SENATE COMMITTEE ON BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT

Senator Dr. Aisha Wahab, Chair
2025 - 2026 Regular

Bill No:	AB 1990	**Hearing Date:**	June 29, 2026
Author:	Gipson		
Version:	June 24, 2026		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Sarah Mason		

Subject: Pharmacy Law: advertising certain compounded medications used for obesity or weight management

SUMMARY: Prohibits any person from advertising or otherwise promoting a compounded medication containing an active ingredient used for weight loss or the treatment of obesity unless the advertisement is truthful and not misleading, and specifies that an advertisement is misleading if it contains an unsubstantiated claim regarding the safety, efficacy, or other attributes of the compounded medication. Requires advertisements for those compounded medications to include specified disclosures, including information regarding potential side effects, adverse reactions, contraindications, precautions, and warnings associated with the active ingredients, a summary of specified FDA-approved labeling information when applicable, and a clear and conspicuous statement that the product is a compounded medication that has not been approved or evaluated by the FDA for safety or efficacy.

NOTE: *This bill is double-referred to the Senate Committee on Judiciary, second.*

Existing law:

1) Prohibits any person, firm, corporation, or association from making or disseminating any statement concerning real or personal property or services that is untrue or misleading, or that is known, or by the exercise of reasonable care should be known, to be untrue or misleading, for the purpose of inducing the public to enter into any obligation relating thereto. (Business and Professions Code (Business and Professions Code (BPC)) § 17500)

2) Establishes the Unfair Competition Law (UCL), which prohibits any unlawful, unfair, or fraudulent business act or practice and authorizes civil enforcement actions by the Attorney General and other public prosecutors. (BPC §§ 17200 et seq.)

3) Defines the practice of pharmacy to include compounding and authorizes a pharmacist to furnish a reasonable quantity of compounded drug product to a prescriber for office use, as specified. (BPC § 4052)

4) Requires a pharmacist, upon the oral or written request of a patient or the patient's agent, to provide consultation regarding a prescription drug, and requires pharmacies to maintain a procedure for offering consultation to patients or their agents for all new prescriptions and, where appropriate, refill prescriptions. Requires the consultation, when provided, to include information the pharmacist

determines is appropriate, such as the name and description of the medication, dosage and directions for use, route of administration, storage requirements, precautions and relevant warnings, common severe side effects or adverse effects or interactions, techniques for self-monitoring therapy, proper use of drug delivery devices, and actions to take in the event of a missed dose. Requires pharmacies to provide patients with written information regarding their rights to consultation and maintain policies and procedures to ensure consultation is offered for new prescriptions. (BPC § 4052.5; 16 CCR § 1707.2)

5) Authorizes a licensed physician and surgeon, and certain other authorized prescribers, to dispense dangerous drugs or dangerous devices directly to their own patients, provided specified conditions are met, including offering the patient a written prescription that may be filled at the pharmacy of the patient's choice, providing written notice of that option, and complying with applicable dispensing, packaging, labeling, and recordkeeping requirements. (BPC § 4170)

6) Requires prescription medication dispensed to a patient to bear a label containing specified information, including, among other things, the patient's name, the prescriber's name, the directions for use, the date of issue, the name and strength of the drug, and other information intended to promote the safe use of the medication. (BPC § 4076)

7) Authorizes the California State Board of Pharmacy (Board) to administer and enforce the Pharmacy Law and to investigate violations and take disciplinary action against licensees for unprofessional conduct or violations of the Pharmacy Law. (BPC § 4000 et seq.)

