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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair  
2025 - 2026 Regular Session

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### SB 579 (Padilla) - Mental health and artificial intelligence working group

**Version:** March 26, 2025  
**Urgency:** No  
**Hearing Date:** April 21, 2025

**Policy Vote:** G.O. 12 - 0  
**Mandate:** No  
**Consultant:** Janelle Miyashiro

**Bill Summary:** SB 579 requires the Secretary of the Government Operations Agency (GovOps) to appoint a mental health and artificial intelligence (AI) working group to evaluate the role and risks of AI in mental health settings and issue a report to the Legislature on its findings and recommendations, as specified.

#### **Fiscal Impact:**

- Ongoing annual costs of approximately \$2.5 million for two new permanent staff at GovOps to coordinate with and support the working group, conduct policy research and analysis, host public meetings, and create reports (General Fund).

**Background:** AI is increasingly transforming mental health care, offering new technology based solutions that range from diagnostic support and therapeutic chatbots to administrative tools that streamline record keeping. At a time the state is facing a critical shortage of mental health professionals and rising demand for care, AI may present a promising means to supplement traditional therapy and enable self-guided interventions such as cognitive behavioral therapy (CBT) and mindfulness practices.

However, there are many ethical challenges of integrating AI in mental healthcare, such as the potential to perpetuate or exacerbate existing biases in healthcare data and the impact on doctor-patient relationships that may reduce human interaction and empathy in care. Other issues include privacy and data security of sensitive health information and the role of government in providing necessary regulatory and ethical oversight over the use of these technologies.

To evaluate the clinical and cost effectiveness and ethical implications of AI tools in mental healthcare, many countries are conducting health technology assessments (HTAs). HTAs are systematic and multidisciplinary evaluations of the properties of health technologies and interventions covering both their direct and indirect consequences. HTAs aim to determine the value of a health technology and to inform guidance on how these technologies can be used in health systems around the world.

As an example, the World Health Organization (WHO) released its guidance on *Ethics and Governance of AI for Health* in 2021. In this guidance, the WHO provides a framework that aims to ensure that AI technologies in healthcare are developed and implemented ethically and responsibly. Key points from the guidance include:

- Applications of AI for health: How AI is being considered to support diagnoses, emerging trends in the use of AI in clinical care, and uses of AI in drug development, among other things.

- Human rights and equity: AI should promote health equity and respect human rights.
- Transparency and accountability: There should be clear accountability for AI systems and transparency so that users and stakeholders can understand how these systems operate and make decisions.
- Safety and effectiveness: AI technologies should undergo rigorous testing and validation before deployment in clinical settings.
- Data governance: Data collection should not be done without informed consent, and there should be robust data security to safeguard individuals' health information.
- Continuous monitoring and evaluation: AI systems need ongoing assessments to ensure they remain effective, safe, and aligned with ethical standards over time.
- Public engagement: Public and stakeholder discussions about AI in health is crucial for building trust and understanding the societal implications of these technologies.

**Proposed Law:**

- Requires the Secretary of GovOps to appoint a mental health and AI working group to evaluate:
  - The role of AI in improving mental health outcomes, ensuring ethical standards, promoting innovation, and addressing concerns regarding AI in mental health settings.
  - The current and emerging AI technologies that have the potential to improve mental health diagnosis, treatment, monitoring, and care. Requires the evaluation to include AI-driven therapeutic tools, virtual assistants, diagnostics, and predictive models.
  - The potential risks associated with AI to mental health, including automated systems, privacy concerns, or unintended consequences, AI chatbots, and other AI intended to promote mental health or impersonate a mental health professional.
- Requires the working group to consist of all of the following participants:
  - Four appointees who are behavioral health professionals selected in consultation with mental health provider professional organizations, at least one of whom works in specialty mental health services serving individuals with serious mental illness, serious emotional disturbance, or substance abuse disorder.
  - Three appointees who are AI and technology experts.
  - Two appointees with a background in patient advocacy.
  - Two appointees who are experts in ethics and law.

- One appointee representing a public health agency.
  - The State Chief Information Officer or their designee.
  - The Director of Health Care Services or their designee.
  - The chief information officers of three other state agencies, departments, or commissions.
  - One Member of the Senate, appointed by the Senate Committee on Rules, and one Member of the Assembly, appointed by the Speaker of the Assembly.
- Requires the working group to take input from a broad range of stakeholders, including but not limited to, health organizations, academic institutions, technology companies, and advocacy groups.
  - Requires the working group to conduct at least three public meetings to incorporate feedback from stakeholders.
  - By July 1, 2028, requires the working group to issue a report to the Legislature on the potential uses, risks, and benefits of the use of AI in mental health treatment by state government and California-based businesses. Requires the report to include best practices and recommendations for policy around facilitating the beneficial uses and mitigating the potential risks surrounding AI in mental health treatment. Also requires the report to include a framework for developing training for mental health professionals to understand and incorporate AI into their practices.
  - By January 1, 2030, requires the working group to issue a follow up report to the Legislature on the implementation of its recommendations.
  - States the members of the working group serve without compensation, but shall be reimbursed for all necessary expenses incurred in the performance of their duties.
  - Repeals the working group on January 1, 2031.

**Related Legislation:** SB 53 (Wiener, 2025) establishes, within GovOps, a consortium to develop a framework for the creation of a public cloud computing cluster to be known as CalCompute, as specified, and includes enhanced whistleblower protections related to employees in AI, as specified. SB 53 is pending in this committee.

SB 243 (Padilla, 2025) among other things, requires an operator of a companion chatbot platform, as defined, to annually report to the State Department of Health Care Services certain things, including the number of times the operator has detected exhibitions of suicidal ideation by minor users. SB 243 is pending in the Senate Health Committee.

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