
THIRD READING

Bill No: AB 489
Author: Bonta (D), et al.
Amended: 7/8/25 in Senate
Vote: 21

SENATE BUS., PROF. & ECON. DEV. COMMITTEE: 10-0, 6/23/25
AYES: Ashby, Choi, Archuleta, Arreguín, Grayson, Niello, Smallwood-Cuevas,
Strickland, Umberg, Weber Pierson
NO VOTE RECORDED: Menjivar

SENATE JUDICIARY COMMITTEE: 13-0, 7/15/25
AYES: Umberg, Niello, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern,
Valladares, Wahab, Weber Pierson, Wiener

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/29/25
AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 79-0, 6/2/25 - See last page for vote

SUBJECT: Health care professions: deceptive terms or letters: artificial
intelligence

SOURCE: California Medical Association and SEIU California

DIGEST: This bill prohibits artificial intelligence (AI) and generative artificial intelligence (GenAI) 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 AI or GenAI systems.

ANALYSIS:

Existing law:

- 1) Defines AI as 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. Defines GenAI to mean an artificial intelligence system that can generate derived synthetic content, including text, images, video, and audio that emulates the structure and characteristics of the system's training data. (Government Code §11546.45.5 and 11549.64)
- 2) Defines "Companion chatbot" to mean an artificial intelligence system with a natural language interface that provides adaptive, human-like responses to user inputs and is capable of meeting a user's social needs, including by exhibiting anthropomorphic features and being able to sustain a relationship across multiple interactions. Does not include a bot that is used only for customer service purposes. (Business and Professions Code (BPC) § 22601 (b 1-2))
- 3) Prohibits any person from using a bot, as defined, to communicate or interact with another person in California online, with the intent to mislead the other person about its artificial identity for the purpose of knowingly deceiving the person about the content of the communication in order to incentivize a purchase or sale of goods or services in a commercial transaction or to influence a vote in an election. Requires the disclosure to be clear, conspicuous, and reasonably designed to inform persons with whom the bot communicates or interacts that this is a bot. (BPC §17940 et.seq)

This bill:

- 1) Prohibits the use of a term, letter, or phrase in the advertising or functionality of an AI or GenAI system, program device, or similar technology that indicates or implies that the care, advice, reports, or assessments being offered through the AI or GenAI technology is being provided by a natural person in possession of the appropriate license or certificate to practice as a health care professional. Specifies that each use of a prohibited term, letter, or phrase shall constitute a separate violation.
- 2) Authorizes the appropriate health care professional licensing board to pursue an injunction or restraining order to enforce this bill.

Background

On May 28, 2025 the Assembly Health and Privacy Consumer of Protection Committees held a joint informational hearing, *Generative Artificial Intelligence in*

Health Care: Opportunities, Challenges, and Policy Initiatives providing a broad overview of the emerging AI landscape in healthcare. As noted in the background paper, “electronic health record systems are being equipped with GenAI functionality that allows health care providers to automatically generate billing codes, improving accuracy and completeness by checking for errors, omissions, and compliance with current requirements” further noted in the background is the prevalence of “health plans and insurers using AI to automate and streamline multiple functions, including processing claims and evaluating prior authorization requests.” This proliferation of utilizing AI technology may relieve some administrative burdens however there is a risk in allowing an AI algorithm to determine the validity of an insurance claim versus a medical professional. As reported on the HealthCare Finance website, large insurance companies such as Cigna, Humana and United Health Group are under litigation for allegedly relying on AI algorithms to deny claims, prematurely cut-off payments or automatically deny payments.

Another popular usage of AI technology is the emergence of AI chatbots which have the capabilities of mimicking a human and can deceive patients into thinking that they are communicating with a licensed professional. According to the American Psychological Association (APA), AI driven chatbots like Character.ai and Replika are being utilized by younger, emotionally vulnerable populations without employing the appropriate safeguards or transparency. AI chatbot agents are claiming to serve as “companions” misrepresenting themselves as licensed mental health professionals. In a recent letter to the Federal Trade Commission (FTC), the APA raised significant concerns about the “unregulated development and deceptive deployment of generative AI technologies, urging the FTC to protect the public from deceptive practices of unregulated AI chatbots.” The letter further points out that AI chatbots are not held to the same regulations or training as licensed mental health professionals and the potential for misinformation, bias, and privacy concerns is prevalent and should be taken into serious consideration.