8) Provides that the compounding of drug preparations by a pharmacy for furnishing, distribution, or use in California shall be consistent with standards established in the pharmacy compounding chapters of the current version of the United States Pharmacopeia-National Formulary (USP), including relevant testing and quality assurance; authorizes the BOP to adopt regulations to impose additional standards for compounding drug preparations. (BPC § 4126.8)

9) Authorizes a pharmacy to distribute compounded human drug preparations interstate if specified conditions are met. (BPC § 4126.10)

10) Requires a pharmacy that compounds sterile drug products to possess a sterile compounding pharmacy license. (BPC § 4127)

11) Prohibits a pharmacy from compounding sterile drug products unless the pharmacy has obtained a sterile compounding pharmacy license from the BOP. (BPC § 4127.1)

12) Prohibits a nonresident pharmacy from compounding sterile drug products for shipment into this state without a sterile compounding pharmacy license issued by the BOP. (BPC § 4127.2)

13) Provides that whenever the Board has a reasonable belief, based on information obtained during an inspection or investigation by the Board, that a pharmacy

compounding sterile drug products poses an immediate threat to the public health or safety, the executive officer of the Board may issue an order to the pharmacy to immediately cease and desist from compounding sterile drug products. (BPC § 4127.3)

This bill:

1) Makes it unlawful in the Pharmacy Law for any person to advertise or otherwise promote a compounded drug that is a glucose-dependent insulinotropic polypeptide (GIP) receptor or glucagon-like peptide-1 receptor (GLP-1) agonist or other amino acid polymer intended to be used by humans for obesity or weight management unless the advertisement is truthful and not misleading. Provides that an advertisement is not truthful and is misleading if it includes any unsubstantiated claim with respect to the product.

2) States that an advertisement of a compounded GIP or GLP-1 is misleading unless it contains all of the following:

   a) A disclosure of the potential side effects, adverse reactions, contraindications, precautions, and warnings associated with active ingredients in the medication, including the potential side effects, adverse reactions, contraindications, precautions, and warnings in the labeling of any FDA-approved drug containing the active ingredients named in the compounded drug, unless the advertiser can demonstrate that a particular disclosure is not relevant to the compounded drug.

   b) A summary of the specified risk information in the labeling of the FDA-approved drug, when a compounded drug contains an active ingredient that is named as an active ingredient in an FDA-approved drug.

   c) A clear, conspicuous statement that the product is a compounded medication, has not been approved by the FDA, and has not been evaluated by the FDA for safety or efficacy.

FISCAL EFFECT: Unknown. This bill is keyed fiscal by Legislative Counsel but the current version of the bill has not been evaluated by a fiscal committee of the Legislature.

COMMENTS:

1. **Purpose.** The Author is the Sponsor of this bill. According to the Author, “AB 1990 protects patients by ensuring compounded GLP-1 agonist and similar drugs for weight loss are safe, high quality, and honestly marketed. As these medications—such as semaglutide and tirzepatide—have grown in popularity for weight management, demand has surged across the country. During initial supply shortages, many patients turned to compounded versions of these medications when FDA-approved products were difficult to access. These products are not reviewed or approved by the FDA and are not subject to the same rigorous standards for safety, quality, and consistency as approved medications. In some cases, compounded GLP-1 products are produced from raw active pharmaceutical

ingredients imported from Chinese manufacturers that are not FDA-inspected or monitored and distributed to patients."

The Author states that "Patients seeking out GLP-1s from telehealth providers may erroneously believe they are purchasing an FDA-approved and regulated treatment. AB 1990 seeks to increase transparency and establish safeguards, so patients are appropriately informed of the unapproved status of the drugs they are purchasing and make sure they understand the differences between unapproved, compounded drugs and FDA-approved therapies. This will further protect consumers from the potential dangers of unapproved drugs made with substandard, inauthentic, or illicit ingredients."

2. **Background.**

Pharmacy Labeling and Advertising. California law already provides significant protections against false, misleading, and deceptive advertising, including by pharmacies and pharmacists. The BPC broadly prohibits untrue or misleading statements made in connection with the sale or disposition of goods or services. Violations may be enforced by public prosecutors and may result in civil penalties, injunctive relief, and other remedies under California's unfair competition and false advertising laws. (BPC §§ 17200 et seq.; 17500 et seq.)

