R. § 164.504(e).

The use of AI vendors to process large amounts of protected health information introduces additional risk that protected health information held by covered entities may be impermissibly disclosed. Over the past few years, the number of reported health care breaches occurring at the business associate level has increased dramatically. For example, in 2023, the *HIPAA Journal* reports that, "more than 93 million healthcare records were exposed or stolen in data breaches at business associates compared to 34.9 million records in breaches at healthcare providers." [6]

The use of AI learning models with health care data introduces novel risks. For example, adversarial attacks may be used to induce tools to disclose health care data used to train the model or to induce models to make incorrect predictions, if there is not adequate data safeguarding in place.[7] When permitting AI tools access to large volumes of patient data, covered entities must take these risks into account and ensure that adequate

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processing or administration, data analysis, processing or administration, utilization review, quality assurance, patient safety activities, billing, benefit management, practice management, repricing, legal, actuarial, accounting, consulting, data aggregation, management, administrative, accreditation or financial services. 45 C.F.R. § 160.103.

[6] Steve Adler, *Healthcare Data Breach Statistics*, HIPAA JOURNAL (October 26, 2025), https://www.hipaajournal.com/healthcare-data-breach-statistics.

[7] Sarfaz Brohi and Qurat ul-ain Mastoi*, AI Under Attack: Metric-Driven Analysis of Cybersecurity Threats in Deep Learning Models for Heatlhcare Applications,* ALGORITHMS, 18(3), 157 (2025), https://doi.org/10.3390/a18030157.

safeguarding standards are implemented to protect the data. For this reason, the Office of Attorney General suggests that House Bill 1925 include a reference to HIPAA/HITECH regulations to reinforce the need for covered entities and business associates to consider risk and protection of the confidentiality, integrity and availability of health data when using AI tools.

Third, House Bill 1925 currently provides for oversight and enforcement through reporting, attestations, and the imposition of corrective action plans and penalties by the Departments of Health, Insurance and Human Services. The Office of Attorney General suggests that the Bill could be strengthened by including an explicit recognition of the existing enforcement authority for the Office of Attorney General, in its capacity as the consumer protection advocate for Pennsylvania's health care consumers. The Office of Attorney General has the power to seek civil penalties and injunctive relief on behalf of impacted consumers through our Unfair Trade Practices and Consumer Protection Law.[8] We suggest that explicit recognition of this enforcement power in House Bill 1925, making actions that violate the Bill *per se* violations of the UTPCPL, could add to and strengthen the provisions of the regulatory enforcement power granted to Departments of Health, Insurance and Human Services, and help to prevent, address or provide restitution for any harm consumers may experience from the misuse of AI by health care entities. For example, if consumers were to experience significant denials of insurance coverage based on erroneous or biased algorithms, the Office of Attorney General could take legal action

[8] 73 P.S. §§ 201-4; 201-4.1

under the UTPCPL to prevent the further use of such algorithms and obtain restitution for impacted consumers. We envision this legislative recognition to serve as a parallel enforcement mechanism to those extended to the Departments of Health, Insurance and Human Services by the Bill.

The Health Care Section of the Office of Attorney General has significant experience taking action to support Pennsylvania's health care consumers. Our office currently enforces the HIPAA/HITECH regulations, [9] BPINA, and the UTPCPL. We welcome the opportunity to work with the Departments of Health, Insurance and Human Services to provide any requested input in the development of implementing regulations and guidance under the Bill and in bringing enforcement actions when necessary to resolve violations of AI guardrails.

We appreciate the opportunity to share our thoughts and are grateful to Representative Venkat, his team and this Committee for their thoughtful and collaborative approach to ensure that Pennsylvania's health care consumers have necessary protections in place when AI is used in making health care decisions or coverage determinations. We also believe this legislation can help to provide a roadmap for appropriate guardrails in the use of AI tools in areas in other sectors. The Office of Attorney General recognizes that additional legislation is needed to support transparency, human decision making, and accountability in AI in addition to existing laws on safety, privacy, and

[9] Under section 13410(e) of the HITECH Act, state Attorneys General share concurrent enforcement power of HIPAA/HITECH with the U.S. Department of Health and Human Services, Office for Civil Rights.

bias and supports House Bill 1925's approach to regulation, which balances the benefits of AI with the need to protect Pennsylvanians.

December 15, 2025

Testimony Delivered by:
Jess Boyle, Senior Director of Digital Care Transformation
Children's Hospital of Philadelphia

HB: 1925 Regulation of the Use of AI in Healthcare

Chair Ciresi, Chair Ortiray, and Members of the House Communications and Technology Committee,

Thank you for the opportunity to testify on House Bill 1925, which would regulate the use of artificial intelligence in healthcare. My name is Jess Boyle, and I am Senior Director of Digital Care Transformation at Children's Hospital of Philadelphia.

On behalf of CHOP's clinical, informatics, and compliance leadership, we appreciate Representative Venkat's leadership and the bill's goals of patient protection, transparency, and responsible innovation in AI. My testimony today outlines recommendations that are intended to align the bill with the operational realities of health systems while maintaining strong safeguards for patients.

First, we recommend refining the definition of "artificial intelligence".
Given this is a fast-moving field and that new foundation models and techniques are emerging, we recommend defining AI by category of use within the healthcare setting rather than by technical implementation of the algorithms or data inputs/outputs.

By focusing on the categories of use, the legislation can clarify which low-risk activities are exempt from oversight and which high-risk activities should be the focus. A functional definition—e.g., clinical decision-support, administrative automation, communication aids, risk prediction, radiology or pathology image analysis, etc. — will ensure the statute remains technology-neutral and future-proof.

We recommend excluding validated and longstanding technologies (such as AED devices or EKG devices that provide an "interpretation"), rule-based algorithms (such as decision-support logic in the EHR), and low-risk tools (medical calculators, AI-enabled reference materials/search tools), from the statutory requirements.

Second, we recommend clarifying institutional responsibility.
Health systems cannot assume liability for the technical provenance, model training, or fine-tuning of third-party AI products. This is both technically infeasible and contractually prohibited. A health system would not, for example, have access to the training or performance data of a commercial AI algorithm, nor would a vendor disclose those details as they represent the intellectual property and competitive advantage of that product. We suggest clarifying that facilities are responsible for establishing internal review and governance processes, but not for validating source code, model weights, or datasets owned by vendors.

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Third, we recommend emphasizing governance and oversight rather than technical attestation. We support the intent to require accountable oversight but recommend focusing the compliance obligations on process-based enterprise governance—for example, attesting that the health system maintains a multidisciplinary AI committee (analog to a hospital's Therapeutic Standards Committee or Quality Assurance Committee) to oversee AI use. This approach ensures safety and fairness without imposing unattainable technical certification requirements.

Fourth, we recommend calibrating disclosure obligations. CHOP supports transparency when AI is used in patient-facing applications. We suggest distinguishing between legally required disclosures—such as when patient voice or image data are recorded or used for secondary purposes—and recommended transparency disclosures for clinician-reviewed tools. This tiered approach balances patient awareness with operational feasibility. We support the exclusion of disclosure for low-risk use cases (such as draft communications that are reviewed by a human, AI chart summarization features, AI-powered workflow aids). These exclusions can and should be enumerated in section 3501 ("Definitions").

Finally, CHOP recommends including language focusing on the need for sound compliance processes. For example, "A facility shall establish policies and procedures for implementing, using and monitoring artificial intelligence and a governance structure to manage responsible use of artificial intelligence-based algorithms within the facility."

Conclusion

CHOP applauds your proactive attention to the emerging governance of AI in healthcare and would welcome continued dialogue as HB 1925 evolves.

Thank you for your leadership and for the opportunity to share this perspective today. You may reach me at boylej4@chop.edu

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House Communications & Technology Committee
Public Hearing on HB 1925
Artificial Intelligence in Health Care
Monday, December 15, 2025

Testimony of:
David Vega, MD, MBA
Senior Vice President, WellSpan Health
and Chief Medical Officer, WellSpan Medical Group

Thank you to Chairman Ciresi, Chairman Ortitay and the Members of the House Communications & Technology Committee. I very much appreciate the opportunity to provide testimony today regarding Regulating the Use of Artificial Intelligence in Healthcare.

My name is Dr. David Vega, I am Senior Vice President and Chief Medical Officer at WellSpan Health. Every day, WellSpan's 23,000 team members live our vision to be a trusted partner, to reimagine health care and to inspire health. We believe that high quality health care should be simple, personal, affordable and accessible for everyone.

At WellSpan Health, we believe the future of healthcare is being shaped by innovation—and artificial intelligence is at the heart of that transformation. We are strategically deploying AI to solve some of the most pressing challenges in healthcare: workforce shortages, clinician burnout, and the growing complexity of patient needs. We are enhancing efficiency and improving clinical outcomes with a focus on what matters most—meaningful interactions with patients.

We believe it is essential to take a balanced, principled, and patient-first approach to AI in healthcare—one that safeguards safety and privacy while enabling innovation to improve outcomes and enhance the human experience of care.

This marriage of human expertise with technology is already saving and changing lives.

Our goals include: expanding access to care, improving affordability, reducing practitioner burnout and workplace inefficiencies, and enhancing patient experience and outcomes.

Our view is that we're not just solving today's problems. We're building the foundation for a healthcare system that can truly serve our communities for decades to come.

Improving Patient Care & Outcomes

AI is improving patient care and outcomes in ways that were unimaginable just a few years ago. At WellSpan, we are leveraging advanced tools like AI-powered diagnostics for imaging and radiology to transform diagnostic speed and accuracy.

This extra set of eyes, powered by AI, can mean faster and more accurate diagnosis for patients.

