

SENATE PRIVACY, DIGITAL TECHNOLOGIES, AND CONSUMER PROTECTION COMMITTEE
Senator Christopher Cabaldon, Chair
2025-2026 Regular Session

SB 903 (Padilla)
Version: April 7, 2026
Hearing Date: April 20, 2026
Fiscal: Yes
Urgency: No
CK

SUBJECT

Mental health professionals: artificial intelligence

DIGEST

This bill regulates the use of AI by licensed professionals providing psychotherapy services, as defined.

EXECUTIVE SUMMARY

While AI models and tools offer tremendous benefits, serious concerns have been raised that various platforms are currently deploying AI chatbots that are claiming to be licensed doctors and psychologists and providing users medical advice and information. Despite recent legislation targeting such activity, concerns remain that the many mental health-focused chatbots out there are operating in a legal gray area and that the use of AI is improperly encroaching on the practice of psychotherapy.

This bill establishes the Wellness and Oversight for Psychological Resources Act, regulating the use of AI by licensed professionals providing psychotherapy services, as defined. The bill, among other things, prohibits using AI for specified activities and requires notice and consent for certain authorized services. The bill also directly targets advertising or providing therapy unless conducted by a licensed professional, including through the use of AI.

This bill is sponsored by the California Psychological Association, the National Union of Healthcare Workers, the California Behavioral Health Association, and the California Association of Marriage and Family Therapists. It is supported by a variety of professional associations, state boards, and advocacy groups, including the California Board of Psychology. It is opposed by industry groups and medical associations, including the California Hospital Association and Teladoc Health, Inc. This bill passed out of the Senate Business, Professions, and Economic Development Committee on a vote of 11 to 0.

PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Establishes, pursuant to the federal Health Insurance Portability and Accountability Act (HIPAA), privacy protections for patients' protected health information and generally provides that a covered entity, as defined (health plan, health care provider, and health care clearing house), may not use or disclose protected health information except as specified or as authorized by the patient in writing. (45 C.F.R. § 164.500 et seq.)
- 2) Prohibits, under the State Confidentiality of Medical Information Act (CMIA), providers of health care, health care service plans, or contractors, as defined, from sharing medical information without the patient's written authorization, subject to certain exceptions. (Civ. Code § 56 et seq.)
- 3) Provides that no provider of health care, health care service plan, or contractor may release medical information to persons or entities who have requested that information and who are authorized by law to receive that information, if the requested information specifically relates to the patient's participation in outpatient treatment with a psychotherapist, unless the person or entity requesting that information submits to the patient and to the provider of health care, health care service plan, or contractor a written request, signed by the person requesting the information, that includes specified information, including details of the information requested, the length it will be kept for, use limitations, and a commitment to destroying the information after the specified time period elapses. (Civ. Code § 56.104.)
- 4) Defines a "psychotherapist" as a person who is, or is reasonably believed by the patient to be one of a list of qualified professionals, including a person authorized to practice medicine that devotes a substantial portion of their time to psychiatry, a school psychologist, a marriage and family therapist, and a professional clinical counselor. (Evid. Code § 1010.)
- 5) Provides that any person who practices or attempts to practice, or who advertises or holds themselves out as practicing, any system or mode of treating the sick or afflicted in this state, or who diagnoses, treats, operates for, or prescribes for any ailment, blemish, deformity, disease, disfigurement, disorder, injury, or other physical or mental condition of any person, without having at the time of so doing a valid, unrevoked, or unsuspended certificate as provided or without being authorized to perform the act pursuant to a certificate obtained in accordance with some other provision of law is guilty of a public offense, punishable by a fine, by imprisonment, or by both, as provided. (Bus. & Prof. Code § 2052.)

- 6) Requires a health facility, clinic, physician's office, or office of a group practice that uses GenAI to generate written or verbal patient communications pertaining to patient clinical information to ensure that those communications include a disclaimer that indicates to the patient that the communication was generated by GenAI and clear instructions describing how a patient may contact a human. These requirements do not apply if the communication was read and reviewed by a human licensed or certified health care provider. If a communication is generated by GenAI and read and reviewed by a human licensed or certified health care provider, the requirements do not apply. (Health & Saf. Code § 1339.75.)