In addition, pharmacists and pharmacies are subject to regulation and discipline by the Board, which may take action against licensees for unprofessional conduct, including violations of laws governing pharmacy practice and consumer protection. (BPC §§ 4300 et seq.)

California law also already requires pharmacists to provide extensive information to patients regarding prescription medications. Existing pharmacy labeling requirements mandate that prescription containers include, among other things, the name of the patient, the name and strength of the drug, directions for use, the name of the prescriber, and other information necessary for safe use. (BPC § 4076) Pharmacists are further required to offer consultation to patients and provide information regarding drug usage, storage, precautions, and potential side effects. (BPC § 4052.5; 16 CCR § 1707.2.) Compounded drug products are also subject to specific labeling requirements under existing pharmacy law. (BPC §§ 4127.7, 4127.8.)

California Regulation of Drug Compounding. The Board is the state agency responsible for licensing and regulating pharmacists, pharmacies, wholesalers, and other entities involved in the distribution and dispensing of prescription drugs. Among its responsibilities, the Board oversees the practice of drug compounding, which generally refers to the preparation of a medication by combining, mixing, or altering ingredients to create a drug tailored to the needs of an individual patient. Compounding may be used when a commercially available drug is not available in the required dosage form or strength, or when a patient cannot use an FDA-approved product because of an allergy or other clinical need.

Compounded drugs are not approved by the federal FDA for safety, effectiveness, or quality prior to being dispensed. Instead, compounding is regulated through a

combination of federal and state law. Under Section 503A of the federal Food, Drug, and Cosmetic Act, licensed pharmacies may compound patient-specific medications under specified conditions and are exempt from certain federal drug approval and manufacturing requirements. Federal law also recognizes standards developed by the United States Pharmacopeia (USP), which establishes quality standards for drug ingredients, preparation, testing, storage, and handling. Compounding has traditionally existed for situations such as different dosage strengths, alternative dosage forms, removal of allergens or preservatives, or customized formulations for individual patients.

California law requires compounding to be performed consistent with applicable USP standards. Following a multistate fungal meningitis outbreak linked to contaminated compounded medications, California strengthened oversight of compounding activities and directed the Board to align state requirements with evolving national standards. Most recently, the Board completed a comprehensive update of its compounding regulations governing nonsterile compounding, sterile compounding, hazardous drugs, and radiopharmaceuticals. Those regulations became effective on October 1, 2025, and establish detailed requirements relating to facilities, personnel qualifications, ingredient sourcing, quality assurance, environmental controls, testing, recordkeeping, and compliance with USP standards. The Board's revised regulations in 16 CCR §§ 1735, 1735.1 et seq., 1736, 1737, and 1738 already regulate many of the core quality and safety issues associated with compounding, including:

- Use of appropriate ingredients and components.
- Quality assurance programs.
- Documentation and record retention.
- Beyond-use dating.
- Environmental controls and sterility requirements.
- Personnel training and competency.
- Testing requirements for compounded products.
- Inspection authority by the Board.
- Compliance with USP standards and federal compounding requirements.

As a result, California already maintains a comprehensive regulatory framework governing the sourcing, preparation, testing, documentation, and inspection of compounded medications.

GLP-1 and Related Weight-Management Medications. Glucagon-like peptide-1 (GLP-1) receptor agonists are a class of medications originally developed to treat Type 2 diabetes that are now widely prescribed for chronic weight management. These medications work by mimicking naturally occurring hormones involved in blood sugar regulation, appetite control, and digestion. More recently, newer therapies, including glucose-dependent insulinotropic polypeptide (GIP) receptor agonists and combination products that act on multiple incretin pathways, have entered the market and are commonly used for obesity treatment.

The active ingredient in a compounded product may be the same active ingredient found in an FDA-approved drug. For example:

- Semaglutide is the active ingredient in Ozempic and Wegovy.
- Tirzepatide is the active ingredient in Mounjaro and Zepbound.