Our radiologists can now review scans 81% faster and flag abnormalities that might otherwise be missed by the human eye. In the past year alone, 5,500 patients benefited from earlier diagnoses, leading to faster treatment and better outcomes.

Last year, our AI-powered diagnostics analyzed over 200,000 imaging studies, identifying more than 10,000 potentially critical findings, including pulmonary embolisms, brain hemorrhages, and strokes.

Over 96% of these alerts reached radiologists in under three minutes, accelerating life-saving interventions.

Our brain aneurysm module alone escalates 22 additional cases each month, enabling more timely intervention and preventing catastrophic outcomes.

With these AI-powered diagnostic tools, we've seen an up to 65% reduction in wait time for analysis and prioritization of outpatient cases with critical findings and eliminated more than 900 hours of unnecessary delays in delivering critical diagnoses. This ensures that urgent findings reach the right clinician without delay, whether that's in the ER or in outpatient settings

For WellSpan's radiologists—who interpret thousands of scans a year—this isn't just support, it's better care. AI augments their expertise for higher quality patient care and safety, greater accuracy, and a better work experience.

These are not abstract numbers—they represent real lives saved and families kept whole.

Workforce

The very core of our mission is to serve our communities. Financial sustainability pressures and workforce challenges can jeopardize hospitals and healthsystems' ability to serve their communities. At this critical inflection point, we need a fundamental transformation in healthcare delivery – where high-quality care is accessible, affordable, and personalized.

Artificial Intelligence and advanced technologies are not just optional enhancements on this journey; they are essential tools unlocking a new wave of capabilities that will redefine the future of healthcare delivery. These innovations are enabling us to address systemic challenges that traditional approaches simply cannot solve.

Some of the most pressing problems hospitals and healthsystems are experiencing today are workforce shortages, turnover, and burnout. To illustrate, Pennsylvania alone faces an estimated shortage of 20,000 nurses. This is not a temporary challenge—it is a permanent workforce gap that demands innovative solutions.

AI is helping us reclaim human capacity at scale. This year alone, we are on track

to recover 400,000 hours of clinician time—time that can be redirected from administrative tasks to direct patient care. This is not about replacing people. It is about empowering them to do what they do best: care for patients.

And we are seeing outstanding results……

AI helps us mitigate burnout and turnover by reducing documentation burdens and streamlining workflows. For example, our ambient listening technology that converts patient provider conversations into clinical notes and allows providers to see up to three more patients per day while reducing stress and evening paperwork and enhancing efficiency and patient interactions.

Ana, our AI powered clinical assistant manages more than 140,000 patient calls per month, engaging in over 5,000 hours of conversation each month. Over the next year, we will continue increasing our monthly hours with a goal of 20,000 hours per month through expanded activities that include delivering normal mammogram results and scheduling of primary care appointments. At our call centers, hold times and abandoned call rates have dropped dramatically, supported by Ana's handling of more than 2 million conversations in multiple languages.

WellSpan's Smart Hospital platform enables virtual observers to monitor multiple patients and quickly identify those at risk for falling or injury effectively extending the capabilities of bedside nurses and nursing assistants and improving patient safety.

Considerations for HB 1925

Finally, as this committee and the legislature consider House Bill 1925 for a legislative and regulatory framework for the use of AI in healthcare, we'd like to thank Dr. Arvind Venkat for his work on this legislation and his willingness to hear and implement feedback from stakeholders.

I'd like to address three of the key focus areas of the legislation; transparency and disclosure; ensuring meaningful human involvement in clinical decision-making; and eliminating bias.

First, disclosure and trust are paramount. Every AI solution we deploy is secure, clinically validated, and transparent. Patients and providers deserve to know how these tools work and why they're used.

Technology adds tremendous value, but it can never replace empathy, expertise, and judgment. That's why at WellSpan, we ensure a human is in control in any diagnostic or treatment use of AI and every solution we design is human-centered—built to serve patients and clinicians, not the other way around. By co-designing with frontline teams and patients and embedding human-centered principles, we ensure technology strengthens—not diminishes—the human connection at the heart of healthcare.

Thirdly, AI helps us reach underserved communities and patients who might otherwise fall through the cracks. Many of those served have often experienced a lack of access to healthcare because of a language barrier. When utilizing our multi-lingual AI care assistant, Ana, our Spanish-speaking population requested at-home colon cancer screening kits nearly three times more often than English speakers.

We would like to share some additional thoughts for consideration:

First, regulations governing AI in healthcare must remain adaptable to keep pace with rapid innovation. Flexibility is essential to ensure hospitals and clinicians can safely leverage these technologies for the benefit of patients.

Striking the right balance is critical—unlocking AI's potential while managing the risks that come with deploying powerful tools. Risk should be viewed on a continuum, with oversight calibrated to the level of impact and complexity of each application.

AI is not a single, uniform technology. A one-size-fits-all regulatory approach could stifle innovation and fail to address the unique safety and privacy challenges in healthcare. Tailored, risk-based frameworks are key to fostering progress while protecting patients.

Closing

AI is not just a technological upgrade—it is a life-saving innovation. These results demonstrate what is possible when we embrace advanced tools to strengthen the human connection at the heart of healthcare.

Ultimately, the organizations that will lead healthcare's future won't be those with the most advanced technology alone, but those that align people, process, and technology to deliver compassionate, personalized care. At WellSpan, that is our commitment.

Thank you for the opportunity to present remarks on behalf of WellSpan Health and for supporting policies that enable responsible, equitable, and innovative use of AI in healthcare. I am happy to answer any questions you may have at this time.

Respectfully Submitted,

David Vega, MD, MBA
Chief Medical Officer, WellSpan Medical Group
Senior Vice President, WellSpan Health
45 Monument Road
York, PA 17403

ataACTION
Telehealth Policy to Transform Healthcare

December 10, 2025

The Honorable Joe Ciresi
Chair, House Communications & Technology Committee
P.O. Box 202146
Harrisburg, PA 17120-2146

The Honorable Jason Ortitay
Republican Chair, House Communications & Technology Committee
P.O. Box 202046
Harrisburg, PA 17120-2146

RE: ATA ACTION COMMENTS ON HOUSE BILL 1925

Dear Chairs Ciresi and Ortitay and members of the House Communications & Technology Committee,

On behalf of ATA Action, I am writing to provide comments for your consideration as you evaluate House Bill 1925 regarding the use of artificial intelligence (AI) in healthcare.

ATA Action, the American Telemedicine Association's affiliated trade association focused on advocacy, advances policy to ensure all individuals have permanent access to telehealth services across the care continuum. ATA Action supports the enactment of state and federal telehealth policies to secure telehealth access for all Americans, including those in rural and underserved communities. ATA Action recognizes that telehealth and virtual care have the potential to truly transform the health care delivery system – by improving patient outcomes, enhancing safety and effectiveness of care, addressing health disparities, and reducing costs – if only allowed to flourish.

As artificial intelligence has continued to become more refined, healthcare entities have begun to utilize this technology in many aspects of care delivery due to its potential to improve quality and service capacity at every state of the care journey. AI-powered technologies are being deployed to analyze data quickly and accurately to assist providers in making better informed decisions and identifying diseases earlier. AI is also helping healthcare entities streamline administrative tasks-- such as improving patient scheduling or medication refill requests--which frees up more time for patient care. Accordingly, legislators and regulators have begun to consider the proper guardrails for the use of AI in healthcare, allowing for increased innovation and efficiency while ensuring patient care is not compromised. With this in mind, in 2023 the ATA adopted AI Principles to help guide policies that enhance patient and provider trust, safety, and efficacy of AI adoption as a tool in healthcare, including in telehealth. We are currently in the process of updating these principles and would be happy to share the updated version with the committee when finalized.

We are grateful for the opportunity to testify before the committee and also want to thank Representative Venkat and the other sponsors for their openness to collaboration and consideration of our feedback, both before and after this bill was introduced. Our organization stands in support of the intent behind this legislation and believes this is one of the best state bills introduced around the country regarding the use of AI in healthcare. While the intent and introduced version of this legislation are strong, we believe that some amendments are necessary to provide further clarity for entities and providers, ensure that reporting requirements are not onerous or stifle innovation and to avoid unintended consequences. We look forward

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to working with the sponsors, committee and other stakeholders to refine this bill into its best form and we are grateful for your consideration of our comments.

Consideration of FDA Cleared Devices

As currently drafted, HB 1925 does not take into account FDA-cleared products, treating all products the same, which we believe is harmful to patient care. FDA-regulated digital therapeutics and AI tools are held to rigorous standards, including quality management systems, cybersecurity requirements and mandatory adverse event reporting, ensuring both safety and efficacy. Our organization represents Digital Therapeutics, which are clinically validated and FDA regulated Software as a Medical Device products that incorporate artificial intelligence and other technologies into treatments delivered to patients through phones, tablets, computers, and VR headsets. The FDA approved its first prescription digital therapeutic in 2017 and has since approved more than 20 through this rigorous review process under both the Biden and Trump administrations.

These products undergo clinical validation, are subject to pre- and post-market oversight and involve regulated healthcare practitioners as gatekeepers, protecting patients throughout the care process. In contrast, unregulated mobile health apps operate without these safeguards, rely only on general consumer protections, and may compromise patient data while making unproven health claims. Maintaining the distinction between regulated and unregulated products is essential to protect patients while allowing safe, evidence-based digital interventions to thrive. Indeed, given the existing federal oversight, Colorado's AI Act -- the country's first comprehensive AI law -- exempts high-risk AI systems already approved, authorized, or certified by the Food and Drug Administration (FDA).

