SENATE COMMITTEE ON HEALTH
Senator Akilah Weber Pierson, Chair

BILL NO: AB 1979
AUTHOR: Bonta
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HEARING DATE: July 1, 2026
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SUBJECT: Health care services: artificial intelligence

SUMMARY: Adds businesses that offer "health care chatbots" to the California Medical Information Act to ensure that they are held to the same requirements to protect private health information as health care providers. 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.

Existing law:
1) Establishes the Confidentiality of Medical Information Act (CMIA), which prohibits a health care provider, health care service plan, or contractor from disclosing medical information regarding a patient without first obtaining authorization. [CIV §56, et. seq.]

2) Defines "medical information," for purposes of the CMIA, as any individually identifiable information, in electronic or physical form, in possession of or derived from a provider of health care, health plan, pharmaceutical company, or contractor regarding a patient's medical history, mental or physical condition, or treatment. [CIV §56.05]

3) Defines "provider of health care," for purposes of the CMIA, as any licensed or certified health care provisional, and any clinic, health dispensary, or health facility. [CIV §56.05(o)]

4) Requires any business organized for the purposes of maintaining medical information in order to make the information available to an individual or to a provider of health care at the request of the individual or the provider of health care, for the purposes of allowing the individual to manage his or her information, or for the diagnosis or treatment of the individual, to be deemed a provider of health care subject to the CMIA. [CIV §56.06(a)]

5) Establishes the California Department of Public Health (CDPH) which licenses and regulates health facilities and clinics. [HSC §1200, et seq. and §1250, et seq.]

6) Defines "clinic" as an organized outpatient health facility that provides direct medical, surgical, dental, optometric, or podiatric advice, services, or treatment to patients who remain less than 24 hours, and that may also provide diagnostic or therapeutic services to patients in the home as an incident to care provided at the clinic facility. [HSC §1200, et seq.]

7) Defines "health facility" to mean a facility, place, or building that is organized, maintained, and operated for the diagnosis, care, prevention, and treatment of human illness, physical or mental, including convalescence and rehabilitation and including care during and after pregnancy, or for any one or more of these purposes, for one or more persons, to which the persons are admitted for a 24-hour stay or longer, including, but not limited to, hospitals, nursing facilities, and hospice facilities. [HSC §1250]

8) Requires a health facility, clinic, physician's office, or office of a group practice that uses generative artificial intelligence (AI) to generate written or verbal patient communications pertaining to patient clinical information to ensure that those communications include a disclaimer, as specified, that indicates to the patient that the communication was generated by generative AI, and clear instructions describing how a patient may contact a human health care provider, employee, or other appropriate person. Exempts communications generated by generative AI from this requirement if it is read and reviewed by a human licensed or certified health care provider. [HSC §1339.75]

9) Defines the following terms for purposes of 4) above:
   a) "Artificial intelligence" means an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments; and,
   b) "Generative artificial intelligence" means AI that can generate derived synthetic content, including images, videos, audio, text, and other digital content. [HSC §1339.75(c)]

10) Establishes the California Privacy Protection Agency (CPPA) to implement and enforce the California Privacy Rights Act of 2020, and provides the CPPA with the full administrative power, authority and jurisdiction to implement and enforce the California Consumer Privacy Act of 2018, including responsibilities to update existing regulations and adopt new regulations. [CIV §1798.100, et seq.]

11) Requires the Department of Technology to conduct, in coordination with other interagency bodies as it deems appropriate, a comprehensive inventory of all high-risk automated decision systems that have been proposed for use, development, or procurement by, or are being used, developed, or procured by, any state agency. Defines "high-risk automated decision system" as an automated decision system 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 §11546.45.5]

This bill:

1) Defines "artificial intelligence" and "generative artificial intelligence," for purposes of the CMIA, as having the same meaning as definitions described in Existing Law 5) above.

2) Defines "health care chatbot" as a generative AI system with a natural language interface that:
   a) Provides adaptive, human-like responses to user inputs;
   b) Is marketed as facilitating or supporting health services to a consumer; and,
   c) Uses health care chatbot information to facilitate or support health services to a consumer. Defines "health care chatbot information" as information related to a consumer's physical or mental health or wellness that a consumer provides to a chatbot, either directly or by allowing access to information, or is collected, generated, or inferred by a chatbot.

3) Deems any business that offers a health care 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, to be deemed to be a provider of health care subject to the requirements of the CMIA. However, prohibits this

provision from being construed to make a business a provider of health care for purposes of any law other than the CMIA.

4) 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.

