

SF2421 • Iowa

A bill for an act relating to utilization review organizations' use of artificial intelligence, prior authorization determinations and exemptions, and audits, and including applicability provisions.(Formerly SSB 3118.)

Introduced

Risk: High

Comprehensive

Effective: Jan 01, 2027 | Last Action (Mar 04, 2026): Withdrawn. S.J. 475.

Summary

This bill regulates AI use in prior authorization by UROs, ensuring human oversight in denials and exemptions for cancer screenings.

Business Impact

If you operate a utilization review organization in Iowa, you must ensure AI is not the sole basis for denying prior authorizations by January 1, 2027.

Key Provisions

- UROs may use AI for initial reviews but not as the sole basis for denials based on medical necessity.
- Denials or downgrades must be made by qualified reviewers or clinical peers.
- Written notifications must be provided to healthcare providers detailing reasons for denials.
- Consultations must occur within seven business days after a denial.
- The bill applies to prior authorization requests made before and after January 1, 2027.
- Cancer-related screenings recommended by healthcare professionals are exempt from prior authorization.

Compliance Checklist

- Ensure AI is not the sole basis for prior authorization decisions. | Who: Utilization review organizations. | Penalty: Claims may be automatically approved if not compliant.
- Provide written notifications for any denials or downgrades. | Who: Utilization review organizations. | Penalty: Failure to notify may lead to automatic approval of claims.

Industries Affected

Insurance

General

Healthcare

Topics

AI Healthcare

Comprehensive AI

Bill Sponsors

Name	Party	Role
Health And Human Services		Sponsor

Roll Call Votes

Date	Description	Yea	Nay	Result
2026-03-03	Senate Commerce Report	16	0	Passed
2026-02-23	Senate Health And Human Services Report	17	0	Passed

Related Bills

- SSB3118 (IA)

Official Source

<https://www.legis.iowa.gov/legislation/BillBook?ga=91&ba;=SF2421>

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