This bill:

- 1) Establishes the Wellness and Oversight for Psychological Resources Act.
- 2) Prohibits an individual, corporation, or entity from using AI to record or transcribe psychotherapeutic communications, psychotherapy sessions, or triage or screening unless the patient or the patient's legally authorized representative is informed verbally or in writing that AI will be used and the specific purpose of the AI tool or system that will be used; and consent is provided.
- 3) Provides that a patient does not surrender any of their rights to care if the patient or their legally authorized representative does not provide consent to the use of artificial intelligence.
- 4) Prohibits providing, advertising, or otherwise offering psychotherapy services, including through the use of AI, to the public in this state unless the psychotherapy services are conducted by an individual who is a licensed professional.
- 5) Provides that when providing psychotherapy services or conducting triage or screening, an individual, corporation, or entity may use AI only to the extent the use meets the requirements herein and shall not allow AI to do any of the following:
 - a) Make independent therapeutic decisions.
 - b) Directly interact with clients in any form of psychotherapeutic communication, unless the tool or system is consistent with the United States Food and Drug Administration guidance for low-risk general wellness products or clinical support software, and is compliant with the federal Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191).
 - c) Generate therapeutic recommendations, assessment results, diagnoses, or treatment plans without review and approval by the licensed professional.

- d) Detect emotions or mental states.
 - e) Assess an individual's health concerns or symptoms for the purpose of determining the urgency, clinical nature, or appropriate level of the individual's need for psychotherapy services.
- 6) Provides that if a licensed professional uses AI in connection with psychotherapy services or triage or screening and the use has not been selected, provided, directed, or mandated by an employing or contracting entity, the licensed professional is responsible for ensuring the AI is deployed in compliance herewith and is used in a clinically appropriate manner. If it is the employing or contracting entity that requires or authorizes AI use, that entity shall ensure compliance and direct the licensed professional to so comply.
- 7) Requires any use of AI in psychotherapy records to comply with CMIA confidentiality requirements.
- 8) Prohibits a company or entity from sharing, selling, storing or training their models on any data obtained from psychotherapy.
- 9) Subjects violations to the jurisdiction of the appropriate health care professional licensing board or enforcement agency.
- 10) Clarifies what it does not apply to, including religious counseling, peer support, self-help materials, and AI used solely for training or simulation purposes.
- 11) Defines the key terms, including:
- a) "Licensed professional" has the same meaning as "psychotherapist" as defined in Section 1010 of the Evidence Code.
 - b) "Psychotherapeutic communication" means any verbal, nonverbal, or written interaction conducted in a clinical or professional setting that is intended to diagnose, treat, or address an individual's mental, emotional, or behavioral health concerns. "Psychotherapeutic communication" includes, but is not limited to, any of the following:
 - i. Direct interactions with clients for the purpose of understanding or reflecting their thoughts, emotions, or experiences.
 - ii. Providing guidance, therapeutic strategies, or interventions designed to achieve mental health outcomes.
 - iii. Offering emotional support, reassurance, or empathy in response to psychological or emotional distress.
 - iv. Collaborating with clients to develop or modify therapeutic goals or treatment plans.
 - v. Offering behavioral feedback intended to promote psychological growth or address mental health conditions.

- c) “Psychotherapy services” means services provided to diagnose, treat, or improve an individual’s mental health or substance use disorder condition. “Psychotherapy services” does not include religious counseling or peer support.
- d) “Triage or screening” means the assessment of an individual’s health concerns and symptoms for the purpose of determining the urgency, clinical nature, or appropriate level of the individual’s need for psychotherapy services.
- e) “Use of artificial intelligence” means the use of AI tools or systems to assist in providing administrative support or supplementary support in psychotherapy services.
- f) “Supplementary support” means tasks performed to assist a licensed professional in the delivery of psychotherapy services that do not involve psychotherapeutic communication and that are not administrative support.

COMMENTS

1. Psychotherapy and AI

AI-enabled systems and chatbots posing as health professionals have sprouted up across the internet, raising serious consumer and public health concerns. A recent article highlighted the flooding of social media with AI-enabled tools hawking medical information:

AI is easier than ever to produce and as a result, ads with AI talking heads that claim to be medical experts are infiltrating social media’s robust wellness ecosystem. This isn’t isolated to one app. On Facebook, Instagram, X, and TikTok, a particular kind of AI health video – one that uses an AI avatar to convince people of medical expertise – has become the defacto way for accounts to convince people that they, and their unproven products, are legit. Unlike AI images from just a few years ago, many of these videos feature a combination of real footage and AI, which results in avatars who look extremely lifelike at first glance – and are edited exactly the same as direct to camera content that’s popular on video apps.¹

