

THIRD READING

Bill No: SB 903
Author: Padilla (D), et al.
Amended: 4/7/26
Vote: 21

SENATE BUS., PROF. & ECON. DEV. COMMITTEE: 11-0, 4/13/26
AYES: Wahab, Choi, Archuleta, Arreguín, Caballero, Grayson, Menjivar, Niello,
Smallwood-Cuevas, Strickland, Umberg

SENATE PRIV., DIGITAL TECH. & CONS. PROT. COMMITTEE: 8-0, 4/20/26
AYES: Cabaldon, Gonzalez, McNerney, Padilla, Reyes, Seyarto, Umberg, Wiener
NO VOTE RECORDED: Jones

SENATE APPROPRIATIONS COMMITTEE: 7-0, 5/14/26
AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

SUBJECT: Mental health professionals: artificial intelligence

SOURCE: California Association of Marriage and Family Therapists
California Behavioral Health Association
California Psychological Association
National United Healthcare Workers

DIGEST: This bill 1) prohibits individuals or corporations from using, advertising, or offering psychotherapy services, including through artificial intelligence (AI), unless conducted by a licensed health care professional, as defined; 2) authorizes licensed health care professionals to use AI for limited administrative or supplementary support, as indicated; and 3) provides state licensing boards and enforcement agencies the authority to pursue legal recourse for any violations.

ANALYSIS:

Existing law:

- 1) Defines “Artificial intelligence” or “AI” as 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. (Government Code (GC) § 11546.45.5)
- 2) Defines “Generative artificial intelligence” or “GenAI” to mean an artificial intelligence system that can generate derived synthetic content, including text, images, video, and audio that emulates the structure and characteristics of the system’s training data (GC § 11549.64(b))
- 3) Defines “Companion chatbot” to mean an artificial intelligence system with a natural language interface that provides adaptive, human-like responses to user inputs and is capable of meeting a user’s social needs, including by exhibiting anthropomorphic features and being able to sustain a relationship across multiple interactions. Does not include a bot that is used only for customer service purposes. (Business and Professions Code (BPC) § 22601 (b 1-2))

This bill:

- 1) Defines “licensed professional” as a psychotherapist defined in Evidence Code § 1010.
- 2) Defines “use of artificial intelligence” to mean the use of artificial intelligence tools or systems to assist in providing administrative support or supplementary support in psychotherapy services.
- 3) Defines “administrative support” as tasks performed to assist a licensed professional in the delivery of psychotherapeutic services that do not include psychotherapeutic communication, including, but not limited to, managing appointment scheduling and reminders; processing billing and insurance claims; and drafting general communications related to therapy logistics that do not include therapeutic advice.
- 4) Defines “supplementary support” as 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, including, but not limited to, preparing and maintaining client records, including psychotherapy and progress notes; analyzing anonymized data to track client progress or identify trends, subject to review by a licensed professional; identifying and organizing external resources for referrals for

client use; using artificial intelligence tools that assist licensed professionals with documentation, workflow management, or other functions that enhance clinical capacity, provided the licensed professional maintains responsibility for all clinical decisions and communications.

- 5) Defines “consent” to mean a clear, explicit affirmative act that unambiguously communicates the individual’s express agreement either written or verbally that is documented in the record and is revocable by the individual. Consent does not include an agreement obtained by the acceptance of a general or broad terms of use agreement that contains descriptions of artificial intelligence along with unrelated information; an individual hovering over, muting, pausing, or closing a given piece of digital content; or an agreement obtained using deceptive actions.
- 6) Defines “psychotherapeutic communication” to mean 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, including, but not limited to, direct interactions with clients for the purpose of understanding or reflecting their thoughts, emotions or experiences; providing guidance, therapeutic strategies, or interventions designed to achieve mental health outcomes; offering emotional support, reassurance, or empathy in response to psychological or emotional distress; collaborating with clients to develop or modify therapeutic goals or treatment plans; offering behavioral feedback intended to promote psychological growth or address mental health conditions. Psychotherapeutic communication does not include discussion of a patient’s use of artificial intelligence in a clinical setting.
- 7) Defines “psychotherapy services” to mean services provided to diagnose, treat, or improve an individual’s mental health or substance use disorder condition. Psychotherapy services do not include religious counseling or peer support.
- 8) Defines “peer support” to mean services provided by individuals with lived experience of mental health conditions or recovery from substance use, intended to offer encouragement and guidance without clinical interventions.
- 9) Defines “religious counseling” to mean 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.