AI chatbots pretending to be a licensed therapist also raises ethical concerns within the licensed professional community with the California Psychological Association stating “the rise of chatbots posing as therapists can endanger the public and AI characters claiming to be trained in therapeutic techniques, are misleading users and may constitute deceptive marketing.” Even with AI platforms including a disclaimer stating that the AI chatbot is not a licensed professional many young, emotionally vulnerable individuals or individuals with low digital fluency can be misled. According to Celeste Kidd, Ph.D, an associate professor of psychology at the University of California, Berkeley, who studies learning and ethical AI,

“Simply notifying users during a chat that they are engaging with AI rather than a human may not be enough to prevent harm. Chatbots are pithy, conversational, and matter-of-fact. They give the illusion that they can provide reliable information and offer deep insights – an illusion that’s very hard to break once cast.”

There are existing laws that support title protection and prohibit false advertising or impersonation of a licensed health care professional as well as provide consumer protection for individuals. This bill is addressing a new and novel phenomenon, the regulation of an AI generated platform that characterizes “themselves” as a licensed healthcare professional. This bill clarifies that this specific behavior is illegal and prohibited, holds the developers and deployers accountable and gives enforcement entities the authority to enforce violations of the prohibition.

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

According to the Senate Committee on Appropriations, DCA reports a majority of the healing arts boards note a minor and absorbable fiscal impact, as many currently have enforcement processes in place and would treat AI or GenAI related complaints similarly to other unlicensed activity concerns. DCA also notes an unknown, potentially significant increase in enforcement workload to the Medical Board of California, Physical Therapy Board, Board of Registered Nursing, and the Board of Naturopathic Medicine to address an anticipated increase in complaints. DCA also notes ongoing costs of approximately \$56,000 for additional enforcement workload to the Dental Board of California and Board of Pharmacy that are absorbable within existing resources.

SUPPORT: (8/29/25)

California Medical Association (co-source)

SEIU California (co-source)

Attorney General Rob Bonta

American Association of Clinical Urologists, Inc

American College of Obstetricians & Gynecologists – District IX

America’s Physicians Group

Board of Behavioral Sciences

California Academy of Child and Adolescent Psychiatry

California Academy of Family Physicians

California Alliance of Child and Family Services

California Association of Marriage and Family Therapists

California Association of Nurse Practitioners

California Association of Orthodontics
California Board of Psychology
California Chapter of the American College of Emergency Physicians
California Dental Association
California Neurology Society
California Orthopedic Association
California Psychological Association
California Radiological Society
California Retired Teachers Association
California Society of Plastic Surgeons
California Youth Empowerment Network
CFT – a Union of Educators & Classified Professionals, AFT, AFL-CIO
County of Behavioral Health Directors Association
Dental Board of California
Hippocratic AI
Kaiser Permanente
Los Angeles Area Chamber of Commerce
Medical Board of California
National Union of Healthcare Workers
Oakland Privacy
Occupational Therapy Association of California
Osteopathic Medical Board of California
Privacy Rights Clearinghouse
San Francisco Marin Medical Society
Steinberg Institute
Techequity Action

OPPOSITION: (8/29/25)

None received

ARGUMENTS IN SUPPORT: Supporters believe this bill provides state health professions boards with clear authority to enforce title protections for AI systems or similar technologies and adds accountability for chatbots that misrepresent themselves as health professionals. Supporters also note that the use of AI systems to increase efficiency is important, however it is as equally important that there are guardrails for emerging technologies that can guarantee integrity within our health care systems.

ASSEMBLY FLOOR: 79-0, 6/2/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

Prepared by: Anna Billy / B., P. & E.D. /
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