While certain AI systems may be trained on legitimate medical sources and provide real benefits to consumers, unlike licensed healthcare providers who undergo years of rigorous training, AI systems lack the nuanced clinical judgment needed to properly assess symptoms, consider individual patient history, and account for complex

¹ CT Jones, *Social Media Is Flooded With AI Doctor ‘Scams’: Creators Can’t Stand It* (March 13, 2025) RollingStone, <https://www.rollingstone.com/culture/culture-features/ai-doctor-videos-tiktok-avatars-internet-safety-1235294841/>. All internet citations are current as of April 11, 2026.

interactions between conditions. When these systems present themselves as medical authorities or simply offer mental health advice, users may receive inaccurate diagnoses, inappropriate treatment recommendations, or dangerous advice about medication interactions. A recent study conducted at Stanford found that “AI therapy chatbots may not only lack effectiveness compared to human therapists but could also contribute to harmful stigma and dangerous responses.”² These systems are especially concerning when used by certain vulnerable groups that may be more likely to trust authoritative-sounding medical advice, especially those with limited healthcare access or health or technology literacy. While there are certainly legitimate AI applications in healthcare, AI systems that misrepresent their capabilities and credentials put users at risk and deceive consumers into thinking a product, service, or information is something it is not. This is also true when licensed professionals incorporate AI into their own work. One recent study provides a helpful overview of the benefits and risks according to a host of studies:

The adoption of artificial intelligence (AI) in mental healthcare presents an array of possible opportunities and risks. AI chatbots have been studied to support a range of tasks benefiting clinicians and patients, including therapy, administrative tasks, patient screening, diagnosis, and psychoeducation and training. Literature suggests benefits for AI chatbots in mental healthcare including improvements in mental distress, affordability of care, 24/7 availability, multilingual support, streamlining recordkeeping and data organisation, early intervention or prevention, delivery of care in an empathetic manner, and reduced stigma in help-seeking. Generative AI, powered by natural language processing, offers unique advantages over its non-generative AI predecessors, including advanced natural language understanding that enables more empathetic, human-like, and engaging interactions, enhancing patient comfort and overall engagement. It maintains contextual awareness over long conversations and can personalise responses based on previous interactions. Its ability to continuously improve and learn from new data allows for ongoing enhancement of responses and capabilities. It effectively handles complex, open-ended queries and can offer detailed information which could support diagnostic and treatment decision-making tasks. These unique capabilities of generative AI highlight its potential to revolutionise mental health support.

However, challenges have been identified regarding the use of generative AI in mental health. Many research articles highlight concerns around security, privacy, and confidentiality. Other concerns include AI’s handling of disclosures of criminal activity, the lack of comprehensive regulatory frameworks, chatbots’

² Sarah Wells, *Exploring the Dangers of AI in Mental Health Care* (June 11, 2025) Stanford University Human-Centered Artificial Intelligence, <https://hai.stanford.edu/news/exploring-the-dangers-of-ai-in-mental-health-care>.

inabilities to fully grasp the complexities of individual client situations, and the risk of AI suggesting inappropriate diagnoses or treatment recommendations. The unpredictability of generative AI chatbots, which generate new responses each time, poses risks of producing inappropriate or harmful replies. It also risks generating “hallucinations,” where the AI generates information that is incorrect, misleading, or entirely fabricated. Additionally, generative AI can inadvertently reproduce and amplify biases present in its training data. Mitigating risks and ensuring safe, effective integration into mental healthcare requires careful consideration, collaboration, and robust regulatory frameworks.³

2. Responding to these issues

Although existing law prohibits falsely indicating or implying possession of a license or certificate to practice a health care profession, AB 489 (Bonta, Ch. 615, Stats. 2025) made crystal clear that such laws apply to AI or GenAI enabled systems or devices and that the appropriate oversight entities make take action against the developers and deployers of such systems or devices engaging in prohibited acts.

This bill seeks to take the law further. It establishes the Wellness and Oversight for Psychological Resources Act. The bill requires pre-use notice and consent, including a description of the relevant purpose, before AI can be used to record or transcribe psychotherapeutic communications, psychotherapy sessions, or triage or screening. “Psychotherapeutic communication” means any verbal, nonverbal, or written interaction conducted in a clinical or professional setting that is intended to diagnose, treat, or address an individual’s mental, emotional, or behavioral health concerns. “Triage or screening” means the assessment of an individual’s health concerns and symptoms for the purpose of determining the urgency, clinical nature, or appropriate level of the individual’s need for psychotherapy services. When carrying out activities in this arena, AI can only be used as provided for by the provisions of the bill.

