

Date of Hearing: June 16, 2026

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS

Marc Berman, Chair

SB 903 (Padilla) – As Amended June 8, 2026

**NOTE:** This bill is double referred and if passed by this Committee will be re-referred to the Assembly Committee on Privacy and Consumer Protection.

**SENATE VOTE:** 39-0

**SUBJECT:** Mental health professionals: artificial intelligence

**SUMMARY:** Prohibits the use of companion chatbots in the provision of psychotherapy services and restricts the use of artificial intelligence (AI) by licensed professionals who provide psychotherapy services.

**EXISTING LAW:**

- 1) Defines “artificial intelligence” 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 § 11546.45.5)
- 2) Requires a developer of a generative AI (GenAI) system or service to publicly disclose specific information related to the system or service’s training data. (Civil Code § 3111)
- 3) 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 provide a disclaimer that the communication was generated by GenAI and instructions on how to contact a human. (Health and Safety Code § 1339.75)
- 4) Establishes the Department of Consumer Affairs (DCA) within the Business, Consumer Services, and Housing Agency. (Business and Professions Code (BPC) § 100)
- 5) Enumerates various regulatory boards, bureaus, committees, and commissions under the DCA’s jurisdiction, including healing arts boards under Division 2. (BPC § 101)
- 6) Makes it unlawful for any healing arts licensee to publicly communicate a false, fraudulent, misleading, or deceptive statement, claim, or image for the purpose of or likely to induce, directly or indirectly, the rendering of professional services in connection with the professional practice or business for which they are licensed. (BPC § 651)
- 7) Establishes the Medical Board of California (MBC) within the DCA to license and regulate physicians and surgeons under the Medical Practice Act, including physicians specializing in the practice of psychiatry. (BPC §§ 2000 *et seq.*)
- 8) 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.*)

- 9) Prohibits any person from practicing medicine or advertising themselves as practicing medicine within the scope of the Medical Practice Act without a valid license from the MBC or OMBC. (BPC § 2052)
- 10) Declares that corporations and other artificial legal entities shall have no professional rights, privileges, or powers under the Medical Practice Act. (BPC § 2400)
- 11) Establishes the California Board of Psychology (BOP) within the DCA to license and regulate psychologists under the Psychology Licensing Law. (BPC §§ 2900 *et seq.*)
- 12) Prohibits any person from engaging in the practice of psychology, or representing themselves to be a psychologist, without a license issued by the BOP. (BPC § 2903)
- 13) Establishes the Board of Behavioral Sciences (BBS) within the DCA to license and regulate mental health professionals under the Licensed Marriage and Family Therapist Act, the Educational Psychologist Practice Act, the Licensed Professional Clinical Counselor Act, and the Clinical Social Worker Practice Act. (BPC § 4989.12)
- 14) Prohibits any person from practicing or advertising professional clinical counseling services without a license issued by the BBS. (BPC § 4999.30)
- 15) Prohibits any person from providing marriage and family therapy services without a license issued by the BBS. (BPC § 4999.30)
- 16) Prohibits the advertising or functionality of an AI or GenAI technology that indicates or implies that the care, advice, reports, or assessments being offered through the AI or GenAI technology is being provided by a licensed health care professional, including the use of protected titles reserved for licensed health care professionals. (BPC § 4999.9)
- 17) Defines “companion chatbot” as an AI 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, with exceptions. (BPC § 22601)
- 18) Requires a companion chatbot platform operator to issue a clear and conspicuous notification indicating that a companion chatbot is artificially generated and not human if a reasonable person interacting with a companion chatbot would be misled to believe that the person is interacting with a human and requires an operator to prevent a companion chatbot on its platform from engaging with users unless the operator maintains a protocol for preventing the production of suicidal ideation, suicide, or self-harm content to the user. (BPC § 22602)
- 19) Beginning January 1, 2027, requires operators of companion chatbots to report data related to incidents of suicide ideation by users. (BPC § 22603)
- 20) Requires operators of companion chatbot platforms to disclose to users that companion chatbots may not be suitable for some minors. (BPC § 22604)
- 21) Authorizes a person who suffers injury in fact as a result of a violation of laws restricting the use of companion chatbots to bring a civil action for relief. (BPC § 22605)