To address this issue, we suggest adding the following language to § 3509. Exemption:

> *This chapter shall not apply to any artificial intelligence deployed in facilities that has been reviewed and cleared for use by the Federal Food and Drug Administration, or another federal agency tasked with approving artificial intelligence and artificial intelligence algorithms for use in health care.*

Allow Patients to Consent to the Use of Their Data

Our organization firmly believes in the importance of patient data privacy, and has published Health Data Privacy Principles accordingly. We are concerned that the current drafting of § 3503(b)(6) is too restrictive and neglects patient control over their own data. Patients should be able to provide affirmative and informed consent to the use of their data for research, development and improvement, as is currently allowed by prevailing health data privacy frameworks such as HIPAA. We suggest amending § 3503(b)(6) as outlined below to allow for patient control, through informed consent, over the disposition of patient information that they own.

> (6) Patient data must not be used beyond the intended and stated purpose of the artificial intelligence-based algorithms*, except as permitted by the patient through informed consent or as otherwise authorized under applicable Federal or State law. Use of de-identified or aggregate patient data for research, development, or improvement of artificial intelligence-based algorithms* shall be consistent with the laws of this

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Commonwealth and 42 U.S.C. Ch. 7 Subch. XI Part C (relating to administrative simplification), as applicable.

Clarifying Provisions Regarding Third-Party Vendors and Entities

ATA Action understands that the General Assembly's intent is to ensure that third party entities who sell, license, partner with or are contracted by healthcare facilities to develop or deploy AI systems meet the same standards and requirements as facilities. We believe this intent could still be captured, without creating entirely new jurisdiction for the DOH, by replacing § 3508 in its entirety and replacing it with the language below.

A facility utilizing, contracting or subcontracting a third-party vendor for the development or deployment of artificial intelligence-based algorithms or services based on artificial intelligence-based algorithms shall ensure that the third-party vendor complies with this chapter and shall include evidence of compliance in the compliance statement required by § 3504.

Commented [HY1]: Highlighted because I added it.

This ensures that vendor products and services in facilities will still meet the requirements of responsible use and compliance, wherein the facilities will require sub-certification or contractual requirements.

At a minimum, it is crucial that the term "third-party vendor" be defined in the bill as it us currently undefined. We submit the definition below for your consideration.

"Third-party vendor." A person or entity that makes an artificial intelligence system commercially available, whether by sale, license or other offering, for use by a facility."

Amending Reporting Requirements to Avoid Onerous Compliance Regimes

While we understand the intent behind the requirement to file annual reports to the Department of Health to ensure facilities are compliant with the provisions of this legislation, our organization believes that this annual requirement is overly onerous and instead would be better served through a compliance statement or attestation. This would require facilities to document their compliance program and have this information readily available for audit by the Department, without the tall task of an annual report. The annual report requirement would be particularly onerous for small provider groups or digital entities serving small, but crucial, client populations such as patients receiving treatment for opioid use disorder, reproductive health or mental health. These companies have small compliance teams and could opt against using innovative and beneficial AI systems in the healthcare setting, to the detriment of patients, in order to avoid expensive and onerous compliance regimes created by an annual reporting requirement. We have included suggested language below to amend § 3504 accordingly. Subsequently we suggest striking § 3505, Reports in its entirety as the affirmation in a compliance statement required in the amended § 3504(a) replaces the mandatory annual reporting requirement.

(a) Compliance statement required.--A facility using artificial intelligence-based algorithms for clinical decision making ~~shall annually file with the department in the form and manner prescribed by the department an artificial intelligence compliance statement.'~~ *shall establish and maintain an artificial intelligence compliance statement in*

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the form and manner prescribed in this section, which shall be produced to the Department within 30 business days upon request.

There are other details regarding the compliance statements that we also believe need to be amended for further clarity and to provide for intellectual property protection. § 3504(b)(2) should be tweaked to add "where applicable" to the end of the clause as not all artificial intelligence-based algorithms use logic or decisions trees. Furthermore, we believe common sense protections for facilities filing compliance statement should be put in place. This will ensure that facilities will not be placed at a competitive disadvantage from public release of proprietary information or from requirements of information release that may create a security risk. Below is proposed language amending § 3504(b)(2) regarding logic tress and a proposed new § 3504(b)(6) to address intellectual property protection respectively.

(2) Provide a logic or decision tree of artificial intelligence-based algorithms used for clinical decision making, *where applicable*.

(6) Nothing in this section shall require a facility to disclose any trade secret, information that could create a security risk, or any confidential or proprietary information.

Necessity for Further Clarity in the Definition of Clinical Decision Making

As currently drafted our organization believes the definition of the phrase "clinical decision making" is overly broad and undefined in § 3502(a). The inclusion of the language "other similar tasks" at the end of the definition will cause significant confusion and uncertainty for facilities. Either a task is clinical decision making or it is not. We encourage the committee to strike this undefined catch-all as outlined in the redline below.

(a) Duty to disclose.--A facility shall disclose to patients of the facility if artificial intelligence-based algorithms are or will be used for clinical decision making ~~or similar tasks~~.

Thank you again for your consideration of our proposed changes and for your commitment to a collaborative and robust legislative process. We reaffirm our support for the intent of this legislation and looking forward to continuing to work with the sponsor and the committee to improve it.

Thank you for the opportunity to comment and for your consideration of these important issues. As your committee considers this legislation the implications of AI regulations on healthcare entities, we are happy to serve as a resource. If you have any questions or would like to further discuss ATA Action's perspective on this critical issue, please contact me at hyoung@ataaction.org.

Kind regards,

Hunter Young

Hunter Young
Head of State Government Relations
ATA Action

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ataACTION
Telehealth Policy to Transform Healthcare

CC:
Representative Venkat
House District 30
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PACEP Artificial Intelligence in Health Care Testimony

PA House Communications & Technology Committee – December 15, 2025

Thank you for the opportunity to testify today on House Bill 1925. My name is Dr. Elizabeth Barrall Werley, and I serve as President of the Pennsylvania College of Emergency Physicians, or PACEP. PACEP is the statewide professional association representing nearly 2,000 emergency physicians, emergency-medicine residents and fellows, and medical students across Pennsylvania.

Since 1971, PACEP has served as "the voice of emergency medicine" in the Commonwealth, advancing quality emergency care and public health through physician advocacy, continuing medical education, public outreach, and support for EMS and hospital systems. I appear before you today on behalf of PACEP to express our strong support for HB 1925, which seeks to establish a responsible, transparent, and accountable framework for the use of artificial intelligence (AI) in healthcare in Pennsylvania, and specifically to highlight the critical importance of such a framework for emergency medical care.

The Emergency Department and the Role of AI

Emergency medicine is the front line of care for acutely ill and injured Pennsylvanians. In our hospitals and EDs, physicians care for patients whose conditions can deteriorate by the minute - patients for whom rapid, accurate diagnoses and timely treatment can mean the difference between life and death. In such a high-stakes, high-complexity setting, AI-enabled tools have extraordinary potential to *improve* patient care from more accurate interpretation of imaging, to decision-support for triage or resource allocation, to streamlined documentation that frees physicians to focus on patients.

At the same time, the stakes are too high, and the margin for error is too narrow, for complacency. Relying on opaque algorithms, or allowing AI to replace physician judgment, can expose patients to serious risk, particularly in emergencies where seconds matter. That reality makes the protections built into HB 1925 not only prudent, but essential.

Why PACEP Supports HB 1925

1. Transparency for Patients, Clinicians, and Insurers

HB 1925 requires clear disclosure when AI is used. This transparency is fundamental. Within clinical settings, patients deserve to know when AI tools may influence their care. Patients should be provided with reassurance that while AI tools may be utilized to support their care, medical decision making remains at the discretion of the care team.

Similarly, patients and physicians need to know when AI systems are being utilized by insurers for claim review, so that they can challenge recommendations or denials. Without this transparency, clinicians cannot meaningfully safeguard patients from flawed or biased outcomes.

2. Human Oversight and Preservation of Clinical Judgment

PACEP strongly supports the bill's requirement that AI remain a support tool, and not a substitute, for clinical decision-making. In clinical settings, physicians and other healthcare providers must retain final authority over diagnosis, treatment, and discharge decisions. Likewise, when insurers use AI, for

example in utilization review or coverage determinations, a licensed physician must independently review the full medical record before any denial, reduction, or termination of care.

Importantly, HB 1925 also incorporates a key clarification requested by PACEP: that disclosure is not required when a physician has personally reviewed AI-generated information and exercised independent clinical judgment. In the emergency department, where clinical decisions are made rapidly and continuously, requiring disclosure every time a physician references an AI-supported tool would be unworkable and could hinder timely care. The bill's exemption appropriately recognizes that AI used as part of a clinician's own professional judgment is fundamentally different from AI making decisions on its own, ensuring transparency where it matters while preserving the efficiency and responsiveness essential to emergency medicine.

3. Accountability and Oversight of AI Vendors and Systems
HB 1925 includes meaningful guardrails for AI design, deployment, and oversight, such as annual compliance reports; documentation of logic models and training data; bias-mitigation strategies; validation requirements; and statutory authority for oversight by the Departments of Health, Insurance, and Human Services. These provisions matter deeply because physicians and insurers increasingly use AI tools, many provided by third-party vendors whose workings may be opaque to front-line clinicians. Without accountability and transparency, physicians cannot assess whether a given AI system is safe, effective, or unbiased.

4. Thoughtful and Appropriate Scope — Avoiding Over-Regulation of Traditional Clinical Tools
HB 1925 thoughtfully distinguishes between adaptive, machine-learning–based systems, and traditional, validated static tools (e.g., medical calculators). The bill's exemptions for well-established clinical tools prevent unnecessary regulatory burden on every day, evidence-based clinical practice.

