

# SB 815: Health Plan Artificial Intelligence Uses Encouraging Innovation & Protecting Patients

**Texas Laws Today Protect Patients from AI Prior Authorization Denials:** Texas already has established patient protections with strict “human-in-the-loop” requirements. *Texas Insurance Code Sec. 4201.153.*

- **Only a licensed Texas doctor** can determine if care is not medically necessary—not a computer, algorithm, or AI.
- **Before denying a prior authorization**, an insurer must give a physician a chance to discuss the decision with a physician in the same or similar specialty.
- **A final appeal determination** must be made by a physician, and the ordering physician can ask for a review by a physician in the same or similar specialty.
- **SB 815** reapplies these patient protections that exist in state law today.

**AI is improving health care systems and lowering costs:** Lawmakers must avoid undermining AI’s advantages.

- **Faster Prior Authorizations:** Health plans are exploring how AI tools can speed up real-time prior authorization approvals, with one plan reporting 1,400 times faster than with previous methods. [Health Care Service Corporation](#)
- **Lower Admin & Medical Costs:** Estimates show up to 25% lower administrative costs and 11% lower medical costs, equating to lower premiums for Texas families and employers. [McKinsey Study](#)
- **Patient Connectivity:** AI tools are giving patients real time guidance to the most appropriate care options based on patient medical history and health needs.

## AI is Combatting Fraud, Waste, and Abuse

- **The Texas Office of Inspector General** estimates that 10% of health care spending is lost to fraud, waste, and abuse.
- **The Treasury Department** increased fraud recovery & prevention from \$653 million in 2023 to \$4 billion in 2024 through AI machine learning.
- **AI tools can analyze large datasets of millions of medical claims** to identify patterns and anomalies that could indicate fraudulent activity, such as unusual billing practices, suspicious patient demographics, or outlier treatment patterns.
- **Texas has the 5th highest health care spending in the nation.** Efforts to protect patients should not inadvertently also protect fraud, waste, and abuse.