5) Requires a health facility, clinic, physician's office, or office of a group practice to ensure that a licensed health care professional, acting within their scope of practice, retains the ability to exercise independent professional judgment when reviewing and approving a clinical decision that is based on the output of a clinical decision support system.

6) Defines "clinical decision," as including, but is not being limited to, assessment of patient condition and education of a patient or their family concerning the patient's health care problems, including postdischarge care.

7) Prohibits a health facility, clinic, physician's office, or office of a group practice from using or deploying a tool, system, or devices that includes artificial intelligence to direct, guide, supervise, or instruct unlicensed personnel in their performance of any clinical function that is required by law to be performed by a person with a professional license.

8) Specifies that a violation of this bill by a licensed health facility or a clinic is subject to existing provisions of law establishing misdemeanor penalties for violations of laws governing health facilities and clinics, with a fine of up to $1,000 or imprisonment in the county jail for up to 180 days, or both.

9) Specifies that a violation of this bill constitutes "unfair competition," subject to civil penalties of up to $2,500 per violation as provided for in the Unfair Competition Law.

10) Specifies that to the extent that a violation of this bill constitutes the practice of a health care profession without a license, permits the appropriate licensing board to pursue an injunction or restraining order, as authorized by existing law. Prohibits anything in this bill from limiting the authority for a licensing board to pursue any remedy otherwise authorized under the law.

11) Exempts the use of 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.

12) Defines various terms for purposes of this bill, including:
    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; and,
    b) "Clinical decision support system" means an automated decision system or generative artificial intelligence system whose outputs are used to inform clinical decisionmaking with respect to the provision, timing, or course of patient care.

FISCAL EFFECT: According to the Assembly Appropriations Committee, costs of an unknown amount to CDPH to ensure health facilities, clinics, and physician offices comply with the provisions of this bill. If CDPH adopts regulations, one-time costs could be in the hundreds of thousands of dollars (Licensing and Certification Fund). The Department of Consumer Affairs reports most healing arts boards anticipate an increase in workload due to a higher volume of complaints resulting from this bill. However, the boards are unable to estimate the increase in complaint volume or related enforcement costs due to the lack of data on how frequently AI violations occur (various special funds). Costs of an unknown but potentially significant amount to the Department of Justice (DOJ) to bring enforcement actions as authorized by this bill. Actual costs will depend on the number of enforcement actions pursued by DOJ and the amount of additional work created by each action, but costs may be in the hundreds of thousands of dollars annually. (Unfair Competition Law Fund). Cost pressures of an unknown but potentially significant amount to the courts to adjudicate any additional filings (Trial Court Trust Fund, General Fund). Actual costs will depend on the number of cases filed and the amount of court time needed to resolve each case. It generally costs approximately $1,000 to operate a courtroom for one hour. Although courts are not funded based on workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The state budget provides annual General Fund backfills to the Trial Court Trust Fund to offset revenue reductions, totaling approximately $117.3 million in 2025-26.

PRIOR VOTES:

Senate Privacy, Digital Technologies, and Consumer Protection Committee:	7 - 2
Assembly Floor:	48 - 15
Assembly Appropriations Committee:	11 - 4
Assembly Privacy and Consumer Protection Committee:	11 - 4
Assembly Health Committee:	12 - 3

COMMENTS:

1) *Author's statement.* 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.

2) *Generative AI in health care.* According to a July 25, 2023 viewpoint article in the *Journal of the American Medical Association*, "Generative AI in Health Care and Liability Risks for