The bill also prohibits the use of AI when providing psychotherapy services or conducting triage or screening to do the following:

- Make independent therapeutic decisions.
- Directly interact with clients in any form of psychotherapeutic communication, unless the tool or system is consistent with the FDA guidance for low-risk general wellness products or clinical support software, and is compliant with HIPAA.
- Generate therapeutic recommendations, assessment results, diagnoses, or treatment plans without review and approval by the licensed professional.

³ Lyndsey Hipgrave, Jessie Goldie, Simon Dennis, & Amanda Coleman, *Balancing risks and benefits: clinicians’ perspectives on the use of generative AI chatbots in mental healthcare* (May 29, 2025) *Frontiers in Digital Health*, <https://pmc.ncbi.nlm.nih.gov/articles/PMC12158938/pdf/fdgth-07-1606291.pdf>.

- Detect emotions or mental states.
- Assess an individual's health concerns or symptoms for the purpose of determining the urgency, clinical nature, or appropriate level of the individual's need for psychotherapy services.

The bill also seeks to ensure proper privacy protections for the information involved. Specifically, the bill prohibits a company or entity from sharing, selling, storing or training their models on any data obtained from psychotherapy. The bill makes explicitly clear that the use of AI in psychotherapy records must comply with all confidentiality requirements laid out in CMIA.

If the use of AI in connection with these services is not directed by an employer or contracting entity, it is the licensed professional who is required to ensure any AI deployed is done in compliance with the bill's provisions and is used in a clinically appropriate manner. If the professional is directed by their employer or a contracting entity to use AI, that entity shall be responsible for ensuring compliance.

To get at those persons or entities providing "therapy" without an actual trained professional involved, the bill prohibits providing, advertising, or otherwise offering psychotherapy services to the public in this state unless the psychotherapy services are conducted by an individual who is a licensed professional.

According to the author:

Artificial Intelligence technology holds tremendous promise to improve the lives of Californians, but only when it is developed and deployed responsibly. As we face a shortage of mental health treatment resources, some companies are marketing algorithm-driven products as "therapy" to help those in need; but AI algorithms are not fit to take over the jobs of human therapists. Therapy is effective because of uniquely human qualities that AI systems are incapable of replicating such as empathy, lived experience, ethical judgment, and trust. SB 903 addresses this growing concern by prohibiting companies from advertising or providing "therapy" when services are not delivered by a licensed professional, and by ensuring that clinicians use AI only in ways that promote safe, informed, and person-centered care.

3. Stakeholder positions

The California Psychological Association and California Association of Marriage and Family Therapists, co-sponsors of the bill, write:

Mental health care involves deep, nuanced understanding of human thought, emotion, history, social context, culture, and risk. AI tools, by

their design, rely on patterns in data and statistical associations. They cannot hold legal or ethical accountability for clinical care in the same way a clinician must uphold confidentiality, professional ethical standards, and duty of care. They also cannot reliably identify or respond to crises or subtle cues that experienced clinicians are trained to detect. These limitations pose concerns for patient safety when the tools are presented or used in ways that mimic therapeutic relationships.

SB 903 protects individuals seeking care by tying the delivery of therapy and psychotherapy to professionals who hold a license and are subject to regulation and enforcement by state licensing boards.

Writing in an oppose-unless-amended position, the California Medical Association and the California Hospital Association argue:

Our organizations recognize the growing role of AI in improving diagnostics, workflow efficiency, and patient engagement. When thoughtfully implemented, AI enhances and does not replace clinical decision making. However, as currently drafted, SB 903 risks creating unintended consequences.

This bill's definitions of "artificial intelligence tools" and their permitted uses is overly broad and unclear. Without precise distinctions between administrative tools, clinical decision support, and autonomous systems, clinicians will face uncertainty about what technologies are permissible, potentially discouraging the use of beneficial tools. Additionally, provisions in this bill limit the use of AI in clinical settings and could interfere with professional judgment. AI tools are most effective when used to assist clinical expertise; statutory language should reinforce – not constrain – a clinician's role as the ultimate decision-maker.