A compounding pharmacy may obtain semaglutide or tirzepatide active pharmaceutical ingredient (API) and prepare a compounded product containing that same active ingredient. However, the compounded product is not FDA-approved and may differ from the FDA-approved product with respect to formulation, concentration, inactive ingredients, packaging, delivery device, stability data, or manufacturing controls.

Federal law has long allowed compounding when FDA-approved products are unavailable due to shortages. When Wegovy, Ozempic, Mounjaro, and Zepbound experienced prolonged shortages, compounding pharmacies began preparing semaglutide and tirzepatide products for patients who could not obtain the branded products. Although several of the most prominent GLP-1 medications have since been removed from the FDA's shortage list, demand for compounded versions of these products remains substantial.

A patient generally does not walk into a pharmacy and ask for something similar to a name-brand GLP-1. A licensed prescriber evaluates the patient. The prescriber writes a prescription. The pharmacy compounds a preparation consistent with that prescription and applicable state and federal law. The patient receives the compounded medication. Not all compounding activity occurs in licensed pharmacies. Physicians may also prepare and furnish medications in connection with the treatment of their patients, subject to applicable state and federal requirements.

In the GLP-1 context, the compounded product frequently contains semaglutide or tirzepatide itself, rather than a completely different ingredient designed to have a similar effect.

Recent Federal Enforcement Activity. Federal regulators have increasingly focused on the compounding, marketing, and distribution of GLP-1 and related weight-management medications. The FDA has issued warning letters regarding compounded products that allegedly do not comply with federal requirements and has raised concerns regarding the sourcing and quality of certain active pharmaceutical ingredients used in compounding. Federal regulators have also expressed concern regarding marketing practices that may imply compounded products are equivalent to FDA-approved medications.

In addition, the Federal Trade Commission has taken enforcement action against entities marketing weight-loss programs involving GLP-1 medications, alleging deceptive advertising and billing practices. These actions have focused on claims regarding product effectiveness, representations concerning FDA approval status, and other marketing statements directed toward consumers.

Efforts to Regulate Compounded GLP-1 Medications. In 2025, H.R. 6509, the SAFE Drugs Act of 2025, was introduced in the United States House of Representatives to increase oversight and regulation of compounding pharmacies

and outsourcing facilities that compound what that bill would define as “essentially a copy” of an FDA-approved product. The legislation proposes to cap the number of drug copies that can be made each month without patient-specific justification, require reporting when pharmacists or facilities compound and ship high volumes of drugs across state lines, mandate more frequent inspections of large outsourcing facilities, and allow the federal government to adjust user fees to support enhanced oversight. A companion bill was introduced in the United States Senate in 2026, but to date, no significant federal legislation has been signed.

Legislation has been proposed in several states to crack down on the compounding of alleged “copycat” GLP-1 medications. For example, HB 2613 was introduced in the State of Washington to prohibit entities from selling, transferring, or distributing compounded drugs that use bulk drug substances unless the compounder complies with certain quality assurance requirements. Similar legislation has been introduced in Arizona, Colorado, Florida, Kentucky, Mississippi, and Virginia. The Indiana General Assembly enacted SB 282 in 2026, which both restricted the compounding of GLP-1 medications and increased state oversight of medical spas.

Federal regulation of prescription drug advertising. According to the FDA, prescription drug advertising is subject to a comprehensive federal regulatory framework administered by the FDA's Office of Prescription Drug Promotion (OPDP). The FDA explains that prescription drug advertisements must be truthful, balanced, and accurately communicate both a drug's benefits and risks. Advertisements for FDA-approved prescription drugs must present a "fair balance" between efficacy and risk information, be consistent with the drug's FDA-approved prescribing information (labeling), and may not be false or misleading or omit material facts. The FDA reviews promotional materials and may take enforcement action when advertisements fail to comply with these requirements. (21 C.F.R. § 202.1; FDA, *The Office of Prescription Drug Promotion (OPDP)*; FDA, *Drug Promotion*; FDA, *Bad Ad Program*.) These federal advertising requirements are tied to the FDA approval process. FDA-approved prescription drugs are supported by agency-reviewed prescribing information that includes approved indications, contraindications, warnings, precautions, adverse reactions, and other labeling that forms the basis for the required fair balance in advertising.

