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Senator Christopher Cabaldon, Chair
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SUBJECT

Health care services: artificial intelligence

DIGEST

This bill subjects businesses offering "healthcare chatbots" to the California Medical Information Act (CMIA) and imposes guardrails around the use of automated decision systems (ADS) and other generative AI (GenAI) models in clinical decisionmaking.

EXECUTIVE SUMMARY

The introduction and rapid development of GenAI systems have proven transformative across many fields, with healthcare standing out as one of the most profoundly impacted sectors. From accelerating drug discovery and streamlining clinical documentation to enabling early disease detection and personalizing treatment plans, GenAI holds extraordinary promise for improving patient outcomes and reducing the burden on overstretched medical systems. Relevant here, healthcare chatbots and AI-powered ADS have emerged as popular tools in the healthcare industry and in the broader market. However, these innovations have not come without serious concerns. On the privacy front, these systems routinely handle deeply sensitive patient and consumer data, raising questions about how that information is stored, who has access to it, and whether it could be vulnerable to breaches or misuse in ways that violate patient confidentiality and consumer expectations. From a safety perspective, the stakes are even higher; a miscalibrated or hallucinating AI model that provides inaccurate medical advice could delay critical care, recommend contraindicated treatments, or fail to recognize a life-threatening emergency, with potentially fatal consequences. As the technology continues to evolve at pace, regulators, clinicians, and developers face the urgent challenge of ensuring that the benefits of AI in healthcare are realized without compromising the trust, security, and well-being of patients.

This bill takes on the challenge by first bringing businesses offering "healthcare chatbots" within the protective ambit of the CMIA. The bill also places guardrails

around the deployment of ADS and other GenAI systems in the clinical decisionmaking context. The bill is sponsored by the California Nurses Association. It is supported by various organizations, including the California Federation of Labor Unions. It is opposed by various tech industry and healthcare associations, including Scripps Health and Technet. Should the bill pass out of this Committee, it will next be heard in the Senate Health Committee.

PROPOSED CHANGES TO THE LAW

Existing federal law:

1) Establishes the Health Insurance Portability and Accountability Act (HIPAA), which provides privacy protections for patients' protected health information and generally prohibits a covered entity, as defined (health plan, health care provider, and health care clearing house), from using or disclosing protected health information except as specified or as authorized by the patient in writing. (45 C.F.R. § 164.500 et seq.)

2) Provides that if HIPAA's provisions conflict with a provision of state law, the provision that is the most protective of patient privacy prevails. (45 C.F.R. § 164.500 et seq.)

Existing state law:

1) Establishes the CMIA, which establishes protections for the use of medical information. (Civ. Code § 56 et seq.)

2) Prohibits providers of health care, health care service plans, or contractors, as defined, from sharing medical information without the patient's written authorization, subject to certain exceptions. (Civ. Code § 56.10.)

3) Provides that every provider of health care, health care service plan, pharmaceutical company, or contractor who creates, maintains, preserves, stores, abandons, destroys, or disposes of medical information shall do so in a manner that preserves the confidentiality of the information contained therein. Any provider of health care, health care service plan, pharmaceutical company, or contractor who negligently creates, maintains, preserves, stores, abandons, destroys, or disposes of medical information shall be subject to remedies and penalties, as specified. (Civ. Code § 56.101.)

4) Defines "provider of health care," for purposes of CMIA, to mean any person licensed or certified pursuant to the Business and Professions Code, as specified; the Osteopathic Initiative Act or the Chiropractic Initiative Act; the Health and Safety Code, as specified; or any licensed clinic, health dispensary, or health

facility, as specified. The term does not include insurance institutions, as defined. (Civ. Code § 56.05(o).)

5) Provides that any business that offers software or hardware to consumers, including a mobile application or other related device that is designed to maintain medical information in order to make the information available to an individual or a provider of health care at the request of the individual or a provider of health care, for purposes of allowing the individual to manage their information, or for the diagnosis, treatment, or management of a medical condition of the individual, shall be deemed to be a provider of health care subject to the requirements of CMIA. (Civ. Code § 56.06(b).)

6) Provides that any business that offers a mental health digital service to a consumer for the purpose of allowing the individual to manage the individual's information, or for the diagnosis, treatment, or management of a medical condition of the individual, shall be deemed to be a provider of health care subject to the requirements of CMIA. (Civ. Code § 56.06(d).)

7) Establishes the Unfair Competition Law (UCL), which provides a statutory cause of action for any unlawful, unfair, or fraudulent business act or practice and unfair, deceptive, untrue, or misleading advertising, including over the internet. (Bus. & Prof. Code § 17200 et seq.)