- 10) Defines “triage or screening” to mean 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.
- 11) Prohibits an individual, corporation, or entity to engage in the use of artificial intelligence to record or transcribe therapeutic communications, psychotherapy sessions or triage/screening unless the patient or legally authorized representative is informed in writing or verbally that artificial intelligence will be used; the specific purpose of the artificial intelligence tool or system that will be used, and the patient or legally authorized representative provides consent to the use of artificial intelligence. If consent is not given to use artificial intelligence the patient does not surrender any of their rights to care.
- 12) Prohibits an individual, corporation, or entity from providing, advertising, or otherwise offering psychotherapy services, including using artificial intelligence unless those services are conducted by a licensed professional.
- 13) Prohibits an individual, corporation, or entity while providing psychotherapy services from allowing artificial intelligence to do any of 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 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 (HIPAA) 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 to determine the urgency, clinical nature, or determine the appropriate level of psychotherapy services needed by the individual.
- 14) Requires a licensed professional when using artificial intelligence for psychotherapy services or triage or screening, and the use has not been selected or mandated by an employing or contracting entity, to maintain responsibility for ensuring the artificial intelligence is used in compliance with this chapter and is used in a clinically appropriate manner.
- 15) Requires an employer or contracting entity, when a licensed professional uses artificial intelligence for psychotherapy services, that has been required and authorized by an employing or contracting entity, to be responsible for

ensuring the artificial intelligence is used in compliance with the provisions of this bill, as specified. The licensed professional shall maintain responsibility to use artificial intelligence in a clinically appropriate manner.

- 16) Requires the use of artificial intelligence in psychotherapy records to comply with the confidentiality pursuant to Civil Code Section 56.104. Prohibits any company or entity from sharing, storing, or training their models on any data obtained from psychotherapy.
- 17) Authorizes the appropriate health care professional licensing board or enforcement agency to pursue an injunction or restraining order to enforce the provisions; retains the authority for the board or enforcement agency to pursue any remedy otherwise authorized under the law; and adopt rules and regulations necessary to implement any provisions that are consistent with this chapter.
- 18) Exempts religious counseling, peer support, self-help materials, educational resources that do not offer psychotherapy services, and artificial intelligence systems used solely for training or simulation purposes.

Background

Digital Mental Health Applications. As artificial intelligence continues to evolve in mental health care, so do digital mental health applications. Scripted digital mental health applications are often, but not always, designed with input from trained professionals that incorporate built-in protocols to ensure that responses to users are verified. These are unregulated digital mental health platforms that do not make medical claims but are developed to address mental health concerns and emotional well-being. Applications like Wysa, and Woebot use AI chatbots to provide mental health support to users in the form of effective and practical evidenced based therapies such as cognitive behavioral health therapy to quell anxiety, provide reframing of negative thoughts to alleviate depressive symptoms, track mood, as well as provide mindfulness exercises for general wellness, amongst other things.

AI chatbots are effective at providing users with immediate support to address a myriad of mental health concerns allowing for a welcoming environment that encourages unconstrained conversations and a reduced feeling of perceived stigma. According to an article in ScienceDirect, “honest responding is particularly valuable in mental health settings due to the intimate nature of information required” and “participants who believe they are interacting with a computer

versus a human operator reported lower fear of self-disclosure, lower impression management and were more willing to disclose.” The study concluded that human interaction could interfere with an individual’s ability to be forthright when disclosing personal information and perceived anonymity with a computer-monitored application gives the illusion of privacy decreasing the risk of embarrassment and judgement.¹ Easy, accessibility, the ability to reach a wider demographic with low to no costs, combined with the popularity of utilizing a text-based modality makes AI chatbot applications very appealing to users.

