

Date of Hearing: May 13, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2575 (Ortega) – As Amended April 23, 2026

Policy Committee:	Health	Vote:	11 - 1
	Labor and Employment		5 - 2
	Privacy and Consumer Protection		9 - 4

Urgency: No State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

This bill establishes requirements for the use of a clinical decision support system (CDSS) in a health facility, clinic, physician’s office, or office of a group practice, including requiring notification of health workers about the use of a CDSS, the ability of a health care worker to override the CDSS, and prohibiting retaliation or discrimination against a worker who overrides a CDSS.

Specifically, this bill:

- 1) Defines “clinical decision support system” to mean an automated decision system or generative artificial intelligence system whose outputs are used to inform clinical decision making with respect to the provision, timing, or course of patient care.
- 2) Defines, for the purposes of this bill, artificial intelligence, automated decision system, and generative artificial intelligence.
- 3) 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 to health workers written notice of specified information, including that a worker providing patient care may override the CDSS if, in the independent professional judgement of the worker acting within their scope of practice, the override is necessary to meet standards of care, or comply with applicable law.
- 4) Requires notices required in item 3, above, be provided at the following times: upon hire, onboarding, or credentialing if that person will likely use the CDSS or view outputs from the CDSS; 90 days prior to first deployment of the system; and 90 days before a material change in the use, function, intended users, intended patient population, or decision-making role of an existing CDSS.
- 5) 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, and provides that a worker who is subject to such retaliation or discrimination has the right to file a complaint with the Labor Commissioner.
- 6) Specifies enforcement mechanisms by reference to existing statutes.
- 7) Provides that a violation of the provisions of this bill constitutes “unfair competition.”

- 8) Prohibits a defendant who developed, modified, selected, or deployed a CDSS that is alleged to have caused harm to a plaintiff from asserting a defense 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.

FISCAL EFFECT:

- 1) Costs of an unknown but potentially significant amount to the California Department of Public Health to adopt regulations and add enforcement of this bill's requirements into its facility surveys, among other activities (Licensing and Certification Fund).
- 2) The Department of Industrial Relations expects costs to the Labor Commissioner to exceed \$300,000 annually for staff workload, including enforcement deputies, support, and supervisory staff, to enforce the retaliation prohibition (Labor Enforcement and Compliance Fund).
- 3) The University of California (UC) estimates costs of approximately \$30 million per year, ongoing (General Fund). UC states compliance would require a cross-departmental effort from enterprise information technology, legal, human resources, and clinical operations at each UC Health location and across the system. Costs would principally arise from the annual requirements to audit, track, and extract highly specific proprietary data from third-party vendors for every clinical decision system.
- 4) 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).
- 5) Cost pressures of an unknown but potentially significant amount to the courts to adjudicate any additional filings (Trial Court Trust Fund, General Fund). 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.

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

COMMENTS:

- 1) **Purpose.** This bill is sponsored by the California Nurses Association and California Labor Federation. According to the author:

As AI continues to reshape jobs and industries, we must have accurate, comprehensive data to protect workers and support strong workforce pathways. This bill brings together labor, industry, and academic experts to identify gaps in our current data systems and provide actionable recommendations to the Legislature. By taking a proactive,

evidence-based approach, California can lead the nation in developing policies that both foster innovation and safeguard workers. [This bill] is about making sure the future of work works for everyone.

- 2) **Background.** According to the National Academy of Medicine (NAM), Generative artificial intelligence (GenAI) has the potential to transform health and medicine as we know it: improving health care delivery, advancing medical research, and augmenting the capacity of clinicians to provide personalized care at an unprecedented scale. However, NAM also notes that the potential for both breakthrough innovation and unintended consequences demands careful consideration.

When automated decision systems are deployed in health care, biased historical data can lead to patients being recommended substandard care on the basis of race or ethnicity. In 2019, researchers discovered harmful racial bias in an AI tool developed by the health care company Optum – a subsidiary of UnitedHealth Group – and used by providers across the country to offer care management services. The tool assigned Black patients lower likelihoods of adverse health outcomes than equally at-risk white patients. The authors found that this happened because the tool was designed to predict health care costs instead of needs. Because the health care system has historically spent less on care for Black patients than white patients for the same health conditions, the tool was, in essence, issuing a prediction that mirrored and perpetuated past discrimination.

- 3) **Opposition.** A coalition of physicians, hospitals and health systems, health plans, life sciences, and other health care stakeholders, including California Medical Association, California Hospital Association, and California Chamber of Commerce wrote concerning the April 9 version of this bill:

Artificial intelligence is...a reality that is saving lives in California today. We have a shared obligation and commitment to ensure that these tools are developed and deployed responsibly, equitably, and transparently. AB 2575, as drafted, would not achieve these goals. Instead, it would bury clinicians in unworkable disclosure requirements, create perverse liability incentives, undermine patient safety systems, impair clinical quality oversight, and ultimately reduce patient access to beneficial technology, with the greatest harm falling on the communities that can least afford it.

- 4) **Related Legislation.** AB 1979 (Bonta) 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 CDSS. The bill also subjects a business that offers a healthcare chatbot to the requirements of the Confidentiality of Medical Information Act. AB 1979 is pending in this committee.

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