8) Requires the California Department of Technology (CDT) to conduct a comprehensive inventory of all high-risk ADS that have been proposed for use, development, or procurement by, or are being used, developed, or procured by, any state agency. It defines the relevant terms:
    a) "Automated decision system" means a computational process derived from machine learning, statistical modeling, data analytics, or artificial intelligence that issues simplified output, including a score, classification, or recommendation, that is used to assist or replace human discretionary decisionmaking and materially impacts natural persons. "Automated decision system" does not include a spam email filter, firewall, antivirus software, identity and access management tools, calculator, database, dataset, or other compilation of data.
    b) "High-risk automated decision system" means an ADS that is used to assist or replace human discretionary decisions that have a legal or similarly significant effect, including decisions that materially impact access to, or approval for, housing or accommodations, education, employment, credit, health care, and criminal justice. (Gov. Code § 11546.45.5.)

This bill:

1) Provides that a business that offers a "healthcare chatbot" to a consumer for the purpose of allowing the individual to manage the individual's information, or for the diagnosis, treatment, or management of a medical condition of the individual, shall be deemed to be a provider of health care subject to CMIA. It explicitly does not make such a business a provider of health care for purposes of any law other than CMIA.

2) Defines a "healthcare chatbot" as a GenAI system with a natural language interface that provides adaptive, human-like responses to user inputs, collects healthcare chatbot information from a consumer, is marketed as facilitating mental or physical health services to a consumer, and uses the information to facilitate mental or physical health services to a consumer. "Healthcare chatbot information" means information related to a consumer's physical or mental health or wellness that is provided to, inferred by, or generated by a healthcare chatbot.

3) Requires a health facility, clinic, physician's office, or office of a group practice to ensure that no clinical decision is based solely on the output of a "clinical decision support system." "Clinical decision support system" means an ADS or GenAI system whose outputs are used to inform clinical decisionmaking with respect to the provision, timing, or course of patient care.

4) Requires a health facility, clinic, physician's office, or office of a group practice to ensure that a licensed health care professional exercises independent professional judgment when reviewing and approving a clinical decision that is based on the output of a clinical decision support system.

5) Provides that a "clinical decision" includes assessment of patient condition, education of a patient or their family concerning the patient's health care problems, including postdischarge care, communication between licensed health care professionals relating to the handoff of responsibility for a patient, and other documentation and communication that requires the application of a licensed health care professional's professional expertise to a patient's health.

6) Prohibits a health facility, clinic, physician's office, or office of a group practice from using or deploying a tool, system, or device that includes AI to direct, guide, supervise, or instruct unlicensed personnel in performing any function that requires a professional license.

7) Defines the other relevant terms, including cross-referencing existing definitions for AI and GenAI and importing the definition of ADS from existing law.

8) Subjects violations to the enforcement mechanisms available under existing California healthcare licensing laws. The bill also deems a violation as unfair competition for purposes of the UCL.

9) Clarifies that it does not prohibit the use of AI for documentation and communication that does not involve the application of professional judgment, including automated messages to inform patients of updates to their health records.

COMMENTS

1. Privacy concerns emerge when GenAI meets consumer healthcare industry

    a. *Healthcare and AI in the consumer market*

Developers of GenAI-enabled systems are actively expanding their presence in the consumer healthcare space. Chatbots posing as health professionals have sprouted up across the internet, raising serious consumer privacy and public health concerns. A recent article highlighted the flooding of social media with AI-enabled tools hawking medical information:

> AI is easier than ever to produce and as a result, ads with AI talking heads that claim to be medical experts are infiltrating social media's robust wellness ecosystem. This isn't isolated to one app. On Facebook, Instagram, X, and TikTok, a particular kind of AI health video — one that uses an AI avatar to convince people of medical expertise — has become the defacto way for accounts to convince people that they, and their unproven products, are legit. Unlike AI images from just a few years ago, many of these videos feature a combination of real footage and AI, which results in avatars who look extremely lifelike at first glance — and are edited exactly the same as direct to camera content that's popular on video apps.[1]

The major AI developers have all rolled out products specifically directed to collecting, analyzing, and providing guidance on healthcare. These products are even marketed as tools that you can upload all of your sensitive personal health information to:

> Today, health information is often scattered across portals, apps, wearables, PDFs, and medical notes—so it's hard to see the full picture, and people are left to navigate a complex healthcare system on their own. People have shared countless stories of turning to ChatGPT to help make

[1] CT Jones, *Social Media Is Flooded With AI Doctor 'Scams': Creators Can't Stand It* (March 13, 2025) RollingStone, https://www.rollingstone.com/culture/culture-features/ai-doctor-videos-tiktok-avatars-internet-safety-1235294841/. All internet citations are current as of June 6, 2026.