Additional Benefits of HB 1925 for Emergency Medicine
Beyond the protections laid out above, PACEP believes HB 1925 offers several broader advantages - especially in the context of emergency medicine:

- **Enhancing Patient Care and Safety:** AI can assist physicians, especially in the chaotic landscape of emergency medicine, by facilitating earlier detection of important patient historical elements, as well as laboratory or imaging results. With appropriate monitoring and regulation, the future of AI can continue to enhance the care provided in emergency departments across Pennsylvania.
- **Promoting Patient and Public Trust:** As AI becomes more common in care delivery, many patients may be unaware that aspects of their care are being influenced by AI. By ensuring transparency and human oversight, the bill helps maintain trust in emergency medicine and in the healthcare system as a whole.
- **Guarding Against Bias and Health Disparities:** Emergency departments often serve vulnerable populations, such as individuals with limited access to primary care, people with socioeconomic

PACEP Artificial Intelligence in Health Care Testimony

PA House Communications & Technology Committee – December 15, 2025

disadvantages, non-English speakers, and those with complex medical or social needs. Proper guardrails help ensure AI does not perpetuate or exacerbate inequities in care.

- **Establishing a Consistent, Statewide Framework:** Hospitals and health systems, insurers, and clinicians across Pennsylvania can benefit from clear, uniform standards. That consistency fosters responsible innovation while preventing a patchwork of conflicting or insufficient local policies.

Conclusion

As emergency physicians, PACEP members understand both the promise and the peril of artificial intelligence in medicine. We see opportunities for more efficient, accurate, and patient-centered care. But we also know that in the ED, decisions often come down to minutes or even seconds. With HB 1925, Pennsylvania has the opportunity to lead by embracing innovation while ensuring that AI augments, but does not override, physician judgment; by protecting patients from opaque, unaccountable systems; and by preserving the human, clinician-driven foundation of emergency medicine.

On behalf of PACEP and the nearly 2,000 emergency physicians we represent, I respectfully urge the Committee to support HB 1925. Thank you for the opportunity to testify today. I welcome any questions.

MAUREEN MAY, RN
Testimony on House Bill 1925
December 15, 2025

Good afternoon, and thank you, members of the Committee, for the opportunity to speak on behalf of patients and frontline caregivers in Pennsylvania.

My name is Maureen May. I have the honor of serving as president of the Pennsylvania Association of Staff Nurses and Allied Professionals, which represents 11,000 frontline healthcare professionals across the state. PASNAP was founded 25 years ago by nurses deeply committed to advancing patient-centered care and to safeguarding caregiver voices and protections – not just in our own hospitals or for our own members, but for every patient and every caregiver in Pennsylvania.

I have been a direct-care registered nurse for more than 40 years. In my time at the bedside, through the ravages of COVID, through the rapid corporatization of healthcare, PASNAP's commitment to patient-centered care has never wavered.

Patient care has evolved, of course. The tools around us have changed – but our commitment to our patients hasn't. And this is the lens through which bedside caregivers evaluate AI and it's why I'm here today.

Last week, ahead of my testimony, PASNAP surveyed our members about AI at the bedside. Individual replies varied by position and hospital, but there was one overwhelming theme: Healthcare workers are deeply concerned, profoundly distrustful, and **almost entirely shut out of decisions about AI at the bedside.**

A nurse who works in precertifications shared this: "The inservice regarding AI use was less than 1 hour, and no feedback has been requested since initiation of the new process, which could use dramatic improvement."

Minimal training. No checkbacks or regular evaluations. And no transparency whatsoever about how AI-driven systems in healthcare are working or not working. That's what our members are experiencing, and that isn't patient-centered care.

In healthcare, innovation has to serve caregivers and patients, not the bottom line. And technology has to support, not replace, clinical judgment.

The fact is, for some applications, like imaging and analysis, AI is very good – better than humans. But for many applications of AI in healthcare, AI has only an 80% success rate. That means AI gives the wrong result 20% of the time. We need to make sure that clinical personnel are ultimately in charge of making clinical decisions, ***even if AI is in the mix.***

This is why I'm here speaking in support of Rep. Vendkat's bill.

In our internal survey, **89% of respondents said they didn't trust our employers to implement AI with patient care and safety as the first priority.** One nurse wrote simply: “Hell no.”

This distrust isn’t theoretical. It comes from what we’ve already seen. When algorithmic acuity systems are used to assign staffing, they **consistently underestimate patient needs**. Every nurse who works with those systems said their clinical judgment does *not* match the computer’s assessment. Yet hospitals can use those flawed numbers to justify unsafe staffing.

Our members describe in-hospital transport systems that cannot recognize urgency, so a stat scan is treated exactly the same as a routine one – it just goes into a queue. Other members cite automated medication tools that slow down urgently needed meds because the machine won’t release them until it processes an order.

These systems don’t understand priority. They don’t get context.

They don’t recognize a crashing patient. They don’t know when a stat order should leap to the front of the line. And when something goes wrong, the liability falls on *us*—not the vendor, not the algorithm, and not the executive who bought the software.

I am not anti-technology, nor are my colleagues. Technology helps us every day, and allows us to practice at a higher level.

But as committed advocates for patients and frontline caregivers, we have a responsibility to look hard at how AI is being used in our hospitals, to evaluate claims that AI will enhance our bedside practice and improve the quality of patient care, and to actively protect our patients’ rights to one-on-one care, privacy, and safety.

When caregivers are removed from decisions regarding bedside innovation, it’s patients and caregivers who suffer. AI MUST be regulated, and challenged on an ongoing basis to make sure that it is learning and helping doctors and nurses and other caregivers, not hurting us. This has to happen both here in Harrisburg and at the bedside. We know from experience that we cannot rely on our employers to make sure this is happening in the right way.

If AI is going to be in healthcare — and it already is — frontline caregivers must be at the table and the state must back us up in protecting the privacy and care of all Pennsylvanians.

1) **Implementation and Ongoing Assessment.** We need to institute AI implementation teams at every healthcare institution to assess where and for whom AI should be deployed and assess its successes, and failures, on an ongoing basis. These teams need to assess, prior to implementation of AI:
    - Is AI appropriate in this setting and for these patients?
    - How is the system being piloted?
    - Is the staff training the system or is the system training the staff? Or both?

- What is the system's success rate? And who is caught up in the failure group? Are there systematic ways that the particular AI tool is negatively impacting a certain group?

2) **Training.** Caregivers who are being asked to use AI need to be trained on how the AI works in order to be able to assess how to incorporate it into their clinical thinking. Caregivers need to know, up front:
   - How the system was trained. What population was it trained on?
   - Is it a fixed model or can it learn?
   - What are the decision steps the AI performs? It – or is it just a "black box"? Black box systems should be avoided when it comes to diagnoses or assessments; it's critical that caregivers understand the basis upon which judgments are being made.
   - What is the success rate for the AI tool for the application it is being used for. That is critical for how caregivers incorporate the tool's suggestions. It makes a big difference if a tool has proven to have a 99% success rate, or an 80% success rate.
   - Is the data being loaded into the AI tool going to be used in training the model?

3) **Protection of Clinical Judgment, and Clinical Staff.** We need guarantees that AI will support—not replace—clinical judgment. AI is wrong 20% of the time – there is no replacement for trained, experienced, clinical professionals. That includes insuring that clinicians are not held liable for AI mistakes.
   - Clinical staff should not be subject to discipline or liability for not following a suggestion from AI, even if that suggestion turns out to be right and the clinical staff wrong
   - Clinical staff should also not be subject to discipline or liability for following a suggestion from AI that turns out not to be right.
   - AI should not be mandated – it should be a tool, and there should be a choice to use it or not as the basis of any particular clinical decision.

4) **Challenging and Honing the Tool.** Given that AI is wrong 20% of the time, we need to encourage frontline caregiving staff at every institution in which AI is deployed to challenge the tool – to override its decisions when they are inappropriate or not in the best interests of the patient – and to teach it to be better.

5) **Patient Privacy and Disclosure.** We need protections for patient privacy. At one of our hospitals, AI is used to write case notes by recording entire patient conversations — without patients being fully informed.

6) **Tracking and Surveillance.** We need institutions to be transparent about tracking employee behavior with AI and to what end they are doing so. Any time staff are being recorded or tracked in any way, that needs to be disclosed in advance.

7) **Protections for Newer Staff.** Doctors, nurses, and other clinicians in their first two years of practice should not be using AI for assessment or diagnostic purposes.
    a) Newer staff need time to develop the experience and skill set to make clinical judgments on their own, without AI. If not, they may fail to develop those skills or lose the skills they have.
    b) Newer staff are more likely to follow AI suggestions uncritically, leading to worse outcomes. Those worse outcomes then become ingrained into the system as the system continues to get trained.

Ai is here. It's in healthcare. The potential for improved outcomes is real. However, we need to recognize that that potential is not guaranteed. AI can either help us or hurt us: If our seasoned, experienced caregivers aren't overseeing and teaching the AI system, with sufficient training and protections, AI will fail in its mission, and ultimately fail our caregivers and patients, leading to worse outcomes.

Thank you for the opportunity to speak before you today on House Bill 1925, which seeks to regulate the use of artificial intelligence (AI) in healthcare. My name is Jonathan Greer, and I am the President and CEO of the Insurance Federation of Pennsylvania, a multi-line state trade association that includes commercial health insurers as its members. Joining me today is Megan Barbour who serves as our Executive Director of Government Affairs.

While we share your interest in this topic, we reiterate a position we expressed during last year's hearing on similar legislation (House Bill 1663):

- **Any discussion on the future use of AI warrants a broader discussion beyond health insurers and health care providers. Further, legislation in this area should be part of a national, uniform risk-based framework that adopts nationally accepted terminology as developed by the National Artificial Intelligence Initiative of 2020 to avoid a messy patchwork effect of state regulation that will serve to undermine the cost savings and efficiencies achieved through AI.**

House Bill 1925 falls short in this regard and based on our review will serve to disrupt the savings and efficiencies associated with this technology without clear evidence of consumer benefit.