As drafted this bill would also impose new requirements related to disclosure, documentation, or validation of AI tools. While transparency is important, excessive or duplicative requirements will add significant administrative burden, detracting from time spent with patients and contributing to professional burnout.

We appreciate the recent amendments that addressed our concerns related to patient consent for clinician usage of AI tools and replacing the previous enforcement mechanism with enforcement from the appropriate healing arts board. We recommend amendments that focus on providing tighter language regarding which clinicians are captured in this bill, remove or revise multiple definitions listed in the bill, and provide explicit

language that will allow for research and development of AI tools in the mental health space.

Writing jointly in opposition, the California Chamber of Commerce and Technet assert:

SB 903 continues to constrain how licensed professionals can use AI tools in the context of ongoing patient relationships, even where the clinician retains full responsibility for care. While the bill appropriately permits certain administrative and supplementary functions, it prohibits or severely limits many widely accepted and beneficial uses of AI in clinical practice.

For example, clinicians increasingly use AI-powered tools to support patient engagement between sessions, such as guided journaling, goal tracking, or structured reflection tools. These tools can improve continuity of care and patient outcomes, yet would likely be swept into the bill's broad definition of "therapeutic communication" and effectively prohibited.

This framework does not strike the appropriate balance. A more workable approach would allow AI to support clinical care where a licensed professional remains the ultimate decision-maker – rather than broadly restricting tools that enhance care delivery.

The California Board of Psychology writes:

SB 903 is intended to ensure that therapy in California continues to be delivered by licensed professionals who are responsible for the services they provide. As artificial intelligence (AI) tools become more common in health care, SB 903 establishes clear expectations for transparency when those tools are used in therapy settings. The bill requires disclosure and patient consent when AI is used in connection with recorded or transcribed sessions and reinforces that therapy services offered to the public in California must be provided by licensed professionals.

For psychologists, the bill provides clear, practical requirements regarding disclosure and consent when using AI-supported tools in practice. These standards help licensees understand their responsibilities and promote consistent compliance across practice settings.

For consumers, SB 903 ensures they are informed when AI tools are involved in their care and confirms that therapy services are provided by licensed professionals. This strengthens transparency and consumer protection as technology continues to evolve in health care.

SUPPORT

California Association of Marriage and Family Therapists (co-sponsor)

California Behavioral Health Association (co-sponsor)

California Psychological Association (co-sponsor)

National Union of Healthcare Workers (co-sponsor)

Alliance for Children's Rights

Association of Community Human Service Agencies

Board of Registered Nursing

California Board of Psychology

California Institute for Behavioral Health Solutions

California Peer Watch

Children's Institute, Inc.

Hope Cooperative

Kings View

Oakland Privacy

Pacific Clinics

Pathpoint

Portia Bell Hume Behavioral Health and Training Center

Safe Passages

Shields for Families

Sistahfriends

Southern California Health & Rehabilitation Program

Stars Behavioral Health Group

Tarzana Treatment Centers, INC.

Turning Point Community Programs

Wellspace Health

OPPOSITION

Ata Action

California Chamber of Commerce

California Hospital Association

California Medical Association

Technet

Teladoc Health, Inc.

RELATED LEGISLATION

SB 1146 (Gonzalez, 2026) requires an advertisement to include a disclosure, as applicable, when it depicts a digitally altered or generated person representing themselves to be, or “identifiably depicting” a person as, a health care provider to promote the sale of a health-related consumer product or service, except as provided. SB 1146 is currently in the Senate Appropriations Committee.

AB 489 (Bonta, Ch. 615, Stats. 2025) clarified that provisions of law that prohibit the use of specified terms, letters, or phrases to falsely indicate or imply possession of a license or certificate to practice a health care profession, as defined, apply to an entity who develops or deploys AI or GenAI technology that uses such terms, letters, or phrases in its advertising or functionality, prohibits such usage, and subjects such developers and deployers to the same oversight and enforcement.

AB 3030 (Calderon, Ch. 848, Stats. 2024) required a health facility, clinic, physician's office, or office of a group practice that uses generative artificial intelligence to generate written or verbal patient communications pertaining to patient clinical information to ensure that those communications include a disclaimer that indicates to the patient that the communication was generated by generative artificial intelligence and clear instructions on how the patient may contact a human person.

PRIOR VOTES:

Senate Business, Professions and Economic Development Committee (Ayes 11, Noes 0)