> sense of it all. In fact, health is one of the most common ways people use ChatGPT today: based on our de-identified analysis of conversations, over 230 million people globally ask health and wellness related questions on ChatGPT every week.
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> ChatGPT Health builds on this so responses are informed by your health information and context. You can now securely connect medical records and wellness apps—like Apple Health, Function, and MyFitnessPal—so ChatGPT can help you understand recent test results, prepare for appointments with your doctor, get advice on how to approach your diet and workout routine, or understand the tradeoffs of different insurance options based on your healthcare patterns.[2]

This growing use of AI chatbots in healthcare settings raises significant privacy concerns, particularly around the handling of sensitive personal health information. Unlike traditional healthcare providers, most general-purpose AI chatbots and platforms are not covered entities under laws like HIPAA, meaning that data shared with them, including symptoms, diagnoses, medications, and mental health disclosures, do not receive the same legal protections as information shared with a doctor or hospital. Users often share highly intimate details with chatbots under an assumption of confidentiality that may not be warranted: that data can potentially be stored, used to train future models, shared with third parties, or exposed in a breach. Despite the potential benefits, these concerns are real, as reported on by the New York Times:

> **What are the potential benefits?**
> Medical records have been chaotic and cumbersome for patients to navigate because the information can be scattered across various databases used by different health providers. (A primary care physician could struggle to offer feedback on a foot injury, for example, if the patient's podiatrist used a different record system.) Microsoft's A.I. could help connect the dots from many different health providers, along with a user's fitness device data.
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> Microsoft said a doctor would probably need hours to manually review all of a person's medical records and fitness device data to come up with a high-level overview on health. It said Copilot Health could do this in seconds.
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> "This is about giving consumers and patients incredible insight and intelligence over their own record and helping them navigate very complex challenges and a very complex system that we've all created for

[2] *Introducing ChatGPT Health* (January 7, 2026) OpenAI, https://openai.com/index/introducing-chatgpt-health/.

> them," said Dr. Dominic King, Microsoft's vice president of health in the A.I. division.
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> As health care costs have risen, many Americans are dropping coverage. An A.I. chatbot could be a low-cost way to help people pay closer attention to their health and research information on symptoms, similar to a web search on a site like WebMD.
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> **What are the risks?**
> In recent years, cyberattacks have breached hospitals and health care systems. Putting health records in a central place makes that information a much more tempting target for criminals, said Matthew Green, an associate professor of computer science at Johns Hopkins University. A victim's health data could expose conditions that he or she would want to keep private.
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> "There is a pot of gold of high-value data that is in one location that people can get," Dr. Green said.
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> Similarly, law enforcement agencies that want an individual's health records could go to Microsoft instead of multiple providers, said Mario Trujillo, a data privacy lawyer for the Electronic Frontier Foundation, a digital rights nonprofit. A woman pursuing reproductive health care in a state with an abortion ban could be at higher risk, he added.
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> Also, the Health Insurance Portability and Accountability Act, or HIPAA, which strictly requires traditional health care providers to protect patient privacy, does not apply to tech companies offering chatbots. So these companies, which are not health care providers even when they offer similar services, could do what they wished with health records, such as use the information to train their A.I. or show ads related to a user's health conditions.

Additionally, the conversational and seemingly empathetic nature of chatbots may lower users' guard, encouraging disclosure of information they would otherwise carefully protect. Even chatbots marketed specifically for health purposes may operate under terms of service that permit broad data use. As these tools become more embedded in how people seek medical guidance, the gap between user expectations of privacy and the legal reality will only widen.

b. Bringing healthcare chatbots under the umbrella of CMIA

CMIA (Civ. Code § 56 et seq.) allows adult patients in California to keep personal health information confidential and decide whether and when to share that information. These

provisions seek to protect Californians' fundamental right to privacy. (Cal. Const., art. I, § 1.) CMIA protects "medical information," and generally regulates what providers of health care and health care service plans can do with such information.

There has been a steady trend toward Californians and health care professionals relying on digital health products and services. However, when Californians are using various consumer products to gather health information or share their information with these products, they may often fall outside of the protective ambit of laws like HIPAA and even CMIA. This has prompted several recent pieces of legislation to extend the protections of CMIA to these products.

Given the increasingly hostile environment around reproductive and gender-affirming healthcare, AB 254 (Bauer-Kahan, Ch. 254, Stats. 2023) addressed digital services that collect reproductive or sexual health information from consumers and that are offered by businesses for the purpose of allowing individuals to manage that information or even for diagnosis, treatment, or management of a medical condition. AB 254 deemed the application information as medical information and the businesses offering them as providers of health care, bringing them within the protective ambit of CMIA.