A case in point is the bill's requirement for insurers to submit detailed compliance statements on an annual basis to the Insurance Department summarizing, amongst other things, the function and scope of an AI-based algorithm used for utilization review. Keeping in mind AI does not replace human decision making with respect to coverage or clinical determinations, such a requirement will demand significant administrative resources and specialized staff and increase compliance costs, which will ultimately be passed on to policyholders.

The bill goes a step further and seeks regulation of AI vendors that are used by health insurers. Whatever your thoughts may be on regulation of insurers (and the costs associated with it), these vendors are not licensees of the Insurance Department and are therefore beyond its current regulatory reach. And even with this expanded authority, we don't think the Insurance Department has the resources or expertise to oversee such a specialized function.

In addition to undermining the cost savings and efficiencies associated with AI, we are also concerned this legislation will put Pennsylvania at a competitive disadvantage with respect to other states and serve to discourage investment in future innovations that benefit consumers. However well-intentioned this legislation may be, it is unique to Pennsylvania and will also give rise to the patchwork effect of state regulation in this area that concerns us.

With an emphasis on national coordination in mind, Pennsylvania has already adopted the NAIC model AI bulletin, which sets clear expectations for responsible AI use. This bulletin includes the development of policies and controls for the responsible use of AI systems that, among other things, are intended to mitigate the risk of adverse consumer outcomes. Most, if not all, of these internal governance controls were well established in the health insurance arena prior to publication of the notice and are regularly revisited to guard against unintended developments as this technology advances.

We also see problems with the limited applicability of this legislation as it only pertains to health care delivery and health insurance. We're not sure one segment of our state's economy should be governed in this area while others are not, especially since we know the use of AI is spreading into other areas.

For example, as recently as December 4th the Wall Street Journal published an article entitled: "Say Goodbye to the Billable House, Thanks to AI." To paraphrase the article, AI can now review thousands of contracts in minutes, rather than weeks, draft complex documents in seconds rather than hours, or generate strategic analyses near instantaneously. Should Pennsylvania also regulate AI in this context under the same consumer protection concern? If so, our guess is doing so will entail an entirely different regulatory construct that will give rise to inconsistency across Pennsylvania industries that will only serve to distant us from other states.

AI is a remarkable technology that has already demonstrated a capacity to improve outcomes while at the same time reducing administrative costs and fraud. The key is to ensure it is used – both now and in the future – responsibly. While we share this sentiment, we believe it can only be achieved at the national level to ensure Pennsylvania is not placed at competitive disadvantage.

Thank you again for the opportunity to speak before you today. We are happy to answer any questions.

Independence

Public Testimony

House Bill 1925

Regulation of the Use of Artificial Intelligence in Healthcare

House Communications & Technology Committee

December 15, 2025

Independence

Independence Blue Cross (IBX) thanks Chairman Ciresi, Chairman Ortitay and members and staff of the House Communications & Technology Committee for the opportunity to offer comment on House Bill 1925, legislation that would require certain disclosures on the use of artificial intelligence (AI) and set forth specific requirements for AI-based algorithms used by health insurers, Medicaid & CHIP managed care organizations (MCOs), and certain healthcare facilities.

What is Artificial Intelligence?

Artificial Intelligence (AI) is a multidisciplinary field involving computer science, mathematics, psychology, linguistics, robotics, and other technologies intended to streamline and automate repeatable functions that can make predictions, recommendations, or develop content to inform decisions. AI applications range from simple tasks like identifying spam email to more complex uses like chatbots, industrial robots, and self-driving cars. AI potentially holds great promise across industries, harnessing and filtering vast amounts of information to drive efficiencies and improve customers outcomes or experiences.

AI has the capability to dramatically transform healthcare across the spectrum. For health insurers, AI provides opportunities to improve operations, the member experience and most importantly, health outcomes. As an overarching comment, if Pennsylvania is to be successful in adoption and use of AI, we must design policies that provide a consistent, yet flexible framework, which acknowledges a growing industry and affords us the ability to compete within a market that extends well beyond health care.

IBX and AI

At IBX, we have seen firsthand how responsible AI use can deliver better results for our members. For example, consider our hospitalization prediction model, which uses AI to identify members with conditions like congestive heart failure who are at high risk for an acute, unplanned admission. By proactively engaging these members with care management interventions, we have seen a 38% percent reduction in unnecessary emergency room visits, a 43% reduction in hospital admissions, and cost efficiencies of over $700 per member in just six months.

In addition to this, we use AI to identify members at risk of developing chronic conditions like diabetes, allowing for earlier intervention. We also use it to predict adverse pregnancy outcomes, enabling us to provide enhanced support to expectant mothers.

It is important to note that while the form of AI known as “generative AI” has recently captured attention, other forms of AI such as machine learning have been in use in the health care industry for decades and have enabled, for example, streamlined patient scheduling and billing practices and predictive models identifying high-risk patients for proactive interventions and personalized medicine.

These are not futuristic concepts; they are real-world applications that are making our members healthier today. The promise of AI to simplify administrative tasks, provide faster customer service, and deliver more personalized care is immense.

House Bill 1925 and Existing State, Federal, and Industry Controls in Place

IBX understands the desire for the establishment of an AI regulatory framework, and we believe the most important first step on that path is agreement on the core definition of “Artificial Intelligence.”

As you know, the Pennsylvania Insurance Department published a model bulletin notice in April of 2024, regarding the use of AI by insurers and specifically outlining authority and oversight, as well as providing regulatory guidance and expectations.

We mention this for a few reasons. First and foremost, to highlight the work of Pennsylvania Insurance Commissioner Michael Humphreys as the chair of the Big Data and AI Working Group of the National Association of Insurance Commissioners (NAIC). At present, twenty-four states have adopted this model bulletin which suggests it is a good first step in promoting consistent AI governance. Second, the definitions therein provide greater clarity and technical precision, and we would recommend the legislation follow a similar model.

House Bill 1925 would require an insurer to disclose to participating network providers and all covered persons whether AI is used or will be used in the insurer's utilization review process – defined, in part, in Act 146 of 2022. These techniques are used to "evaluate the medical necessity, appropriateness, efficacy or efficiency of health care services, procedures or settings, including prior authorization, second opinion, certification, concurrent review, case management, discharge planning or retrospective review…"

We are concerned that the bill's requirement that each instance of an AI-based algorithm be disclosed is onerous and unnecessary given that current law requires human review by insurers making any adverse benefit determination, other than an administrative denial. Under existing Pennsylvania law, insurers are already required to conduct a human review *of prior authorization*-related decisions – including clinician oversight of adverse benefit determinations and involvement in peer-to-peer consultations. Act 146 of 2022 not only had the foresight to provide that no adverse benefit determination would be made by an insurer without the review of a licensed health care provider but also addresses entities who participate in utilization review on behalf of an insurer, as well as record retention.

In addition, using AI to improve the prior authorization process will continue the trend of integrating technological advancements, such as those required in Act 146, into Pennsylvania's healthcare systems. The integration of AI will increase the speed and efficiency of decision making, particularly for approvals.

That said, requirements to submit certain logic, data and descriptions as a part of compliance statements to the Insurance Department are problematic and may require further clarification. Logic or decision trees can refer to specific operations of the AI system itself, or the entirety of the AI model's internal logic. Data sets may contain hundreds of millions of rows of data, with potentially thousands of models for each algorithm depending on the intended use. Attempting to describe or source each data set will present significant operational challenges.

It is important to note that existing state and federal insurance, data privacy, and security laws and regulations already address data collection and use such that the responsible use and advancement of AI by health insurers is already largely addressed. The NAIC Model on the Use of AI System by Insurers and the Insurance Department's issuance of Notice 2024-04 was mentioned previously, but we would also add the following:

- Longstanding state and federal legal standards include the Unfair Insurance Practices Act, the Health Insurance Portability and Accountability Act (HIPAA), and anti-discrimination laws that ensure the privacy and safety of individuals.

- The NAIC Big Data and Artificial Intelligence Working Group's continuing work, most recently at the NAIC's 2025 Fall National Meeting last week in Hollywood, Florida, engaging state regulators and industry stakeholders, to update the exam tool so that it can be deployed in a pilot phase in 2026.
- National institute of Standards and Technology (NIST) – AI Risk Management Framework – a widely used foundational tool designed to assist in AI governance and compliance and is used to inform and implement the work of IBX.

National partners like America's Health Insurance Plans and the Blue Cross Blue Shield Association connect AI experts and industry peers to help insurers learn about best practices and opportunities to improve systems. IBX believes there is an opportunity to align this legislation with established standards to provide oversight yet allow for efforts to continue in areas where guidelines have yet to be developed and preserve the flexibility necessary for rapidly advancing AI technologies.

Commitment to Responsible AI Use

Responsible use of AI is a critical focus of IBX, other industry thought leaders and government regulators. IBX follows industry best practices for responsible use of AI guided by six principles – accountability, compliance, privacy, equity, reliability, and safety and security - reflecting our mission to lead with integrity and in alignment with national guidelines to ensure our processes keep consumers informed and safe. IBX was a signatory of the 2023 White House Healthcare AI Commitments alongside thirty-five other leading health care organizations, dedicated to driving health care change with the responsible use of AI, focused on providing best-in-class service for our members and provider partners.

At IBX we:

- Have led the conversation on responsible AI, calling for all health insurers to address the potential for bias in machine learning.
- Rely on a cross departmental group to implement and monitor AI innovation and responsible use. This governance follows defined guidelines to test AI functions and ensure effective, responsible implementation.
- Test innovative technology in an isolated testing environment, allowing for operational and security testing to understand outcomes and changes before and after implementation.

