

Date of Hearing: June 30, 2026

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS

Marc Berman, Chair

SB 1416 (Wahab) – As Introduced February 20, 2026

SENATE VOTE: 40-0

SUBJECT: Physicians and surgeons: dentists: unprofessional conduct

SUMMARY: Shortens the timeframes in which a physician and surgeon or dentist must refund a payment made by a patient for services that is duplicative of payments subsequently made by a third-party payor.

EXISTING LAW:

- 1) Establishes the Department of Consumer Affairs (DCA) within the Business, Consumer Services, and Housing Agency. (Business and Professions Code (BPC) § 100)
- 2) Establishes the Medical Board of California (MBC) within the DCA to license and regulate physicians and surgeons under the Medical Practice Act. (BPC §§ 2000 *et seq.*)
- 3) Establishes the Osteopathic Medical Board of California (OMBC) within the DCA to license and regulate physicians and surgeons under the Osteopathic Act. (BPC §§ 2450 *et seq.*)
- 4) Provides that references to the MBC or the term “board” refer to the OMBC where that board exercises the functions granted to it by the Osteopathic Act. (BPC § 2451)
- 5) Requires the MBC to take action against any licensee who is charged with unprofessional conduct, including, but not limited to, the following:
 - a) Violations of the Medical Practice Act.
 - b) Gross negligence.
 - c) Repeated negligent acts.
 - d) Incompetence.
 - e) Acts of dishonesty or corruption that are substantially related to the practice of medicine.
 - f) Any action or conduct that would have warranted the denial of a certificate.
 - g) Failure to attend and participate in an interview by the MBC.(BPC § 2234)
- 6) Provides that numerous inappropriate activities or violations of the law constitute unprofessional conduct for physicians and surgeons. (BPC §§ 2237 – 2318)

- 7) Establishes the Dental Board of California (DBC) within the DCA to license and regulate dentists under the Dental Practice Act. (BPC §§ 1600 *et seq.*)
- 8) Authorizes the DBC to revoke, suspend, or discipline a licensee for unprofessional conduct, incompetence, gross negligence, or other specified reasons. (BPC § 1670)
- 9) Provides that unprofessional conduct by a licensee of the DBC includes, but is not limited to, various inappropriate activities or violations of the law. (BPC § 1680)
- 10) Requires a physician and surgeon or a dentist to refund any amount that a patient has paid for services rendered that has subsequently been paid to the physician and surgeon or dentist by a third-party payor and that constitutes a duplicate payment, as follows:
 - a) If the patient requests a refund, within 30 days following the request from that patient for a refund if the duplicate payment has been received, or within 30 days of receipt of the duplicate payment if the duplicate payment has not been received.
 - b) If the patient does not request a refund, within 90 days of the date the physician and surgeon or dentist knows, or should have known, of the receipt of the duplicate payment, the physician and surgeon or dentist shall notify the patient of the duplicate payment, and the duplicate payment shall be refunded within 30 days unless the patient requests that a credit balance be retained.

(BPC § 732)

THIS BILL:

- 1) Requires a physician and surgeon or dentist to process a refund for a duplicate payment within 21 days, rather than 30 days, following a request from a patient or receipt of the duplicate payment.
- 2) Requires a duplicate payment to be refunded within 21 days, rather than 30 days, in cases where a patient does not request a refund but the physician and surgeon knows or should have known of the duplicate patient.

FISCAL EFFECT: Pursuant to Senate Rule 28.8, negligible state costs.

COMMENTS:

Purpose. This bill is sponsored by the author. According to the author:

SB 1416 reduces the refund window for duplicate medical payments from 30 days to 21 days to ensure patients regain access to their own funds sooner, which can be especially meaningful for families managing tight household budgets or ongoing medical expenses. The modest change in this bill recognizes that healthcare billing systems have evolved significantly since the law was enacted and allows patients to receive their money back in a timeframe that reflects today's faster, more digital administrative processes, while preserving the same basic compliance framework providers already operate under.

Background.

Medical Board of California. The MBC is primarily responsible for licensing and regulating physicians and surgeons, whose certificates authorize the plenary practice of all recognized fields of medicine. The MBC also has jurisdiction over special program registrants and organizations and special faculty permits, which allow those who are not MBC licensees but who meet certain licensure exemption criteria to perform duties in specified settings. The MBC also has authority over licensed midwives, medical assistants, and registered polysomnographic professionals. The MBC additionally approves accreditation agencies that accredit outpatient surgery settings and issues fictitious name permits to physicians practicing under a name other than their own.

Dental Board of California. The DBC is responsible for licensing and regulating dental professionals in California. As of the DBC's most recent sunset review in 2024, the DBC licenses an estimated 112,000 dental professionals, of which approximately 43,500 are licensed dentists. The DBC is also responsible for licensing registered dental assistants and setting the duties and functions of unlicensed dental assistants.

Refund Requirements for Duplicate Payments. In some instances, a patient will make a payment directly to a physician and surgeon or dentist for care they received in the form of a copay, coinsurance estimate, or invoice for the cost of the visit. After the physician or dentist receives that payment, a second payment is subsequently received from a health plan, insurer, or other third party payor. When this occurs, statute requires that the physician or dentist refund the payment originally made by the patient.

When the patient requests a refund, statute requires the physician or dentist to return the duplicate payment within 30 days. If the patient does not request a refund, the physician or dentist must notify the patient and refund the patient within 30 days if they learn or should have known about the duplicative payment within 90 days. The patient also has the option of keeping the payment amount as an account credit for future services.

This bill would speed up that timeline and require refunds currently required to be made within 30 days to instead be made within 21 days. The author contends that this change would help alleviate affordability challenges faced by California families, including those caused or exacerbated by health care costs. The author further points out that the current refund requirements were first enacted in the 1990s, prior to the health care industry's shift to electronic health record systems, automated billing software, and other technologies, making the process of issuing a refund much faster and simpler.

ARGUMENTS IN SUPPORT:

The *California Association of Oral and Maxillofacial Surgeons* (CALAOMS) supports this bill, writing: "Oral and maxillofacial surgeons are committed to delivering high-quality, patient-centered care, which includes clear and timely financial practices. This measure aligns with those values by ensuring patients receive funds owed to them more quickly, without imposing significant administrative burden on providers who already maintain systems to track and process such payments." CALAOMS further writes: "CALAOMS supports policies that improve patient experience while maintaining practical and efficient standards for providers. This bill strikes that balance and represents a reasonable improvement to existing law."

ARGUMENTS IN OPPOSITION:

There is no opposition on file.

REGISTERED SUPPORT:

California Association of Oral and Maxillofacial Surgeons

REGISTERED OPPOSITION:

None on file

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