

Legislation would create new state office for reviewing claim denials

Posted on Tuesday, Feb 17, 2026

Circulating legislation would set new requirements for health insurers while creating a state office tasked with reviewing claim denials, among other responsibilities.

Sen. Dora Drake, D-Milwaukee, and Rep. Clinton Anderson, D-Beloit, recently sent a co-sponsorship memo on LRB-6396, which would establish the Office of the Public Intervenor under the state Office of the Commissioner of Insurance.

Authors describe it as a “public health aide” that would help Wisconsinites with claims, policies, appeals and other legal actions related to health insurance coverage. Anyone with coverage would have the right to request a review of any health insurance claim denial from the new office, in addition to existing independent review rights provided by state law.

Plus, the office would be authorized under the bill to levy an assessment on insurance providers based on their health insurance premium volume, according to an overview from the Legislative Reference Bureau.

In the memo, bill authors argue no one in the state should have to delay their health care due to “misleading” health insurance practices. They say claim denials often come with vague reasoning and in some cases lack “tangible justification” altogether.

“Worst of all, artificial intelligence is increasingly used to decide whether or not a claim should be denied,” they wrote. “The people of Wisconsin deserve honesty, from legislators and insurers alike.”

One provision of the bill would require insurers to publish an annual report on claim denials for health insurance policies, including their use of AI or other “algorithmic decision-making” in processing these claims. They would generally have to disclose the use of these technologies under another provision.

“This bill dramatically increases insurer transparency via mandatory AI or

algorithmic decision-making reporting, if used at any point during the insurance claim process,” authors wrote.

OCI would also have to keep a public database of insurers’ claim denial rates and the findings of related independent reviews.

The legislation would create new requirements for health insurers, such as having them process claims “within a reasonable time frame” to prevent care delays and provide detailed explanation of denials.

Plus, it would bar them from using “vague or misleading terms” in denying claims, stalling claim reviews to avoid timely payments, allowing non-physicians to determine if care is medically necessary, mandating prior approval in a way that causes “harmful delays” and more.

The co-sponsorship deadline is Friday.

See the [bill text](#).