Similarly, AB 2089 (Bauer-Kahan, Ch. 690, Stats. 2022) addressed the emergence of mental health digital services that collect mental health information and are offered by businesses for the purpose of allowing individuals to manage their information or even for diagnosis, treatment, or management of a medical condition. Just as in AB 254, AB 2089 deemed the relevant information shared as "medical information" and the businesses offering mental health digital service to a consumer for the purpose of allowing the individual to manage the individual's information, or for the diagnosis, treatment, or management of a medical condition of the individual, as providers of health care subject to CMIA.

This bill follows this playbook and deems a business that offers a healthcare chatbot, as defined, to a consumer for the purpose of allowing the individual to manage the individual's information, or for the diagnosis, treatment, or management of a medical condition of the individual, to be a provider of health care subject to the requirements of CMIA. "Healthcare chatbot" is defined as a GenAI system with a natural language interface that provides adaptive, human-like responses to user inputs, collects healthcare chatbot information from a consumer, is marketed as facilitating mental or physical health services to a consumer, and uses the information to facilitate mental or physical health services to a consumer. "Healthcare chatbot information" means information related to a consumer's physical or mental health or wellness that is provided to, inferred by, or generated by a healthcare chatbot.

This ensures that such healthcare chatbots are explicitly covered by CMIA. However, it should be noted that existing CMIA provisions may very well already cover many of these products, as indicated by a recent advisory from the Attorney General:

> California state medical privacy laws provide protections that are, in some cases, more stringent than federal health privacy laws like HIPAA (the Health Insurance Portability and Accountability Act of 1996, 45 C.F.R. Parts 160 and 164).11 The Confidentiality of Medical Information Act (CMIA) and the Information Practices Act govern the use and disclosure of Californians' medical information. Covered entities must preserve confidentiality of patients' medical information and ensure that patients have access to that information. (Civ. Code, §§ 56.10, 56.26, 1798.25.) Sensitive information, including mental and behavioral healthcare and reproductive and sexual healthcare (e.g., abortion and gender affirming care), receive heightened protections. (Civ. Code, § 56.05, subd. (s).) Medical privacy laws apply to governmental healthcare agencies,12 medical providers, and insurance plans, as well as businesses that offer software or hardware to consumers for the purposes of managing medical information, diagnosis or treatment, or management of medical conditions, via mobile applications or other related devices. (Civ. Code, § 56.06, subds. (a), (b).)[3]

2. Regulating GenAI usage in the provision of healthcare

Concerns are also raised when licensed professionals incorporate AI into their own work. While certain AI systems may be trained on legitimate medical sources and provide real benefits to patients, unlike licensed healthcare providers who undergo years of rigorous training, AI systems alone lack the nuanced clinical judgment needed to properly assess symptoms, consider individual patient history, and account for complex interactions between conditions. When these systems present themselves as medical authorities or simply offer health advice, users may receive inaccurate diagnoses, inappropriate treatment recommendations, or dangerous advice about medication interactions.

A recent study conducted at Stanford found that "AI therapy chatbots may not only lack effectiveness compared to human therapists but could also contribute to harmful stigma and dangerous responses."[4] These systems are especially concerning when used by certain vulnerable groups that may be more likely to trust authoritative-sounding

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[3] Legal Advisory, *California Attorney General's Legal Advisory on the Application of Existing California Law to Artificial Intelligence in Healthcare* (May 13, 2024) Department of Justice, https://oag.ca.gov/system/files/attachments/press-docs/Final%20Legal%20Advisory%20-%20Application%20of%20Existing%20CA%20Laws%20to%20Artificial%20Intelligence%20in%20Healthcare.pdf.

[4] Sarah Wells, *Exploring the Dangers of AI in Mental Health Care* (June 11, 2025) Stanford University Human-Centered Artificial Intelligence, https://hai.stanford.edu/news/exploring-the-dangers-of-ai-in-mental-health-care.

medical advice, especially those with limited healthcare access or health or technology literacy.