Conclusion

IBX will continue to evaluate and refine the ways we use AI, striving to ensure that our members are getting the highest quality care available. The future of AI is not yet defined, but there are many exciting ways it will impact the care our members receive. Insurers – along with our partners across the health care system – are taking an educated and informed approach as to how best to use the technology and cautions against implementing stringent rules and requirements that may ultimately stifle the promise and positive impact AI has to offer.

IBX appreciates the House Communications & Technology Committee's timely hearing and offers the following in conclusion.

- There are existing laws and regulations protecting the privacy and use of member health information which should be viewed as a platform for any future change. Before enacting new and possibly conflicting laws or regulations, we should seek to better understand any gaps in existing consumer protections.
- Health insurers are but one component of the health care system and while a one-size-fits-all approach may not effectively serve the diverse needs of that system, there is a need to ensure responsibility and disclosure is shared across the entire health care ecosystem.
- House Bill 1925 presents various concerns that can best be addressed by engaging a diverse set of stakeholders to ensure that public policy will promote responsible and ethical AI use while ensuring innovation enhances – not hinders – our ability to improve the health and well-being of our members.

Pennsylvania Department of Health Written Statement

House Communications & Technology Committee

Chairman Ciresi, Chairman Ortitay, and members of the House Communications and Technology Committee, thank you for the opportunity to discuss the regulation of artificial intelligence (AI) use in health care. The Department of Health shares the legislature's commitment to protecting public health, ensuring safe and high-quality care, and maintaining public trust as these technologies are integrated into clinical and administrative settings. Our perspective is consistent with the National Academy of Medicine's 2025 AI Code of Conduct for Health and Medicine, which calls on health systems and regulators to prioritize human health, ensure equity, engage patients as partners, continuously monitor AI performance, and learn and improve over time.

Overview: AI in Health Care

AI is transforming the practice and business of health care across the Commonwealth and well beyond. AI refers to technologies that enable computers to learn, reason, and make decisions using vast amounts of data.

Today, the implementation of AI into health care and health care organizations is rapidly evolving, impacting how hospitals and health care providers deliver patient care. In many cases, AI serves as a support tool, facilitating clinical decision making by providing accurate and timely information. The range of uses are continually expanding.

For example, AI-powered tools can analyze patient medical records to identify primary and secondary diagnoses, allowing for the detection of overlooked conditions and improving diagnostic accuracy. Predictive analytics can optimize operating room scheduling and resource allocation. By analyzing historical data, AI algorithms can forecast future demand for operating rooms, enabling data-driven scheduling decisions. AI has been used extensively in radiology for over a decade in the initial review of CT, MRI and other clinical images.

AI models are being used to identify patients at increased risk of adverse outcomes, including those at risk of clinical deterioration or hospital readmission. These models enable proactive interventions that can improve patient outcomes and reduce costs. Additionally, AI enabled screening tools can improve early detection. A current example is the use of AI-supported review of medical record data to identify women at high risk of breast cancer who have not had their annual screening mammogram. Once identified, care teams reach out to help get the mammogram scheduled as soon as possible to improve early detection.

While AI holds tremendous potential to improve health care, there are important risks to consider and address. AI systems require large volumes of sensitive patient data to work effectively, raising concerns for potential data breaches or misuse of protected health

information. To mitigate this risk, health care organizations must adhere to data protection policies and develop robust cybersecurity measures. Patients may also be unaware of AI use in their care or be mistrustful of AI. Health care organizations should communicate transparently about how they are using AI and the safeguards in place to build trust and, where appropriate, to obtain patient consent for its use. Further, to preserve accountability and transparency, human oversight should remain especially for areas like clinical decision making.

AI models may include inherent biases due to their use of historical data for training. As a result, AI can perpetuate and amplify existing data biases, leading to unequal care outcomes. The National Academy of Medicine similarly warns that AI can amplify existing inequities—such as technologies that perform worse for patients of color—and that smaller and rural hospitals may lack the capacity to govern AI safely without targeted support, risking a new 'digital divide' in access to safe, effective tools. To address this challenge, health care organizations should ensure diverse and representative datasets and consistently audit models for bias.

AI models also often operate as "black boxes," with difficult-to-understand decision-making processes and user uncertainty about how conclusions are drawn. This lack of transparency can be problematic in the clinical setting where accountability is critical. Health care organizations should implement user education regarding AI in decision-making processes, using plain language or examples.

Department of Health's Role in Oversight

The Department of Health (DOH) appreciates the General Assembly's focus on AI in health care. As a regulator of health care facilities, part of DOH's mission is to assure the safe delivery of quality health care for all Pennsylvanians. AI—from clinical decision support to administrative chatbots—directly intersects with these responsibilities. DOH supports responsible, evidence-based innovation that complements (not replaces) clinical judgment and can improve diagnosis, streamline workflows, and reduce burden when used appropriately.

Several states, including Maryland, Connecticut, California, Texas, and Colorado, have advanced policy proposals that Pennsylvania could consider, such as CMS/Office of Civil Rights-aligned rules for testing, approving, and monitoring AI used in clinical care and coverage decisions, often paired with patient rights like notice, plain-language explanations, and access to human review.

To achieve the shared goals of innovation and protection, DOH supports the following principles and actions to govern the use of AI in healthcare:

1. AI tools that influence clinical decisions should be validated through rigorous, peer-reviewed evidence and ongoing performance monitoring. Health care facilities should report significant safety events involving AI through existing patient safety

channels. This approach is consistent with the National Academy of Medicine's AI Code of Conduct, which warns that simply asking clinicians to 'double-check' AI outputs is not enough to protect patients, and instead calls for continuous monitoring of AI safety, effectiveness, and equity through dedicated governance structures.

2. Patients should have the right to know when AI influences their care. Disclosure should be clear, consistent, and universal; whether in digital communications, patient portals, chatbots, or automated phone systems. DOH recommends that there be no exceptions to disclosure requirements when AI is used in any form of communication with patients or their families.
3. DOH should retain authority to regulate the use of AI tools in licensed health care facilities. This includes the power to verify that AI-based systems meet safety and efficacy standards before deployment, like existing requirements for other clinical technologies.

Effective Commonwealth oversight of AI also requires coordination with the PA Department of Human Services and the Pennsylvania Insurance Department, as well as the need for adequate staffing and technical expertise.

Feedback on HB 1925

Speaking on the bill in question, House Bill 1925, DOH offers the following feedback and technical suggestions to strengthen this important proposal while maintaining its intent:

To begin, the current definition of *"artificial intelligence-based algorithms"* is overly broad. DOH appreciates that HB 1925 adopts a comprehensive definition that includes both predictive systems and generative AI. However, as written, the definition is broad enough to sweep in low-risk automation (e.g., basic templates, calculators, or rule-based scripts) that do not meaningfully influence patient care or public health decisions. To ensure clarity, DOH recommends defining the term more precisely to focus on systems that materially influence an individual's clinical assessment, diagnosis, treatment, triage, discharge, benefit eligibility, utilization management, or resource allocation.

Additionally, the legislation should explicitly require disclosure whenever AI is used in any patient-facing communication—without exceptions. Disclosure statements should be concise, easy to understand in plain language, and available in multiple languages commonly used in Pennsylvania.

DOH believes that HB 1925 offers a valuable opportunity to safely implement AI adoption while protecting Pennsylvanians. We appreciate the opportunity to share this perspective and stand ready to continue our collaboration with the General Assembly to ensure that AI in health care serves the public good.

Pennsylvania
Department of Human Services

House Communications and Technology Committee

Public Hearing/ House Bill 1925

December 15, 2025

Chair Ciresi, Chair Ortitay, and members of the House Communications and Technology Committee, thank you for allowing the Department of Human Services (DHS) to provide written testimony on House Bill 1925, Printer's Number 2403, sponsored by Representative Arvind Venkat. DHS is the single state Medicaid Agency responsible for administering the Commonwealth's Medical Assistance (MA) Program and the Children's Health Insurance Program (CHIP). DHS is committed to ensuring that MA and CHIP beneficiaries receive quality health care and person-centered services that are affordable and accessible.

House Bill 1925 seeks to provide a legislative and regulatory framework for artificial intelligence (AI) being used by healthcare providers and insurers, including within the MA and CHIP programs. It seeks to provide transparency when AI is used, ensure an AI decision is reviewed by a clinical decision-maker and requires an attestation by the applicable parties annually for compliance with the AI policies outlined in the legislation.

DHS will focus its written comments on Chapter 53 of the proposed legislation which presents legislative requirements for AI use for MA and CHIP managed care plans or managed care organizations (MCOs) and specifically AI algorithms when used in the utilization review process. It also prescribes compliance, enforcement and penalties when compliance is not met by the MCOs.

Governor Shapiro issued an Executive Order, "Expanding and Governing the Use of Generative Artificial Intelligence Technologies Within the Commonwealth of Pennsylvania" in September of 2023. Among other purposes, the Governor and this administration seek to ensure AI is being used in a responsible and ethical manner. The Executive Order stated that agencies should weigh the design, development, procurement and deployment of Generative AI technology based on core standards. The core standards involved accuracy of information, adaptability, equity, and fairness, innovation, privacy, safety, security and transparency, among others. The Governor's Executive Order and House Bill 1925 seek to set policies on AI that ensure transparency, equity, and fairness and that AI is being used responsibility and effectively.