Physicians and Safety Concerns for Patients," generative AI is being heralded in the medical field for its potential to ease the long-lamented burden of medical documentation by generating visit notes, treatment codes, and medical summaries. This article stated that to date, no court in the U.S. has considered the question of liability for medical injuries caused by relying on AI-generated information. The article warned that to minimize risks, even medical professionals must exercise caution when relying on AI-generated information, due to the "black-box" nature of how these systems generate output, because it may be impossible for the physician to independently evaluate the accuracy of the AI's output. An article in *Implement Science*, published in March 2024, stated that the utility and impact of generative AI in healthcare remain poorly understood, with concerns about ethical and legal implications, integration into healthcare service delivery, and workforce utilization. The American Medical Association (AMA) published "Principles for Augmented Intelligence Development, Deployment, and Use," which was approved by the AMA Board of Trustees on November 14, 2023. According to this AMA document, as the number of AI-enabled health care tools and systems continue to grow, these technologies must be designed, developed, and deployed in a manner that is ethical, equitable, responsible, and transparent. The AMA notes that while the U.S. Food and Drug Administration (FDA) regulates AI-enabled medical devices, many types of AI-enabled technologies fall outside the scope of FDA oversight, including AI that may have clinical applications, such as some clinical decision support functions. The AMA report specifically looked at transparency in use of AI-enabled systems, and stated that it is essential that use of AI in health care be transparent to both physicians and patients, and disclosure should contribute to physician and patient knowledge and not create unnecessary administrative burden. The AMA report states that when AI is utilized in health care decision-making, that use should be disclosed and documented in order to limit risks to, and mitigate inequities for, both physicians and patients. The AMA noted that while transparency does not necessarily ensure AI-enabled tools are accurate, secure, or fair, it is difficult to establish trust if certain characteristics are hidden. According to the AMA, when AI is used in a manner which directly impacts patient care, access to care, or medical decision-making, that use of AI should be disclosed and documented to both physicians and patients. The opportunity for a patient to request additional review from a licensed clinician should be made available upon request. The AMA policy also states that AI tools or systems cannot augment, create, or otherwise generate records, communications, or other content on behalf of a physician without that physician's consent and final review.

3) *Racial bias in algorithms and AI.* Several studies have identified risks of racial bias in algorithms and AI. An October 2019 article in the journal *Science*, "Dissecting racial bias in an algorithm used to manage the health of populations," found that Black patients assigned the same level of risk by the algorithm are actually sicker than White patients. The study estimated that this racial bias reduces the number of Black patients identified for extra care by more than half. According to the study, bias occurs because the algorithm uses health costs as a proxy for health needs, and because less money is spent on Black patients who have the same level of need, the algorithm falsely concludes that Black patients are healthier than equally sick White patients. The journal *NPJ Digital Medicine* published a study in 2023, "LLMs propagate race-based medicine," that assessed four LLMs used in healthcare systems. The study found that all models had examples of perpetuating race-based medicine in their response to questions. Models were not always consistent in their response when asked the same question repeatedly, and that based on their findings, these LLMs could potentially cause harm by perpetuating debunked, racist ideas.

4) *Trustworthy AI.* The federal Health and Human Services Agency (HHS) has developed a "playbook" for AI development with the goal of maintaining public trust by using AI solutions that are "ethical, effective, and secure," according to the HHS Chief AI Officer. With regard to HHS agencies, principles have been established for trustworthy AI that "fosters public trust and confidence while protecting privacy, civil rights, civil liberties, and American values, consistent with applicable laws." The playbook describes AI as whether the solution or system:
   a) Performs tasks under varying and unpredictable circumstances without significant human oversight, or can learn from experience and improvement performance when exposed to data sets;
   b) Uses computer software, physical hardware, or other technology to solve tasks that require human-like perception, thinking, planning, learning, communication, or physical action;
   c) Thinks or acts like a human, including the use of cognitive architecture or neural networks (e.g., developed to mimic the underlying mechanisms of the human mind);
   d) Relies on a set of techniques, including machine learning, to approximate a cognitive task; and,
   e) Is designed to act rationally by utilizing intelligent software or an embodied robot to achieve goals using perception, planning, reasoning, learning, communicating, decision-making, and action.

   The HHS principles for use of trustworthy AI in government cover six areas: fair and impartial application; transparent and explainable data use; responsible and accountable governance and policies; robust and reliable outputs; safe and secure from risks; and, that privacy should be respected, data not used beyond its intended and stated use, and that its use is approved by the data owner or steward.

5) *Double referral.* This bill was heard in the Senate Privacy, Digital Technologies, and Consumer Protection Committee on June 15, 2026, and passed with a 7-2 vote.

6) *Related legislation.* SB 503 (Weber Pierson) would impose requirements on developers and deployers of AI systems used to support clinical decision-making or health care resource allocation, including that they make reasonable efforts to mitigate the risk of biased impacts in the system's outputs resulting from the use of the systems in health programs or activities. *SB 503 is pending on the Assembly Floor.*

   SB 813 (McNerney) would require the Government Operations Agency to establish the California Artificial Intelligence Standards and Safety Commission to designate "independent verification organizations," which would ensure compliance with best practices for the prevention of personal injury and property damage and certify qualified AI models or AI applications. *SB 813 is set for hearing on July 1, 2026 in the Assembly Privacy and Consumer Protection Committee.*

