
THIRD READING

Bill No: SB 1416
Author: Wahab (D)
Introduced: 2/20/26
Vote: 21

SENATE BUS., PROF. & ECON. DEV. COMMITTEE: 9-0, 3/23/26
AYES: Wahab, Choi, Archuleta, Caballero, Grayson, Niello, Smallwood-Cuevas,
Strickland, Umberg
NO VOTE RECORDED: Arreguín, Menjivar

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SUBJECT: Physicians and surgeons: dentists: unprofessional conduct

SOURCE: Author

DIGEST: This bill revises the timeframe from 30-days to 21-days by which a patient must be refunded payment for services, if a physician or dentist receives duplicate payment for those services from a third-party payor.

ANALYSIS:

Existing law:

- 1) Establishes various practice acts in the Business and Professions Code (BPC) governed by various boards within the Department of Consumer Affairs (DCA) which provide for the licensing and regulation of health care professionals including dentists (under the Dental Practice Act), physicians and surgeons (under the Medical Practice Act by the Medical Board of California), and osteopathic physicians and surgeons (under the Osteopathic Medical Practice Act by the Osteopathic Medical Board of California), among others.
- 2) Requires a physician and dentist to refund any amount a patient has paid for services that has subsequently been paid to that provider by a third-party payor which constitutes a duplicate payment. Specifies that if a patient requests a

refund, it must be paid within 30 days following the request (if the duplicate payment has been received by the provider) or within 30 days of the provider receiving the duplicate payment. Specifies that if a patient does not request a refund but a provider knows, or should have known, they received a duplicate payment, the provider must, within 90 days of the date they knew or should have known, notify that patient of the duplicate payment and refund the patient within 30 days, unless the patient requests a credit balance be retained. (Business and Professions Code § 732)

This bill changes the refund timeframe from 30-days to 21-days.

Background

Current law says that if a doctor or dentist gets paid twice for the same service, once by a patient and again by an insurance company or other third-party payer, they must return the extra payment. If the patient asks for a refund, the doctor or dentist must return the duplicate payment within 30 days. Even if the patient does not ask for a refund, the doctor or dentist still has a responsibility to fix the mistake. If, within 90 days, they know or reasonably should know that they received a duplicate payment, they must notify the patient and issue the refund within 30 days. However, if the patient prefers, they can ask the doctor or dentist to keep the amount as a credit on their account for future services instead of receiving a refund.

Duplicate payments often occur when a patient pays upfront for care, such as a copay, coinsurance estimate, or the full cost of a visit, but the doctor or dentist later receives payment for the same service from an insurer or other third-party payer. When BPC § 732 was enacted in the early 1990s, billing reconciliation and claims processing were largely manual. Today, most medical and dental practices rely on electronic health records, automated billing software, and even insurer remittance systems that quickly identify duplicate payments or credit balances. While not all providers utilize them, modern practice-management systems can generate credit-balance reports in real time, and electronic refunds can be processed quickly. The obligation to refund duplicate payments under BPC § 732 is still largely triggered by a patient request, meaning the consumer must first ask for the refund.

According to a 2025 report from the Public Policy Institute of California *Californians and Their Economic Well-Being*, affordability challenges across the state extend beyond housing and reflect widespread strain on household finances, as rising costs for essentials like food, health care, and everyday expenses continue to impact residents' ability to get ahead. The report finds that many Californians are experiencing real financial hardship, with three in ten reporting they cut back

on food to save money, more than one in five delaying medical care or struggling to pay bills, and about one in five saying they would have difficulty covering a \$1,000 emergency expense. These findings underscore that affordability pressures are cumulative across multiple sectors of daily life, leaving many households “just getting by” or financially stressed despite being employed.

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

SUPPORT: (Verified 4/14/26)

California Association of Oral & Maxillofacial Solutions

OPPOSITION: (Verified 4/14/26)

None received

ARGUMENTS IN SUPPORT: The California Association of Oral & Maxillofacial Surgeons writes in support, “By expediting refunds, the bill promotes timely financial reconciliation for patients and enhances transparency and trust in the health care system.”

Prepared by: Anna Billy / B., P. & E.D. /
4/14/26 16:16:14

**** END ****