Many of the protections afforded in the proposed legislation are reflected in the Physical Health HealthChoices MA and CHIP agreements the Department has with the MCOs, which set forth the responsibilities of the MCOs in administering the MA and CHIP programs. The agreements are updated annually to reflect programmatic changes in the MA and CHIP programs. It is important to note that while the behavioral health HealthChoices agreements with the Primary

Contractors do have protections around the use of algorithms, they do not have any provisions related to the use of AI specifically. As the committee continues refining proposed legislation, there are opportunities to strengthen protections for MA and CHIP beneficiaries in line with best practices. For example, Colorado recently passed, and Governor Polis signed into law, Senate Bill 24-205. Opportunities include:

- Establishing minimum human-in-the-loop standards to ensure no AI-generated recommendation is acted upon without independent review by a licensed professional;
- Enhancing patient information rights through clear explanations of how AI influenced a decision, accessible avenues for correction and appeal, and non-automated reconsideration pathways;
- Requiring algorithmic impact assessments prior to deployment and annually thereafter;
- Standardizing quarterly bias and performance audits with required remediation; implementing continuous monitoring and incident-reporting protocols; and,
- Reinforcing AI lifecycle governance through documentation, version control, re-validation, and rollback procedures; and setting clear expectations for third-party vendors, including data provenance, validation evidence, disclosure of limitations, update notifications, explainability features, and shared accountability.

Together, these additions would align Pennsylvania with leading safeguards nationally while preserving space for responsible innovation.

The HealthChoices agreements and CHIP Procedures Handbook, which is attached to the CHIP agreement, outline the requirements for quality management, utilization management, and quality improvement programs. Among the comprehensive requirements, all MA MCOs must develop, maintain and make medical policies and clinical review criteria and guidelines available through their public websites and provider portals. The policies must identify the clinical review criteria or guidelines used and a process for notifying providers of any changes. Specifically, the MA and CHIP MCO agreements require the MCO to submit all written prior authorization policies and procedures to DHS for review and approval. The prior authorization policies must be based on applicable nationally recognized medical standards. The MCO is also required to identify the qualifications of staff that will make the prior authorization decision. Denials for services must be made by a licensed physician or dentist with the same or similar specialty that typically manages or

consults on the service in question. The agreements require the MCOs to review and submit the policies on an annual basis. MCOs are required to apply these policies to each member's individual clinical presentation; medical necessity determinations may not be made without a case-by-case review conducted by an appropriately licensed provider.

DHS appreciates the transparency and the disclosure requirements in House Bill 1925, the requirement to consider clinical and non-clinical circumstances and the fact that the AI cannot supersede the decision of the licensed health care provider. DHS recommends that written disclosures use plain language standards to help health care consumers make informed decisions about their care. DHS sought to demonstrate with this testimony that the administration has set forth an AI policy that DHS is using as we proceed in our work and while working with our partners, including our MCOs. Additionally, the HealthChoices agreements have notification, review, and approval provisions included to ensure that DHS understands how MCOs may be using AI in utilization management, including prior authorization. DHS agrees that additional language may be needed in the agreements and handbooks to outline MCO responsibilities with regard to the use of AI. DHS would appreciate working with the committee to consider additional issues as this legislation moves forward.

DHS notes it will be important to harmonize the definitions in this bill with those in existing statute for consistency. Further, as neither MA nor CHIP are insurance, the provisions related to AI use by MA or CHIP MCOs should be removed from Title 40 (Insurance) of the Pennsylvania Consolidated Statutes. Additionally, federal approval from the Center for Medicare and Medicaid Services (CMS) may be needed to implement the provisions of this bill.

Again, thank you to the members of the committee for considering the testimony of DHS on House Bill 1925.

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December 10, 2025

Hon. Joe Ciresi
Chair, House Communications & Technology Committee
325 Main Capitol Building
P.O. Box 202146
Harrisburg, PA 17120-2146

RE: Regulation of the Use of Artificial Intelligence in Healthcare, HB 1925

Dear Chair Ciresi:

On behalf of AHIP and our members, I appreciate the opportunity to provide feedback on House Bill 1925 and help inform policy discussions on the role of emerging technologies, such as artificial intelligence (AI), in health care. As AI becomes increasingly integrated into daily life, it is essential to develop balanced policies that allow AI's potential to be realized while fostering trust among patients and stakeholders.

AHIP recommends that any state deliberations on AI be aligned with a uniform, national framework led by federal policymakers. A consistent approach will prevent a patchwork of conflicting state requirements, reduce administrative burden, and ensure equal protections for patients nationwide.

Used responsibly, AI has the potential to improve health outcomes, increase access, and achieve meaningful operational efficiencies to lower costs. Policies should concentrate evaluation and auditing on high-risk AI uses, while avoiding unnecessary regulation of low-risk administrative tools. AHIP supports aligning state policy with the NIST AI Risk Management Framework (AI RMF) for definitions, governance, and lifecycle risk management. However, we recommend that any potential AI legislation focus on risk-based approaches built on national, industry-utilized standards to protect patients and consumers. Public-private partnerships are also critical for building trust and educating consumers about emerging technologies.

Health Plan Use of AI

Health plans are currently using AI tools in several ways:

- **Consumer-facing:** AI enhances customer service by using predictive analytics and chatbots, allowing faster and more accurate responses.
- **Clinical:** AI analyzes data to support disease management and preventative care. By identifying patient risks early, AI can improve outcomes and reduce costs.

- **Administrative:** AI enables smarter operations, such as automating claims processing, reducing fraud, and optimizing provider credentialing. These efficiencies can reduce insurance premium growth and improve health plan operations.

In all these domains, AHIP members employ guardrails to ensure that AI augments rather than replaces clinical judgment. Consistent with HB 1925's framework, AI may facilitate faster approvals, but medical-necessity denials are not made by AI without human review.

Defining AI in Health Care

Many health plans use basic coded technologies for administrative tasks like managing enrollment records and claims processing, which should not be classified as AI. Defining what constitutes an AI-based solution is critical to avoid unnecessary regulation of low-risk systems. Policymakers should look to the National Institute of Standards and Technology (NIST) for guidance on AI definitions and avoid broad terms like "algorithms."

Efficacy, Accuracy, and Transparency

Ensuring AI is effective, accurate, and transparent is essential to maintaining public trust. Health plans prioritize transparency by educating patients on how AI is used and ensuring privacy protections under frameworks like HIPAA.

Trust is the foundation of AHIP members' engagement with patients and consumers. Health plans build and maintain this trust today in numerous ways, including by protecting the privacy of patient information and promoting tools and resources to support patients' active engagement in their health and well-being.

Transparency is a key enabler of trust and is a critical component of successful deployment and use of AI. Patient, consumer, and caregiver education is critical to helping individuals better understand what AI is and how it might be used. The core principles of AI transparency and explainability go hand-in-hand and will provide consumers and other end-users with useful, actionable information. For example, developers of high-risk AI tools can utilize plain language examples of how the AI tool was designed and how it forms the basis of its decisions. As appropriate, AI developers and deployers can also provide information on the data used to train the AI tool to contribute to transparency efforts.

However, it is critical to balance the goal of fostering explainability with the need to protect certain types of information. In considering approaches to appropriate AI transparency, it is essential to protect proprietary information, such as intellectual property and trade secrets, as well as confidential information

Minimizing Bias and Preventing Discrimination

Defining when AI bias requires remediation is essential, and collaboration between stakeholders can guide the development of best practices. Additionally, accountability for AI outcomes should be clearly defined without stifling innovation.

As you consider whether additional safeguards are necessary to protect against the potential risks of AI, such as algorithmic bias/discrimination, we encourage you to consider how existing laws may already provide protection. Rather than develop potentially duplicative and conflicting laws and regulations, the federal government and states should work together to clearly define where existing policies apply to the use of AI. Furthermore, more work is needed to define algorithmic bias and develop standards on which to measure bias and minimize it.

Standards and Frameworks

AI oversight should use existing national standards to avoid duplication. For example, the NIST AI Risk Management Framework provides a foundation for managing AI-related risks. As AI impacts various industries, a risk-based approach that distinguishes high-risk AI from low-risk applications will be critical. Stakeholders in the private sector have been collaborating for several years to develop governance, ethical, and practice standards for organizations developing and deploying AI to lead the way in protecting consumers while fostering AI.

In conclusion, AI offers significant opportunities to improve health care, and a thoughtful approach is necessary to ensure these benefits are realized. AHIP looks forward to working with you and other stakeholders to promote a strong, resilient health care system that effectively and safely deploys AI.

Sincerely,

Keith Lake
Regional Director, State Affairs
klake@ahip.org / 220-212-8008

cc: Hon. Arvind Venkat, Member, Pennsylvania House of Representatives, Sponsor, HB 1925

AHIP is the national association whose members provide insurance coverage for health care and related services. Through these offerings, we improve and protect the health and financial

security of consumers, families, businesses, communities, and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access, and well-being for consumers.

TECHNET
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December 9, 2025

The Honorable Joe Ciresi
Chair
House Communications & Technology Committee
Pennsylvania House of Representatives
325 Main Capitol Building
Harrisburg, PA 17120

RE: HB 1925, PN 2403 (Venkat) - Regulation of the Use of Artificial Intelligence in Healthcare

Dear Chairman Ciresi and Members of the Committee,

On behalf of TechNet, I'm writing to share comments on HB 1925, regulating the use of AI in healthcare.

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet's diverse membership includes 105 dynamic American businesses ranging from startups to the most iconic companies on the planet and represents five million employees and countless customers in the fields of information technology, artificial intelligence, e-commerce, the sharing and gig economies, advanced energy, transportation, cybersecurity, venture capital, and finance.

Artificial intelligence (AI), machine learning (ML), and the algorithms that often support these technologies have generated significant interest among policymakers. As technological advances emerge, policymakers' understanding of how these technologies work is vital for responsible policymaking. Our member companies are committed to responsible AI development and use. This means prioritizing safety and transparency while ensuring that innovation can continue to thrive.