   SB 903 (Padilla) would prohibit individuals or corporations from using, advertising, or offering psychotherapy services, including through AI, unless conducted by a licensed health care professional, as defined. Would authorize licensed health care professionals to use AI for limited administrative or supplementary support, as indicated. SB 903 would provide state licensing boards and enforcement agencies the authority to pursue legal recourse for any violations. *SB 903 is set for hearing on July 1, 2026 in the Assembly Privacy and Consumer Protection Committee.*

AB 1018 (Bauer-Kahan) would regulate the use of automated decision systems (ADS) used to make consequential decisions, as defined, and would require a developer of a covered ADS to take certain actions, including conducting impact assessments. *AB 1018 is pending on the Senate Floor.*

AB 2575 (Ortega) requires a health facility and other health providers that use or deploy a clinical decision support system for patient care to provide a list of required information, including details on how the system was developed and how it works, to any licensed health care professional or other person that views outputs from a clinical decision support system, 90 days before deploying the system and when onboarding new employees. Prohibits an employer from retaliating or discriminating against a worker based solely on the worker's override of, or reliance on, the output of a clinical decision support system. Prohibits the failure of a health care worker to override an output of a clinical decision support system from being asserted as a superseding cause severing the defendant's liability for the alleged harm in a civil action against a defendant who developed or deployed a clinical decision support system that is alleged to have caused harm. *AB 2575 is set for hearing on June 29, 2026 in the Senate Privacy, Digital Technologies, and Consumer Protection Committee.*

7) *Prior legislation.* AB 1898 (Schultz of 2026) would have required employers to give workers at least 90 days' advance written notice before deploying any "workplace AI tool," defined to include both automated decision systems and AI-based surveillance technologies; required employers to provide workers a notice that, among other disclosures, lists the tools used by the employers, each tool's purpose, the data it collects, the employment decisions it may affect, and any quotas the tool sets or enforces; and, allowed enforcement by the Labor Commissioner, public prosecutors, and workers themselves, with civil penalties of up to $500 per violation. *AB 1898 was held on the Assembly Appropriations Committee suspense file.*

   SB 7 (McNerney of 2025) would have required an employer, or a vendor engaged by the employer, to provide a written notice that an ADS, for the purpose of making employment-related decisions, is in use at the workplace to a worker who will be directly or indirectly affected by the ADS, as specified. Defined ADS as any computational process derived from machine learning, statistical modeling, data analytics, or AI that issues simplified output, including a score, classification, or recommendation, that is used to assist or replace human discretionary decision-making and materially impacts natural persons. *SB 7 was vetoed by the Governor, who stated, in part, that he "shared the author's concern that in certain cases unregulated use of ADS by employers can be harmful to workers. However, rather than address the specific ways employers misuse this technology, this bill imposes unfocused notification requirements on any business using even the most innocuous tools. This proposed solution fails to directly address incidents of misuse."*

   SB 243 (Padilla and Becker, Chapter 677, Statutes of 2025) establishes specified requirements on persons who make a companion chatbot that uses an AI system with a natural language interface, as specified, to protect users.

   AB 489 (Bonta, Chapter 615, Statutes of 2025) prohibits AI and generative AI systems from misrepresenting themselves as licensed or certified healthcare professionals and provides state licensing boards or enforcement agencies the authority to pursue legal recourse against developers or deployers of these systems.

SB 1120 (Becker, Chapter 879, Statutes of 2024) establishes requirements on health plans and insurers applicable to their use of AI for utilization review and utilization management decisions, including, that the use of AI, algorithm, or other software must be based upon a patient's medical or other clinical history and individual clinical circumstances as presented by the requesting provider and not supplant health care provider decision making.

AB 2930 (Bauer-Kahan of 2024) would have regulated the use of ADSs in order to prevent "algorithmic discrimination." This includes requirements on developers and deployers that make and use these tools to make "consequential decisions" to perform impact assessments on ADSs. AB 2930 would have also established the right of individuals to know when an ADS is being used, the right to opt out of its use, and an explanation of how it is used. *AB 2930 died on the Assembly Floor.*

AB 3030 (Calderon, Chapter 848, Statutes of 2024) requires a health facility, clinic, physician's office, or office of a group practice that uses generative AI to generate written or verbal patient communications pertaining to patient clinical information to ensure that those communications include a disclaimer that indicates to the patient that the communication was generated by generative AI and clear instructions on how the patient may contact a human person.