Referenced above, the California Attorney General released a legal advisory to "provide guidance to healthcare providers, insurers, vendors, investors, and other healthcare entities that develop, sell, and use artificial intelligence (AI) and other automated decision systems about their obligations under California law, including under the state's consumer protection, civil rights, competition, and data privacy laws." The advisory states:

> AI systems are already widespread within healthcare. As of May 2024, the federal Food and Drug Administration (FDA) had authorized for medical use 981 artificial intelligence or machine learning software devices, and counting. These and other AI systems are being used to guide medical diagnosis and treatment decisions. Hospitals and insurers routinely use non-FDA-approved AI systems for tasks such as appointment scheduling, medical risk assessment, and bill processing.
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> AI tools have the potential to help improve patient and population health, increase health equity, reduce administrative burdens, and facilitate appropriate information sharing. At the same time, AI risks causing discrimination, denials of needed care and other misallocations of healthcare resources, and interference with patient autonomy and privacy. For example, AI models trained on data that reflect existing biases in healthcare delivery can exacerbate health inequity. Many patients are not aware of when and how AI systems are used in connection with their healthcare. Moreover, AI systems are novel and complex. Their inner workings are often not understood by the healthcare providers using AI, let alone patients receiving care.
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> Healthcare-related entities that develop, sell, or use AI systems must ensure that their systems comply with laws protecting consumers. This requires understanding how AI systems are trained, what information the systems consider, and how the systems generate output. Developers, researchers, providers, insurers, and related organizations should ensure that AI systems are tested, validated, and audited to ensure that their use is safe, ethical, and lawful, and reduces, rather than replicates or exaggerates, human error and biases. They should also be transparent with patients about whether patient information is being used to train AI and how providers are using AI to make decisions affecting health and healthcare.[5]

[5] *See* fn. 3.

The author frames the issue when AI is incorporated into clinical decision support systems (CDSS):

> As AI integrates into clinical work, it can reshape the decision-making process of health care professionals. A critical risk factor in human-computer clinical interaction is "automation bias." This is defined as the psychological tendency for human operators to uncritically defer to automated cues or algorithmic recommendations, even when those cues contradict the user's independent clinical training or experiential knowledge. In the high-pressure environment of modern medicine, clinicians experience significant cognitive load. When presented with an authoritative output, the clinician may be inclined to accept the AI's conclusion. Automation bias, manifests in two types of errors: omission errors and commission errors. Omission errors occur when humans fail to notice or dismiss AI failures. The risk of omission errors increases in scenarios with high decision flow rates, such as swift assessments of radiology examinations. This risk is worsened by AI-based decisions that are too subtle for human detection. On the other hand, commission errors arise when radiologists mistakenly implement or accept machine decisions despite evidence to the contrary. The phenomenon of automation bias is not only supported by research findings but is also substantiated by extensive anecdotal evidence, spanning domains such as commercial flights, healthcare, and notably, in the context of AI for self-driving cars, as documented in various studies.
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> CDSS can also result in "alert fatigue." Early iterations of CDSS were frequently characterized by high sensitivity but low specificity, generating excessive, clinically insignificant warnings for minor issues such as low-tier drug-drug interactions or routine laboratory anomalies. This barrage of notifications overwhelms practitioners, effectively burying critical, life-saving alerts in a sea of unimportant messages. "The integration of AI in healthcare CDSS is accompanied by various articulated concerns, including issues related to privacy in data management, workload, inherent biases within AI algorithms, and challenges in explainability. Recent reviews emphasize the adverse impacts of CDSSs on healthcare services. Jankovic and Chen specifically note in a study that despite the high predictive value of CDSS, their usage can contribute to healthcare worker burnout due to excessive and unnecessary alerts. These alerts, while well-intentioned, can diminish efficiency and disrupt the workflow of healthcare services. Additionally, Borum underscores a significant barrier to CDSS in healthcare, which is inaccurate patient information. The presence of such barriers reduces the effectiveness of CDSSs in achieving their intended goal of enhancing patient safety and the quality of care delivered."

> Both automation bias and alert fatigue are systemic liabilities in AI implementation. They highlight that the interaction between the algorithm and the clinician is just as critical to patient safety as the accuracy of the algorithm itself. Effective management of CDSS requires awareness of human-AI interactions to prevent the shifting of clinical roles away from licensed, human professionals.

A recent study that systematically reviewed relevant research on the increasing role GenAI is playing in the healthcare world highlights the technology's potential but also the critical role of regulatory oversight and the consensus principle that GenAI should enhance but not replace the decisionmaking of licensed professionals:

> ChatGPT's role in summarizing guidelines and assisting in treatment planning within these domains highlights its value in the healthcare sector. However, its limitations must be addressed before broader clinical adoption. Key areas requiring improvement include GenAI transparency, domain-specific training, and stronger GenAI-human collaboration to enhance decision accuracy. Some researchers advocate the integration of ChatGPT as a supplementary tool in clinical workflows, while others emphasize the necessity of regulatory oversight to mitigate the risks related to bias, misinformation, and ethical concerns. The consensus across these studies is that ChatGPT's capabilities should be rigorously validated and carefully implemented to enhance, rather than replace, human expertise in medical and clinical decision-making.[6]

To respond to these concerns, the bill imposes a number of guardrails around the use of this technology by health facilities, clinics, physicians' offices, and other group practices.