TechNet provided detailed comments and redlines to committee staff. For the purpose of the December 15, 2025 hearing, this letter will outline our more general comments pertaining to definitions, disclosure and reporting requirements, and enforcement.

Certain definitions in the legislation are far too broad and vague. Narrowing definitions to systems that autonomously impact clinical decision-making would be more appropriate. Notably, the term "Artificial Intelligence System" in the definition of "Artificial Intelligence-based Algorithms" is unclear, and overly broad definitions

often reappear in future proposals once adopted. Further, we believe the definition of "Facility" is also overly expansive. We propose limiting it to "Licensed Facility" to avoid unintentionally sweeping in private practices, virtual-only care platforms, and ancillary services that don't meet the bill's intended scope. While not listed under the definitions, "Third-Party Vendor" is not defined, and we suggested alternative language to staff.

The prohibition on AI that "causes direct or indirect harm" is overbroad. We suggest clarifying that the AI must not create material risk of patient harm, rather than using vague language that could encompass unintended or theoretical effects.

Regarding disclosures and reporting, giving the respective departments free rein to determine the nature and frequency of disclosure requirements creates uncertainty for businesses. The reporting timelines in the bill are too soon for compliance given the fast-moving and fragmented nature of AI regulation. A phased approach could be more practical. Additionally, the required reports based on annual compliance statements could open companies up to exposing trade secrets and putting businesses at a competitive disadvantage. We recognize that the report would contain data that was aggregated and de-identified; however, we believe this measure is still anti-competitive and that annual reporting could be burdensome for both companies and the Department. We recommend facilities self-certify the compliance requirements with the possibility for an audit, rather than annually turning over all underlying documents of compliance to the respective departments.

We request the promulgation of regulations and/or guidance language be struck from the bill. Oftentimes, the regulatory process goes far afield of the underlying intent of the statute, again creating uncertainty. In Sections 3510 and 5211, the bill suggests that "enforcement remedies and penalties imposed under this chapter are in addition to any other remedies or penalties that may be imposed under any other applicable law of this Commonwealth". We believe that all enforcement should rest solely with the Attorney General and that the bill should contain explicit language stating that PRAs are prohibited.

Thank you for allowing us the opportunity to share comments on HB 1925 and we look forward to working with the sponsor. Please don't hesitate to reach out with any questions.

Sincerely,

Margaret Durkin

Margaret Durkin
TechNet Executive Director, Pennsylvania & the Mid-Atlantic

The Hospital + Healthsystem Association of Pennsylvania

Statement of

The Hospital and Healthsystem Association of Pennsylvania

for the

House Committee on Technology and Communications

December 15, 2025

Testimony Regarding Pennsylvania House Bill 1925
Regulation of the Use of Artificial Intelligence in Health Care

Good afternoon, Chairman Ciresi, Chairman Ortitay, and esteemed members of the House Communications and Technology Committee. HAP appreciates the committee's invitation to submit testimony and discuss the implications of House Bill 1925 for the future of care in our commonwealth.

Hospitals are making significant investments in technology and staff training to realize the potential of artificial intelligence (AI). The full benefits and efficiencies derived from the use of AI across the health care system are not yet known, but the positive impact on operations and patient care is quickly becoming clearer. From enhanced communication and coordination, and predictive analytics that can identify patients at risk for a variety of conditions and diseases, to AI-driven tools that assist in diagnostics and treatment, the opportunities are vast.

While full of positive potential, HAP recognizes that AI poses new questions and concerns about its future impact on patients, staff, and the delivery of health care. HAP encourages this committee to take a thoughtful approach to consideration of HB 1925 that allows hospitals to adopt and grow AI technologies while ensuring patient safety, data security, and transparency, and applauds this committee for dedicating time to gathering stakeholders and receiving feedback on the legislation.

Maintaining a Unified Framework Across Industries

Applications of AI are not limited to hospitals or to the health care industry. The use of AI technology spans across multiple sectors, and it is crucial that any legislative framework reflects this reality. A fragmented approach to AI regulation, particularly one

that is specific to hospitals or other health care organizations, would add unnecessary burdens on these entities and create separate standards for the use of AI than what would be imposed on other industries. Maintaining space for hospitals to evolve as new technology emerges must be an essential component of any new legislative requirements.

Definitions

HAP is concerned about definitions unique to health care entities included in HB 1925. For example, any term that outlines what constitutes AI should be consistent with an existing framework—to the extent a standard is already in place at the federal or state level—to minimize the burdens of compliance and capturing only those AI tools and technologies that are impacting clinical decision-making or patient care. As written, the bill risks incorporating outliers or technologies that are not yet widely used or have limited applications in Pennsylvania's health care landscape. Clear definitions are essential to avoid confusion, maintain consistency, and control for risks while supporting beneficial uses of the technology.

Patient Disclosure and Communications

This bill requires that patients be informed when clinical decisions or similar tasks are influenced by AI systems. HAP is supportive of transparency as a tool for increased information to assist patient decision-making; however, requirements regarding when and how frequently disclosure is necessary should be clearly defined and distinguished between instances where AI plays a primary role in decision-making—as opposed to cases where AI tools are used to assist providers in their clinical judgments. The bill should ensure that disclosures are meaningful and provide patients with accurate information about how AI is being used in their care.

Reporting and Data Protection

HB 1925 proposes that hospitals report certain proprietary and confidential information about their AI systems to the Department of Health. HAP is concerned about an added mandated reporting requirement, and equally, the storage of vast amount of digital data and protection of sensitive information. Hospitals invest significant resources into the development and deployment of AI technologies, and the information associated with these systems is often proprietary and uses highly personal patient data. HAP urges members of this committee to consider language be included in HB 1925 to ensure that

proprietary and confidential information is safeguarded, and that reporting requirements include only the "minimum necessary" information to balance both volume and security concerns.

Penalties and Enforcement

HAP also has concerns about the bill's provisions related to penalties and enforcement. Specifically, prior to monetary penalties, the bill lacks notice requirements and safe harbor protections for hospitals and health care providers. These safeguards are critical to ensure that hospitals are not penalized for unintentional errors or misinterpretations related to the use of AI systems. Hospitals must have clarity on what constitutes compliance, and the legislative framework must allow for corrections without the imposition of harsh penalties that could discourage innovation and hinder the adoption of beneficial technologies.

Conclusion

HAP recognizes the immense interest in AI and how the technology is likely to shape how providers deliver services and how patients receive treatment in years to come. HAP appreciates the opportunity to provide comment to the House Communications and Technology Committee on HB 1925, and recognizes the sponsor of the bill, Representative Venkat, for his desire to build a framework around the use of this complex and rapidly developing technology. While HAP is unable to support HB 1925 as currently written, we are eager to be part of the continuing dialogue to ensure that legislation provides hospitals with the flexibility to embrace AI technologies while ensuring that patient safety, data privacy, and transparency are prioritized. The future of health care is intertwined with the responsible use of AI, and we look forward to collaborating on solutions that foster innovation while protecting both patients and providers.

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December 15, 2025

House Communications & Technology Committee
Pennsylvania General Assembly
501 N 3rd Street
Room 140
Harrisburg, PA 17120

Re: HB 1925

Dear Chair Ciresi, Chair Ortitay, and Members of the Committee:

On behalf of AdvaMed, the Medtech Association, I am reaching out with concerns regarding HB 1925, *An Act amending Titles 35 (Health and Safety) and 40 (Insurance) of the Pennsylvania Consolidated Statutes, providing for artificial intelligence in facilities, for artificial intelligence use by insurers and for artificial intelligence use by MA or CHIP managed care plans; imposing duties on the Department of Health, the Insurance Department and the Department of Human Services; and imposing penalties.*

AdvaMed is the largest medical technology association, representing the innovators and manufacturers transforming health care through earlier disease detection, less invasive procedures, and more effective treatments. Our nearly 650 members range from emerging companies to large multinationals, and include traditional device, diagnostic, medical imaging, and digital health technology companies.

For many medical devices, AI is integrated into the technology itself and cannot be turned off or removed from the product, meaning patients cannot opt out of AI during their diagnostic process. By requiring health care facilities to disclose the use of artificial intelligence, it could lead to the unintended consequences of patients delaying or not seeking care out of misunderstanding or concerns over the use of AI.

AI-enabled medical devices do not replace clinician decision making, rather they are an additive tool that provides clinicians with better, more efficient data. The AI used in medical devices is not generative, but instead it is a closed system that operates within specific parameters. For example, AI has the ability to enhance scans, support surgical planning, monitor cardiac activity, and flag areas of concern for clinicians. By providing more precise information, it can help clinicians reach more accurate diagnoses faster and reduce the time to appropriate treatment pathways.

Clinicians maintain oversight and the final say on treatment pathways, but AI is a powerful tool that facilitates the process.

While AI is rapidly transforming patient care, it is not new in medical devices. The United States Food and Drug Administration (FDA) has been reviewing and authorizing AI-enabled medical devices since 1995. It has authorized over 1,200 devices since then and the number will only continue to grow. These devices follow the same regulatory pathway as a non-AI-enabled device and are subject to the same scrutiny and oversight. As AI in health care evolves, the FDA also continues to evolve. In March 2025, the FDA released specific guidance for AI-enabled medical devices. Included in the guidance was a labeling requirement, which would ensure that users understand how the AI model is integrated into the device, the technical characteristics that can be critical to the safe and effective use of the device, and how the device is expected to perform.

We appreciate your attention to this issue and welcome the opportunity to serve as a resource for this committee. We are available to meet at your convenience to discuss further.

Sincerely,

Adrienne Frederick
Director, State Government & Regional Affairs
AdvaMed