

SSB3118 • Iowa

A bill for an act relating to utilization review organizations' use of artificial intelligence, prior authorization determinations and exemptions, and prepayment audits, and including applicability provisions.(See SF 2421.)

Introduced

Risk: High

Comprehensive

Effective: Jan 01, 2027 | Last Action (Feb 19, 2026): Committee report approving bill, renumbered as SF 2421.

Summary

This bill regulates utilization review organizations' use of AI in prior authorization processes and establishes peer review requirements, with applicability provisions until 2027.

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 prior authorization reviews but cannot solely rely on it for decisions on medical necessity.
- Denials or downgrades must be made by qualified reviewers or clinical peers.
- UROs must provide written explanations for adverse decisions, including appeals processes.
- Cancer-related screenings are exempt from prior authorization if recommended by a healthcare professional.

Compliance Checklist

- Ensure AI is not the sole basis for prior authorization decisions. | Who: Utilization review organizations | Penalty: Claims may be automatically approved if non-compliant.
- Provide written explanations for any denial or downgrade of prior authorization requests. | Who: Utilization review organizations | Penalty: Potential regulatory penalties and automatic claim approvals.

Industries Affected

General

Insurance

Healthcare

Topics

AI Healthcare

Comprehensive AI

Bill Sponsors

Name	Party	Role
Health And Human Services		Sponsor

Related Bills

- SF2421 (IA)

Official Source

<https://www.legis.iowa.gov/legislation/BillBook?ga=91&ba;=SSB3118>

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