THIRD READING

Bill No: AB 1979
Author: Bonta (D)
Amended: 8/20/26 in Senate
Vote: 21

SENATE PRIV., DIGITAL TECH. & CONS. PROT. COMMITTEE: 7-2, 6/15/26
AYES: Cabaldon, Gonzalez, McNerney, Padilla, Reyes, Umberg, Wiener
NOES: Jones, Ochoa Bogh

SENATE HEALTH COMMITTEE: 8-0, 7/1/26
AYES: Weber Pierson, Caballero, Durazo, Gonzalez, Menjivar, Padilla, Pérez, Smallwood-Cuevas
NO VOTE RECORDED: Valladares, Grove, Rubio

SENATE APPROPRIATIONS COMMITTEE: 5-2, 8/13/26
AYES: Cervantes, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto, Dahle

ASSEMBLY FLOOR: 48-15, 5/21/26 - See last page for vote

SUBJECT: Health care services: artificial intelligence

SOURCE: California Nurses Association

DIGEST: This bill subjects businesses offering "health care 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 patient care.

Senate Floor Amendments of 8/20/26 move Section 3 of this bill from the Heath and Safety Code to the Business and Professions Code, revise the definition of clinical decision support system, remove various enforcement provisions, and make various technical changes.

ANALYSIS:

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 Code of Federal Regulations [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. (Civil [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) 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. (Government [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 "health care chatbot" as a GenAI system with a natural language interface that provides adaptive, human-like responses to user inputs, is marketed as facilitating or supporting health services to a consumer, and uses

health care chatbot information to facilitate mental or physical health services to a consumer. “Health care chatbot information” means information related to a consumer’s physical or mental health or wellness that is provided to, inferred by, collected by, or generated by a healthcare chatbot.

3) Requires a health facility, clinic, physician’s office, or office of a group practice to take reasonable steps to ensure that a licensed health care professional retains the ability to exercise independent professional judgment in their care of a patient whenever that care is informed by the output of a “clinical decision support system.”

4) Defines “clinical decision support system” means an artificial intelligence system that produces a prediction, classification, recommendation, evaluation, or analysis that aids clinical decisionmaking related to timing of care, diagnosis, or treatment. “Clinical decision support system” does not include systems that provide appointment management such as booking, canceling and rescheduling appointments, appointment reminders, patient education and pre-visit materials and preparation, and payment processing, to the extent the independent performance of these activities by the system does not require a professional license.

5) 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 do the following:

   a) Direct, guide, supervise, or instruct unlicensed personnel in performing any function that requires a professional license.

   b) Independently perform any clinical function that is required by law to be performed by a person with a professional license.

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

7) Deems a violation by a physician subject to the jurisdiction of the Medical Board of California or Osteopathic Medical Board of California, as appropriate.

8) 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.

Background

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 context of patient care. 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. For a more thorough analysis, please see the Senate Privacy, Digital Technologies, and Consumer Protection Committee analysis.

Comment

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.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Senate Appropriations Committee:

Costs of an unknown amount to the California Department of Public Health (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 artificial intelligence (AI) violations occur (various special funds).

Potentially significant costs to the Department of Justice (DOJ) to bring civil actions for violations against any person who engages in a deceptive act or practice. 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. In addition, the Unfair Competition Law provides private plaintiff actions. (Unfair Competition Law Fund).

Cost pressures of an unknown but potentially significant amount to the courts to adjudicate any additional filings. 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. The proposed FY 2026-07 Governor's budget

would provide $70 million General Fund support (Trial Court Trust Fund, General Fund).

SUPPORT: (Verified 8/20/26)

California Nurses Association (source)
Board of Behavioral Sciences
California Federation of Labor Unions, AFL-CIO
Consumer Watchdog
Department of Consumer Affairs, Board of Psychology
Techequity Action

OPPOSITION: (Verified 8/20/26)

Advanced Medical Technology Association (ADVAMED)
American Telemedicine Association, Ata Action
California Dental Association
California Radiological Society
Connected Health Initiative
Epic
Greater Conejo Valley Chamber of Commerce
Scripps Health
Technet

ARGUMENTS IN SUPPORT: The California Nurses Association writes:

> 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.

ARGUMENTS IN OPPOSITION: 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.

ASSEMBLY FLOOR: 48-15, 5/21/26
AYES: Addis, Aguiar-Curry, Ahrens, Alvarez, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Connolly, Elhawary, Fong, Gabriel, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ransom, Rogers, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ward, Wicks, Zbur, Rivas
NOES: Alanis, Ávila Farías, Castillo, DeMaio, Dixon, Ellis, Jeff Gonzalez, Hadwick, Johnson, Macedo, Patterson, Sanchez, Ta, Tangipa, Wallis
NO VOTE RECORDED: Arambula, Carrillo, Chen, Davies, Flora, Gallagher, Garcia, Gipson, Hoover, Lackey, Pacheco, Ramos, Celeste Rodriguez, Michelle Rodriguez, Blanca Rubio, Valencia, Wilson

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8/24/26 14:00:16

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