SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 1990 (Gipson) - Pharmacy Law: advertising certain compounded medications used for obesity or weight management

Version: June 24, 2026
Urgency: No
Hearing Date: August 3, 2026

Policy Vote: B., P. & E.D. 7 - 3
Mandate: Yes
Consultant: Janelle Miyashiro

Bill Summary: AB 1990 prohibits the advertising or promotion of a compounded medication for weight loss or obesity management unless the advertisement is truthful, substantiated by scientific evidence, and includes explicit disclosures regarding the drug's risks, side effects, relevant risk summaries approved by the U.S. Food and Drug Administration (FDA), and a clear statement that the product is not FDA-approved.

Fiscal Impact:

- Unknown court cost pressures ranging from minor to significant (General Fund and special funds) to the extent the Attorney General (AG) brings civil actions against any person who violates the advertising and promotion prohibitions. Actual costs will depend on the number of actions filed and the time required to adjudicate each case. The Department of Justice (DOJ) reports that it does not anticipate a significant fiscal impact; this assessment suggests the department may not actively pursue enforcement using the authority prescribed in the bill.

- Unknown, potentially significant court cost pressures (Trial Court Trust Fund and General Fund) as the False Advertising Law (FAL) and Unfair Competition Law (UCL) provide a private right of action for consumers. Although trial courts are not funded based on workload, increased pressure on the Trial Court Trust Fund may create a demand for additional court resources. For context, the proposed 2026-27 Governor's Budget would provide $70 million General Fund support to the Trial Court Trust Fund.

- The Board of Pharmacy (BOP) estimates workload to provide education of new advertising and promotion prohibitions for specific weight loss and obesity management medications to be absorbable (Pharmacy Board Contingent Fund).

Background: California law establishes significant protections against false, misleading, and deceptive advertising through the Business and Professions Code (BPC). The BPC broadly prohibits untrue or misleading statements regarding the sale or disposition of goods or services. Public prosecutors enforce these provisions, which can result in civil penalties, injunctive relief, and other remedies under the state's UCL and FAL (BPC §§ 17200 et seq.; 17500 et seq.). Additionally, pharmacists and pharmacies are subject to the regulatory authority of BOP, which pursues disciplinary action for unprofessional conduct, including violations of pharmacy practice and consumer protection laws (BPC §§ 4300 et seq.).

Furthermore, current law mandates extensive patient disclosure requirements for prescription medications. Under existing prescription labeling standards, drug containers must display the patient's name, drug name and strength, directions for use, the prescriber's name, and other critical safety information (BPC § 4076). Pharmacists are also legally required to offer patient consultations detailing drug usage, storage, precautions, and potential side effects (BPC § 4052.5; 16 California Code of Regulations (CCR) § 1707.2). Finally, compounded drug products remain subject to their own distinct, specific labeling requirements under established pharmacy law (BPC §§ 4127.7, 4127.8).

Proposed Law:

- Makes it unlawful for any person to advertise or otherwise promote a compounded medication unless the advertisement is truthful and not misleading. Provides that an advertisement is misleading and not truthful if it includes any unsubstantiated claim regarding product.

- Provides the following definitions:

    - "Compounded medication" means a compounded drug that is a glucose-dependent insulinotropic polypeptide (GIP) receptor or glucagon-like peptide-1 (GLP-1) receptor agonist or other amino acid polymer intended to be used by humans for obesity or weight management.

    - "Person" means any individual, partnership, firm, corporation, or other legal entity.

    - "Unsubstantiated claim" means any statement, representation, or assertion concerning the safety, efficacy, or other attributes of a drug that is not supported by competent and reliable scientific evidence.

- Provides that an advertisement of compounded medication is misleading unless it contains all of the following disclosures:

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

    - A summary of the specified risk information from the labeling of the FDA-approved drug, when the compounded drug contains an active ingredient shared with an FDA-approved drug.

    - A clear and conspicuous statement indicating 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.

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