First, it requires them to ensure that no clinical decision is based *solely* on the output of a clinical decision support system and that a licensed health care professional exercises independent professional judgment when reviewing and approving a clinical decision that is based on the output of a clinical decision support system.

"Clinical decision support system" means an ADS or GenAI system whose outputs are used to inform clinical decisionmaking with respect to the provision, timing, or course of patient care. "Clinical decision" includes assessment of patient condition, education of a patient or their family concerning the patient's health care problems, including postdischarge care, communication between licensed health care professionals relating to the handoff of responsibility for a patient, and other documentation and

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[6] Mousa Albashrawi, *Generative AI for decision-making: A multidisciplinary perspective* (August 2025) Journal of Innovation & Knowledge, Vol. 10, Issue 4, https://doi.org/10.1016/j.jik.2025.100751.

communication that requires the application of a licensed health care professional's professional expertise to a patient's health.

Second, the bill provides that no health facility, clinic, physician's office, or office of a group practice shall use or deploy a tool, system, or device that includes AI to direct, guide, supervise, or instruct unlicensed personnel in performing any function that requires a professional license. The bill clarifies that it does not prohibit the use of AI for documentation and communication that does not involve the application of professional judgment.

Violations are subject to various existing enforcement mechanisms established in the Health and Safety Code governing the respective entities. Violations are also deemed "unfair competition" for purposes of the UCL. Furthermore, to the extent that a violation constitutes the practice of a health care profession without a license, the appropriate health care professional licensing board is authorized to pursue an injunction or restraining order to enforce these provisions.

As to the existing legal liabilities relevant here, the Attorney General has emphasized that delegating clinical decisionmaking is unlawful and advises healthcare providers to be careful in incorporating this technology:

> California's professional licensing laws provide additional standards to which licensed medical professionals must adhere. (Bus. & Prof. Code, Division 2 (commencing with Section 500).) Only human physicians (and other medical professionals) are licensed to practice medicine in California; California law does not allow delegation of the practice of medicine to AI. Licensed physicians may violate conflict of interest law if they or their family member have a financial interest in AI services and must disclose any financial conflict when consulting with AI organizations. (Lab. Code, § 139.3, subds. (a), (e).) Furthermore, using AI or other automated decision tools to make decisions about patients' medical treatment, or to override licensed care providers' determinations about what a patient's medical needs are, may violate California's ban on the practice of medicine by corporations and other "artificial legal entities" (Bus. & Prof. Code, § 2400 et seq.), in addition to constituting an "unlawful" or "unfair" business practice under the Unfair Competition Law.

According to the author:

> AI is rapidly integrating into our health care system and reshaping our own personal experience with health care. While this technology can hold a lot of promise, there is no question that without careful consideration of the potential perpetuation of biases, risks to patient safety, and challenges

of clinical workers knowing what to question and what to trust, the deployment of AI in health care can do more harm than good. A 2023 study found that, while carefully crafted AI could slightly improve diagnostic accuracy for certain disorders, in cases where clinicians were provided AI support using a systematically biased model, diagnostic accuracy dropped substantially to 62% (from 73%). This also demonstrates that having a human-in-the-loop is not a panacea for all the challenges that AI can present. Providing health care requires compassion, empathy, and real-world judgment that cannot be captured in patterns and algorithms. Technology should assist human clinicians, not replace them. As AI deploys into health care settings it is also reaching consumers directly through applications like Copilot and ChatGPT offering to connect directly to personal medical records. Voluntary commitments to protect this sensitive information are not enough, we must ensure any entity accessing medical records for managing health is abiding by the law.

3. Stakeholder positions

The California Nurses Association, the sponsor of the bill, asserts:

> AB 1979 ensures that clinical decisions are not made solely based on the output of an AI tool. When a health facility, clinic, physician office, or group practice uses a clinical decision support system in patient care, the bill requires that a licensed health care professional independently review and approve the clinical decisions and exercise their professional judgment. The bill also prohibits health care entities from using AI tools to direct unlicensed personnel to perform functions that require a professional license. Finally, AB 1979 ensures that health care chatbots that collect and use sensitive health information are subject to California's medical confidentiality laws.
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> These are commonsense guardrails on the use of AI tools in patient care. AB 1979 does not ban supportive AI tools. It simply ensures that AI tools cannot become the decision maker in patient care and that patients do not lose medical privacy protections when their health information passes through an AI-enabled platform.
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> **Health care employers and technology companies are increasingly introducing AI tools into clinical settings in ways that treat licensed human practice in health care as if it can be easily replicated by software and that expand the collection and use of patient health data.** Allowing untested and unaccountable AI outputs to stand in for independent professional judgment is a dangerous approach to patient

> care. AI systems do not hold professional licenses, do not owe duties to patients, do not exercise human judgment, and cannot be disciplined by a licensing board when they make mistakes. When an AI output becomes the sole basis for a clinical decision or directs unlicensed personnel to perform work that the law reserves for licensed professionals, and when algorithms circumvent safeguards on patients' sensitive health data, serious gaps in accountability emerge and patients are placed at risk.