AB 254 (Bauer-Kahan, Chapter 254, Statutes of 2023) added "reproductive or sexual health application information" to the definition of "medical information" in the CMIA.

|AB 858 (Jones-Sawyer of 2022) would have provided that a direct patient care worker at a general acute care hospital and their collective bargaining representative shall be notified of the implementation of new health information technology, may provide input in such implementation, and is permitted to override it, as specified, without fear of discrimination or retaliation. *AB 858 was vetoed by the Governor, with his veto message stating it was "Per the request of the author and sponsor."*

8) *Support.* This bill is sponsored by the California Nurses Association/National Nurses United (CNA) to ensure that clinical decisions are not made solely based on the output of an AI tool. When a health facility, clinic, or physician office uses a clinical decision support system in patient care, this bill requires that a licensed health care professional independently review and approve the clinical decisions and exercise their professional judgment. This bill also prohibits health care entities from using AI tools to direct unlicensed personnel to perform functions that require a professional license. Finally, this bill ensures that health care chatbots that collect and use sensitive health information are subject to California's medical confidentiality laws. According to CNA, 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. 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, serious gaps in accountability emerge and patients are placed at risk. According to CNA, nurses and other health care workers report problems with AI-generated handoff reports and clinical materials that are inaccurate, incomplete, or misleading, forcing workers to spend additional time catching and correcting errors instead of caring for patients. These risks underscore why a

licensed health care professional must do more than passively review an AI output; they must be able to exercise independent professional judgment before a clinical decision is approved or carried out. The California Federation of Labor states in support that 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. This bill preserves a human in command standard, where licensed health care professionals remain the actual decision maker in health care clinical practice.

9) *Opposition.* A coalition of opponents, including Kaiser Permanente, American's Physician Groups, the California Association of Health Plans, and the California Radiological Society, among others, states that this bill imposes rigid statutory constraints on rapidly evolving tools that are already deeply embedded across clinical operations. The coalition states that AI-enabled tools have improved patient health outcomes and reduced patient mortality in addition to improving administrative efficiency and reducing provider burden. Many types of AI have been used extensively in health care for years, such as machine learning and pattern analysis to assist clinicians interpreting imaging and algorithms that provide clinicians with decision support. Opponents state that as currently written, activities like patient education and assessment are currently included in the definition of "clinical decision," which seems excessively broad. The framing around "clinical decisions" is extremely expansive, explicitly sweeping in patient and family education, post-discharge communication, and routine clinical documentation and handoffs. In practice, this language risks capturing many safety-enhancing uses of AI that augment and assist clinician judgment rather than replace it. The California Hospital Association submitted an oppose unless amended letter, stating that this bill fails to distinguish between AI that informs clinical decisions, and AI that replaces them, and would impose sweeping prohibitions on a wide range of patient-centered technologies that have been widely used for years. CHA states that no AI platform is continued for use by medical professionals in patient care without a thorough assessment and ongoing monitoring for effectiveness and safety.

10) *Definition of clinical decision goes beyond decisions.* This bill, among other provisions, requires that health care professionals retain the ability to exercise independent professional judgment when reviewing and approving a "clinical decision" that is based on the output of a clinical decision support system. The bill then goes on to define "clinical decision," for this purpose, as including, but 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." While these activities are an essential part of the role of licensed health care professionals, it is not clear that these activities constitute a "clinical decision," and the definition does not even mention making treatment decisions or recommendations. If the objective is to ensure that licensed health care professionals retain the ability to exercise independent professional judgment when an AI tool provides a recommendation or other output, this can be done without needing to define "clinical decision."

SUPPORT AND OPPOSITION:

Support: California Nurses Association (sponsor)
Board of Behavioral Sciences
California Federation of Labor Unions
Consumer Watchdog
National Union of Healthcare Workers
TechEquity Action

Oppose: Advanced Medical Technology Association (unless amended)
Adventist Health
America's Physician Groups (unless amended)
American Telemedicine Association (unless amended)
Anaheim Chamber of Commerce (unless amended)
Biocom California (unless amended)
California Association of Health Plans (unless amended)
California Chamber of Commerce (unless amended)
California Dental Association
California Hospital Association (unless amended)
California Radiological Society (unless amended)
Civil Justice Association of California (unless amended)
Connected Health Initiative
Epic
Glendale Chamber of Commerce
Greater Conejo Valley Chamber of Commerce
Kaiser Permanente (unless amended)
Los Angeles Area Chamber of Commerce
Oceanside Chamber of Commerce
Orange County Business Council
Pasadena Chamber of Commerce and Civic Association
San Diego Regional Chamber of Commerce
San Gabriel Valley Economic Partnership
Santa Monica Chamber of Commerce
Scripps Health (unless amended)
Technet
The Greater Coachella Valley Chamber of Commerce
Tri-County Chamber Alliance

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