
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

SB 903 (Padilla) - Mental health professionals: artificial intelligence

Version: April 7, 2026

Policy Vote: B., P. & E.D. 11 - 0, P., D.T.,
& C.P. 8 - 0

Urgency: No

Mandate: Yes

Hearing Date: May 4, 2026

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Bill Summary: SB 903 establishes the Wellness and Oversight for Psychological Resources Act, which creates a regulatory framework for AI use by licensed professionals providing psychotherapy services.

Fiscal Impact: Unknown, potentially significant fiscal impact to the healing arts boards within the Department of Consumer Affairs (DCA). Actual costs for each impacted board will vary based on complaint volume and any resulting investigative and enforcement workload (various special funds). Additionally, impacted boards may incur one-time workload costs to the extent that they will need to promulgate regulations to implement the bill's provisions.

Background: 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 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 2025 study conducted at Stanford, titled *Exploring the Dangers of AI in Mental Health Care*, found that "AI therapy chatbots may not only lack effectiveness compared to human therapists but could also contribute to harmful stigma and dangerous responses." 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 professional incorporate AI into their own work.

Proposed Law:

- Establishes the Wellness and Oversight for Psychological Resources Act (Act), with the intended purpose of protecting consumers from unlicensed or unqualified providers, including unregulated AI systems, while respecting individual choice and access to community-based and faith-based mental health support and recognizing that artificial intelligence technology has the potential to expand clinical capacity if used in a safe, ethical, and legal manner.

- Prohibits an individual, corporation, or entity from using AI to record or transcribe psychotherapeutic communications, psychotherapy sessions, or triage or screening unless the following conditions are satisfied:
 - 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.
 - The patient or the patient's legally authorized representative provides consent to the use of AI.
- 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 AI.
- Prohibits an individual, corporation, or entity from providing, advertising, or otherwise offering psychotherapy services, including through AI, to the public in this state unless the psychotherapy services are conducted by an individual who is a licensed professional.
- Authorizes an individual, corporation, or entity to use AI when providing psychotherapy services only to the extent the use meets the requirements of the Act and prohibits the AI to do any of the following:
 - Making independent therapeutic decisions.
 - 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.
 - Generate therapeutic recommendations, assessment results, diagnoses, or treatment plans without review and approval by the licensed professional.
 - 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.
- If a licensed professional uses AI that is not required or authorized by their employer or contracting agency in connection with psychotherapy services, provides that the licensed professional is responsible for ensuring the AI is deployed in compliance with the Act and is used in a clinically appropriate manner.
- If a licensed professional uses AI required or authorized by their employer or contracting entity, provides that:
 - The employer or contracting entity is responsible for ensuring the AI is deployed in compliance with the Act and directing the licensed professional to use it accordingly.

- The licensed professional is responsible for using the AI in a clinically appropriate manner.
- Requires any use of AI in psychotherapy records to comply with State Confidentiality of Medical Information Act confidentiality requirements.
- Prohibits a company or entity from sharing, selling, storing or training their models on any data obtained from psychotherapy.
- Subjects violations to the jurisdiction of the appropriate health care professional licensing board or enforcement agency.
- Clarifies what it does not apply to, including religious counseling, peer support, self-help materials, and AI used solely for training or simulation purposes.
- Provides the following definitions for purpose of the Act:
 - “Administrative support” means tasks performed to assist a licensed professional in the delivery of psychotherapy services that do not involve psychotherapeutic communication, such as: managing appointment scheduling and reminders; processing billing and insurance claims; drafting general communications related to therapy logistics that do not include therapeutic advice.
 - “Artificial intelligence” means 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.
 - “Consent” means a clear, explicit affirmative act by an individual that is revocable and unambiguously communicates the individual’s express, freely given, informed, voluntary, specific, and unambiguous agreement, either written or verbally, and documented in the record. Consent does not include an agreement that is obtained using deceptive actions, the acceptance of general or broad terms of a user agreement, or by an individual hovering over, muting, pausing, or closing a given piece of digital content.
 - “Licensed professional” has the same meaning as “psychotherapist” as defined in Section 1010 of the Evidence Code.
 - “Peer support” means services provided by individuals with lived experience of mental health conditions or recovery from substance use that are intended to offer encouragement, understanding, and guidance without clinical intervention.
 - “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.

- “Psychotherapy services” means services provided to diagnose, treat, or improve an individual’s mental health or substance use disorder condition.
- “Religious counseling” means counseling provided by clergy members, pastoral counselors, or other religious leaders acting within the scope of their religious duties if the services are explicitly faith based and are not represented as clinical mental health services or psychotherapy services.
- “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.
- “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.
- “Use of artificial intelligence” means the use of artificial intelligence tools or systems to assist in providing administrative support or supplementary support in psychotherapy services.

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