Compounded GIP and GLP-1 medications are not FDA-approved products. Many of the advertising disclosures proposed by AB 1990, including summaries of contraindications, warnings, adverse reactions, and FDA-approved labeling, are concepts drawn from the federal regulatory framework applicable to FDA-approved prescription drugs. The bill requires every advertisement for certain compounded obesity and weight-management drugs containing GIP receptor agonists, GLP-1 receptor agonists, and other specified amino acid polymers to include affirmative disclosures that do not currently appear in California's general false advertising laws, including: a summary of FDA-approved labeling; side effects; contraindications; precautions; warnings; and a statement that the compounded medication has not been approved or evaluated by the FDA for safety or efficacy.

3. **Arguments in Support for the April 23 version of the bill.** Biocom writes, for the former version of AB 1990, that “Misleading claims about compounded weight-loss medications have driven patient confusion and unsafe use. Requiring disclosure of

side effects, contraindications, and warnings consistent with FDA-approved labeling — along with clear notice that a product is not FDA-approved — directly addresses that harm."

According to the National Hispanic Health Foundation on the prior version of the measure, this bill "strengthens requirements for transparency, ensures that patients are clearly informed when a drug is compounded and not FDA-approved, and limits misleading or deceptive marketing practices that blur the line between approved medications and compounded alternatives."

The Diabetes Patient Advocacy Coalition, writing about the prior version of this bill, says that "Compounded drugs inherently pose a greater risk for consumers especially for those who believe they are receiving an FDA approved, safe and effective medication. Federal law requires bulk drug substances to be accompanied by a certificate of analysis and produced by an FDA registered manufacturer. There is growing concern that the remaining imports of bulk GLP-1 active ingredients post shortage are coming from unregistered and uncontrolled facilities in countries like China and India. A reasonable level of reporting and accountability is warranted to ensure patient safety."

National Consumers League, on the prior version of this bill, writes "Because deceptive advertising hinders the ability of consumers to be aware of these risks, thousands of Americans have experienced serious health problems related to dosing errors and reactions to harmful ingredients in compounded GLP-1 products. As of September 9, 2025 , FDA had received 1,424 reports of adverse events associated with compounded GLP-1 drugs, including reports of 329 hospitalizations, and 23 deaths.4 Moreover, poison control centers have seen a nearly 1,500 percent increase in calls since 2019 related to overdose or side effects of injectable weight loss drugs and have managed 3,633 GLP-1 agonist related exposure cases as of April 30, 2025."

The California Dermatology Advocacy Network says, for the prior version, the "bill promotes transparency in the marketing of compounded medications by requiring advertisements to clearly disclose that a compounded product has not been approved or evaluated by the [FDA] for safety or efficacy. These disclosures will help patients make informed decisions and better understand the differences between FDA-approved medications and compounded products."

4. **Arguments in Opposition for the current version of this bill.** The Alliance for Pharmacy Compounding writes that "The most recent amendments substantially reduce the scope of AB 1990 to certain compounded medications used for obesity and weight management and include a clear disclosure that compounded medications are not approved by the [FDA]. APC supports these disclosures and appreciates their inclusion." The group notes that it submitted amendments in April related to the advertising provisions and is particularly concerned with language that requires advertisements for compounded medications to include risk information and summaries drawn from the labeling of FDA-approved drugs containing the same active ingredient, noting "Although pharmacies may appropriately reference FDA-approved labeling as one source of clinical and safety information, requiring pharmacies to adopt FDA-approved product labeling as the default advertising

standard creates a false equivalency between approved and compounded products." AB 1990's current advertising language goes beyond consumer protection and risks creating confusion, unnecessary liability, and barriers to patient access.