Writing in support, the Board of Behavioral Sciences argues the need for the bill:

> The Board believes it is essential to provide guardrails to ensure that emerging technologies enhance, rather than undermine, the delivery of safe and effective care. By reinforcing the requirement for independent professional judgment and prohibiting the inappropriate delegation of licensed functions, this bill supports patient safety and upholds the integrity of clinical practice.

Scripps Health writes in an oppose-unless-amended position:

> As drafted, AB 1979 does not clearly distinguish between AI that supports clinical decision-making and AI that replaces it. Its broad definitions could restrict widely used, patient-centered technologies already integrated into routine care, including predictive alerts, clinical documentation tools, and electronic health record functions. The bill also places hospitals in the untenable position of having to "ensure" that individual clinicians do not rely solely on AI output, creating a standard that is difficult to operationalize and misaligned with how accountability is exercised in clinical practice.
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> In addition, AB 1979 may conflict with existing state requirements related to electronic health records and data exchange, where hospitals rely on software tools to organize and surface critical patient information for timely clinical use.

The California Hospital Association also writes in an oppose-unless-amended position:

> Before deployment, each AI tool undergoes an extensive review process, including input via multidisciplinary committees from the health care workers who will use it, standardized privacy and security assessments, and review of AI registries. No AI platform is continued for use by medical professionals in patient care without a thorough assessment and ongoing monitoring for effectiveness and safety.

> Further, clinician accountability and expertise are preserved, and California's invaluable health care professionals retain full oversight and responsibility at all times. The concept of "professional judgment" is already well established through medical standards of care and overseen by licensing boards.
>
> AB 1979 would also undermine improvements generated through current technology by disrupting existing, widely used, and beneficial technologies embedded in electronic health record platforms, where AI supports functions such as predictive alerts, clinical summarization, and documentation. These capabilities are deeply integrated into clinical workflows and cannot be removed without compromising data quality, workflow efficiency, and interoperability. Even more troublingly, rolling back patient care-related functions, like predictive alerts, would erode critical patient safety gains that have saved lives.

The author responds to concerns about requiring these entities to "ensure" proper AI integration:

> Health care entities already control the systems, workflows, staffing models, policies, vendor contracts, and productivity pressures that shape how AI is deployed in patient care. It is appropriate to require the entity deploying the tool to ensure that its use does not displace licensed clinical judgment.
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> The bill does not shift professional liability onto individual clinicians or make clinicians responsible for AI system failures. The purpose is to prevent facilities from designing or deploying workflows where AI output becomes the sole basis for care decisions or where clinicians are pressured to defer to the tool.

In addition, the author asserts, in response to concerns about the breadth of the obligations on healthcare entities:

> AB 1979 does not ban AI, clinical decision-support systems, EHR tools, alerts, predictive scores, documentation tools, or other supportive technologies. This bill draws a line between using AI to support licensed professionals and using AI as the sole basis for clinical decisions.
>
> The bill allows AI to assist clinicians by organizing information, surfacing relevant data, generating draft documentation, supporting workflow, or providing decision-support recommendations, so long as the tool does not replace the independent professional judgment required of a licensed health care professional.

> AI can have appropriate uses in health care. The bill is focused on preventing unsafe substitution, not preventing innovation. Patients should not receive care based solely on software output when California law requires licensed clinical judgment.

The California Federation of Labor Unions writes in support:

> Clinical health care practice involves a complex human process of assessment, diagnosis, planning, judgment, evaluation, and accountability in real time. Each of these functions is part of the standards of licensed clinical practice because it directly affects patient safety and requires professional judgment.
>
> AB 1979 will protect against the threats presented by the rapid expansion of AI in health care to standards of care in clinical practice and patient privacy. This bill preserves a human in command standard, where licensed health care professionals remain the actual decision maker in health care clinical practice. Lastly, AB 1979 also ensures that AI health applications remain subject to California's medical confidentiality laws, so patients do not lose privacy protections simply because their information passes through a digital platform.