A second type of digital mental health application uses Generative AI chatbots also known as companion apps which produce a more human like response when deployed by users. These unregulated companion apps also do not claim to be developed to address mental health concerns but are designed to provide users with an interactive avatar like companion. Replika is an AI companion that provides emotional support, conversation and a certain level of companionship to often alleviate a user’s perceived loneliness and create a safe space free of judgment. Users can personalize their avatar’s appearance and define their relationship creating a sense of a proprietary companion. These companion applications are very popular amongst users encouraging roleplaying with some users developing an intense emotional attachment with their AI companion which can result in an unhealthy relationship. For users that are emotionally distressed or psychologically vulnerable these immersive companions can cause serious harm. Young users are especially susceptible to companion apps that can use inappropriate dialogue including sexual content, substance use, trivialize bullying behavior, and in some cases encourage self-harm with several young users committing suicide after allegedly receiving advice and instructions on how to self-harm from their AI companion.

Clearly, AI chatbots have not had the same education or specialized training as licensed health care professionals and are not legally obligated to follow the same ethical guidelines that require mandated reporting of any potential harm to self or others or maintain patient confidentiality. Ideally, individuals that utilize mental health apps would do so in conjunction with a therapeutic relationship with a licensed mental health professional. Since that is often not the case for most, extreme caution should be exercised when utilizing any type of digital mental health application as they are not designed or intended to provide clinical feedback or treatment and often do not include adequate safety protocols to protect

¹Lucas, Gale M., et al. "It's only a computer: Virtual humans increase willingness to disclose." *Computers in Human Behavior* 37 (2014): 94-100.

individuals from harm which is why it remains crucial that this technology is regulated.

[NOTE: See the Senate Business Professions and Economic Committee analysis for detailed background of this bill.]

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

According to the Senate Committee on Appropriations, “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.”

SUPPORT: (Verified 5/14/26)

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

California Behavioral Health Association (co-source)

California Board of Psychology (co-source)

National United Healthcare Workers (co-source)

Alliance for Children’s Rights

Association of Community Human Services Agency

Board of Registered Nursing

California Alliance of Child and Family Services

California Coalition for Behavioral Health

California Consortium of Addiction Programs and Professionals

California Federation of Labor Unions, AFL-CIO

California Institute for Behavioral Health Solutions

California Pan Ethnic Health Network

California Peer Watch

California Psychological Association

California State PTA

CFT, A Union of Educators & Classified Professions, AFL-CIO

Children’s Institute, INC

Engineers and Scientists of California, IFPTE Local 20, AFL-CIO

Hope Cooperative

Inland Empire Labor Council, AFL-CIO

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.
Techequity Action
The Village Family Service
Turning Point Community Programs
Wellspace Health

OPPOSITION: (Verified 5/14/26)

Ata Action
California Chamber of Commerce
California Hospital Association
California Medical Association
Technet
Teladoc Health, Inc.

ARGUMENTS IN SUPPORT: Supporters state that AI tools marketed as “AI Therapists” may offer convenience and accessibility, but they also lack the clinical training, professional oversight and ethical obligations required to safely deliver mental health treatment. Establishing clear safeguards governing the use of artificial intelligence in delivering psychotherapy services is paramount in protecting consumers from harm.

ARGUMENTS IN OPPOSITION: Opponents note that the bill as written could unintentionally restrict licensed clinicians from using beneficial AI tools consistent with their scope of practice, stating clinicians should be able to use AI as a clinician tool under their professional judgement and oversight, not merely for background support functions. They further state that the prohibition on using psychotherapy data to train AI models is overly broad and risks halting the development of improved tools.

COMMENTS: The Board of Behavioral Sciences “strongly supports establishing clear guardrails to ensure that consumers of psychotherapy are not placed at risk through the use of artificial intelligence. However, as currently drafted, the bill

would benefit from several clarifying amendments to ensure consistent interpretation, protect the public, and support effective implementation.”

Prepared by: Anna Billy / B., P. & E.D. /
5/16/26 9:44:54

****** END ******