Midi Health writes that this bill "will not lead to truthful advertising and will put advertisers in a catch-22." According to the company, "Requiring compounded drugs to carry safety disclosures derived from an FDA-approved drug's labeling is scientifically misleading. Compounded drugs are not identical to their branded counterparts and have not been evaluated in the same clinical trials. Applying a branded drug's risk profile to a compounded preparation misstates the actual risk information for that product." They write that "Federal law prohibits compounders from incorporating or relying on FDA-approved drug labeling. Doing so creates a false impression that the compounded drug has been approved by the FDA — which is precisely the opposite of what the bill intends. The bill's advertising requirements would therefore put pharmacies in an impossible position: comply with state law and violate federal law or comply with federal law and violate state law." They also add that "The clinical trial data underlying FDA-approved labeling belongs to the drug's sponsor. Compounders have no legal right to reuse that data, making compliance with the disclosure requirement legally untenable on its face."

The company urges "adoption of the APC proposed amendment: *it is unlawful for any person to advertise or otherwise promote compounded medications in a manner that is false or misleading*. This aligns with the existing federal standard under FDA and FTC and avoids the preemption problem…" They also believe the labeling requirement should be simplified to say "This is a compounded medication prepared for an individual patient, as authorized in the Food, Drug, and Cosmetic Act. It has not been approved by the FDA."

5. **Stakeholder Comments for the April 23 version of the bill.** The American Pharmacists Association notes, for the prior version of the bill, that it "supports truthful and non-misleading medication advertising and agrees that inappropriate marketing of medications, including marketing directed at minors, should be addressed. However, AB 1990 is not narrowly tailored to address social media marketing to minors or the unlicensed and noncompliant entities responsible for misleading promotion…"

   Similarly, the California Pharmacists Association notes, for the prior version of the bill, that "We agree that marketing prescription medications to minors or facilitating inappropriate access to prescription drugs is unacceptable and should be addressed. However, despite proponents making youth access and teen use a primary justification for this legislation, AB 1990 does not meaningfully address those concerns. Instead, the bill imposes sweeping new requirements on licensed, regulated pharmacies that already operate under rigorous state and federal standards, while doing little to target the actors responsible for the practices cited by supporters."

6. **Policy Comments.** AB 1990 creates a pharmacy-specific advertising standard that may duplicate existing prohibitions under BPC § 17500, which already makes it unlawful to disseminate advertising that is known, or through the exercise of

reasonable care should be known, to be untrue or misleading. The bill's requirements regarding side effects, warnings, and risk disclosures may likewise overlap with existing federal prescription drug labeling requirements, pharmacist consultation obligations, and state prescription labeling laws that are already intended to ensure patients receive material safety information before using a medication.

At the same time, California permits physicians to furnish compounded medications directly to their own patients under BPC § 4170 and permits pharmacists to furnish compounded medications to prescribers for office use under Section 4052. To the extent AB 1990 seeks to ensure patients receive information regarding risks and regulatory status, the bill establishes a new compounded-drug-specific advertising regime that goes beyond existing false advertising protections and may create requirements that differ from the disclosure framework applicable when compounded medications are furnished directly by prescribers rather than dispensed by pharmacies.

This bill requires every advertisement for only one type of compounded medication to include a summary of FDA-approved drug labeling, side effects, contraindications, and warnings is more stringent than California's general false advertising standard, establishing a mandated disclosure regime, rather than enhancing false advertising provisions. Congress and the FDA have developed a comprehensive federal regulatory framework governing advertising of FDA-approved prescription drugs because those drugs have undergone FDA review and have FDA-approved prescribing information upon which those advertising requirements are based. Compounded drugs, by contrast, are not FDA-approved products and do not have FDA-approved labeling, which is why applying that same framework raises practical and legal questions.

SUPPORT AND OPPOSITION:

Support:

None received for the current version of the bill

Opposition:

Alliance for Pharmacy Compounding
Midi Health

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