4. Amendments

In response to the above concerns, the author has agreed to amendments to several provisions within Section 3 of the bill as follows:

> **1339.77.** (a) (1) A health facility, clinic, physician's office, or office of a group practice shall ensure that no clinical decision is based solely on the output of a clinical decision support system.
>
> (2) A health facility, clinic, physician's office, or office of a group practice shall ensure that a licensed health care professional, acting within their scope of practice, retains the ability to exercises independent professional judgment when reviewing and approving a clinical decision that is based on the output of a clinical decision support system.
>
> (3) For purposes of this subdivision, "clinical decision" includes, but is not limited to, assessment of patient condition and education of a patient or their family concerning the patient's health care problems, including postdischarge care~~, communication between licensed health care professionals relating to the handoff of responsibility for a patient, and other documentation and communication that requires the application of~~

~~a licensed health care professional's professional expertise to a patient's health~~.

(b) A health facility, clinic, physician's office, or office of a group practice shall not use or deploy a tool, system, or device that includes artificial intelligence to direct, guide, supervise, or instruct unlicensed personnel in their performance~~ing~~ of any clinical function that by law must be performed by a person with ~~requires~~a professional license.

…

d) This section does not ~~prohibit~~apply to the use of ~~artificial intelligence~~automated decision systems for documentation and communication that does not involve the application of professional judgment, including, but not limited to, automated messages to inform patients of updates to their health records, generating reminders, or assisting patients to find information at their request.

SUPPORT

California Nurses Association (sponsor)
Board of Behavioral Sciences
California Federation of Labor Unions, AFL-CIO
Techequity Action

OPPOSITION

Advanced Medical Technology Association
America's Physician Groups
American Telemedicine Association, Ata Action
California Association of Health Plans
California Chamber of Commerce
California Dental Association
California Hospital Association
California Radiological Society
Civil Justice Association of California (CJAC)
Connected Health Initiative
Epic
Greater Conejo Valley Chamber of Commerce
Kaiser Permanente
Scripps Health
Technet

RELATED LEGISLATION

SB 503 (Weber Pierson, 2026) requires developers and deployers of AI systems to make reasonable efforts to identify AI systems used to support clinical decisionmaking or health care resource allocation that are known or have a reasonably foreseeable risk for biased impacts in the system's outputs resulting from use of the system in health programs or activities. It requires developers and deployers to make reasonable efforts to mitigate the risk for biased impacts. Deployers are required to regularly monitor these AI systems and take reasonable and proportionate steps to mitigate any bias that may occur. SB 503 is currently on the Assembly Floor Inactive File.

SB 903 (Padilla, 2026) establishes the Wellness and Oversight for Psychological Resources Act, regulating the use of AI by licensed professionals providing psychotherapy services, as defined. It, among other things, prohibits using AI for specified activities and requires notice and consent for certain authorized services. The bill also directly targets advertising or providing therapy unless conducted by a licensed professional, including through the use of AI. SB 903 is currently in the Assembly Business and Professions Committee.

AB 2575 (Ortega, 2026) requires a health facility, clinic, physician's office, or office of a group practice that uses or deploys a CDSS for patient care to provide written notice of specified information to any licensed health care professional or other person using a CDSS or viewing outputs from a CDSS. This includes advanced notice before a CDSS is first deployed. It further prohibits an employer from retaliating or discriminating against a worker providing direct patient care based solely on the worker's override of, or reliance on, the output of a CDSS. AB 2575 also provides that in an action against a defendant who developed, modified, selected, or deployed a CDSS that is alleged to have caused harm to a plaintiff, it shall not be a defense, and the defendant may not assert, that the failure of a licensed health care professional or other health care worker to override an output of the CDSS is a superseding cause severing the defendant's liability for the alleged harm. AB 2575 is currently in the Senate Health Committee.

AB 489 (Bonta, Ch. 615, Stats. 2025) clarifies that provisions of law that prohibit the use of specified terms, letters, or phrases to falsely indicate or imply possession of a license or certificate to practice a health care profession, as defined, apply to an entity who develops or deploys AI or GenAI technology that uses such terms, letters, or phrases in its advertising or functionality, prohibits such usage, and subjects such developers and deployers to the same oversight and enforcement.

AB 254 (Bauer-Kahan, Ch. 254, Stats. 2023) *See* Comment 1.

AB 2089 (Bauer-Kahan, Ch. 690, Stats. 2022) *See* Comment 1.

PRIOR VOTES:

Assembly Floor (Ayes 48, Noes 15)
Assembly Appropriations Committee (Ayes 11, Noes 4)
Assembly Privacy and Consumer Protection Committee (Ayes 11, Noes 4)
Assembly Health Committee (Ayes 12, Noes 3)

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