**THIS BILL:**

- 1) Defines “psychotherapeutic communication” as any verbal, nonverbal, or written interaction in a clinical or professional setting that is conducted for the purpose of diagnosing or treating a mental health or substance use disorder or concern.
- 2) Exempts from the definition of “psychotherapeutic communication” general wellness education, instruction, or guidance that is intended to promote overall health and well-being rather than to diagnose or treat a specific mental, emotional, or behavioral health disorder or concern.
- 3) Defines “psychotherapy services” as services provided to diagnose, or treat an individual’s mental health or substance use disorder.
- 4) Exempts from the definition of “psychotherapy services” religious counseling or peer support, as defined.
- 5) Defines “triage or screening” as 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.
- 6) Prohibits an individual, corporation, or entity from using AI to record or transcribe psychotherapeutic communications, psychotherapy sessions, or triage or screening unless both of the following conditions are satisfied:
  - a) The patient or client, or the patient’s or client’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.
  - b) The patient or client, or the patient’s or client’s legally authorized representative, provides consent to the use of AI.
- 7) Prohibits an individual, corporation, or entity from advertising or otherwise purporting to offer psychotherapy services when the services are provided through the use of companion chatbots, including by claiming the companion chatbot is a therapist or provides therapy.
- 8) Authorizes the use of AI when providing psychotherapy services or conducting triage or screening only to the extent the use does not allow AI to do any of the following:
  - a) Make independent therapeutic decisions.
  - b) Directly interact with patients or clients in any form of psychotherapeutic communication, unless the tool or system is approved by the federal Food and Drug Administration (FDA) for that use and is compliant with the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).
  - 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.
- 9) Provides that a licensed professional who uses AI in connection with psychotherapy services or triage or screening in a manner that has not been selected, provided, directed, or mandated by an employing or contracting entity is responsible for ensuring the AI is deployed in compliance with the law and used in a clinically appropriate manner.
- 10) Provides that an employer or contracting entity that requires or authorizes the use of AI by a licensed professional is responsible for ensuring the AI is deployed in compliance with the law and directing the licensed professional to use the AI in compliance with the law.
- 11) Requires the use of AI in patient or client records for psychotherapy services to comply with the Confidentiality of Medical Information Act (CMIA).
- 12) Provides that a violation of the bill's requirements and prohibitions is subject to the jurisdiction of the appropriate health care professional licensing board or enforcement agency.
- 13) Expressly exempts the following from the bill's requirements and prohibitions:
- a) Religious counseling.
  - b) Peer support.
  - c) Self-help materials and educational resources that are available to the public and do not purport to offer psychotherapy services.
  - d) AI used solely for training or simulation purposes.
  - e) Research conducted by an academic or nonprofit research institution that is conducted in accordance with applicable ethics, confidentiality, privacy, and security rules.
  - f) Any AI tool or system that has been reviewed and cleared, authorized, or approved for use by the FDA, or another federal agency tasked with approving AI for use in health care, provided the tool or system is used consistent with its approved indication and applicable federal requirements.
- 14) Declares that the purpose of the bill is to safeguard individuals seeking psychotherapy services by ensuring these services are delivered by licensed professionals and to protect 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 AI technology has the potential to expand clinical capacity if used in a safe, ethical, and legal manner.

**FISCAL EFFECT:** According to the Senate Committee on Appropriations, unknown, potentially significant fiscal impact to the healing arts boards within the DCA; actual costs for each impacted board will vary based on complaint volume and any resulting investigative and enforcement workload; 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.

**COMMENTS:**

**Purpose.** This bill is co-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*. According to the author:

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.

**Background.**

*Artificial Intelligence.* The recent acceleration in the evolution of AI and GenAI technologies has elicited a significant amount of attention from state and federal policymakers, and this has been especially true when the technology is deployed in a health care setting. The integration of AI into health care practice raises both legal and ethical concerns, particularly when AI is used to supplant or influentially augment clinical judgment by practitioners. Additionally, concerns have been voiced that AI technologies have the potential to displace human medical professionals in the future, which could have detrimental effects on both the health care workforce and for patients.<sup>1</sup>

A significant component of these concerns relates to the use of potential for AI systems to imitate licensed health care providers. AI-powered diagnostic tools, chatbots, and virtual assistants are increasingly capable of providing what resembles medical advice, which can blur the lines between machine-generated guidance and professional medical consultation from a trained human professional. Meanwhile, there is uncertainty as to whether existing laws that restrict the use of professional titles to licensed individuals are enforceable against non-human AI programs or those who develop or deploy them. This has led to challenges in ensuring that AI systems do not mislead patients by presenting communications as coming from qualified professionals, especially since those communications are not subject to oversight by a licensing board.

---

<sup>1</sup> Parikh, R. B., Teeple, S., & Navathe, A. S. (2024). *Artificial intelligence and the future of work in healthcare: The role of trust and acceptance*. *NPJ digital medicine*, 6(1), 111.

In January 2025, California Attorney General Rob Bonta issued a “legal advisory on the application of existing California law to artificial intelligence in healthcare.” The advisory noted that “California’s professional licensing laws provide additional standards to which licensed medical professionals must adhere” and that “only human physicians (and other medical professionals) are licensed to practice medicine in California; California law does not allow delegation of the practice of medicine to AI.” The Attorney General’s advisory further opined that “using AI or other automated decision tools to make decisions about patients’ medical treatment, or to override licensed care providers’ determinations about what a patient’s medical needs are, may violate California’s ban on the practice of medicine by corporations and other ‘artificial legal entities’ ... in addition to constituting an ‘unlawful’ or ‘unfair’ business practice under the Unfair Competition Law.”<sup>2</sup>

*AI Psychotherapy.* Psychotherapy and similar mental health services are within the scope of practice of several licensed health care professions, including psychologists licensed by the BOP, counselors and therapists licensed by the BBS, and psychiatrists licensed as physicians and surgeons by the MBC or OMBC. In the background paper for the BOP’s most recent sunset review oversight hearing, Issue #13 discussed how AI is specifically changing the field of psychology.<sup>3</sup> The sunset background paper questioned what regulatory changes may be necessary to protect consumers and ensure the ethical use of AI-driven tools in psychotherapy practice.

As discussed in the sunset review background paper, AI has the potential to transform the field of psychology, from the provision of psychotherapy to research. While AI innovations, such as chatbots (e.g., Wysa and Woebot) and tools that automate notetaking (e.g., Mental Note AI and TherapyFuel), can improve consumer access and affordability and lessen the administrative burden on psychologists, there are numerous questions outstanding about safety, privacy, reliability, and equity. The dangers of AI-generative chatbots have been the subject of increased scrutiny and are at the center of two lawsuits.

In a letter to the Federal Trade Commission (FTC), the American Psychological Association (APA) expressed its “grave concerns about ‘entertainment’ chatbots that purport to serve as companions or therapists.” The letter highlighted concerns that some technologies available to the public lack appropriate safeguards, adequate transparency, or the warning and reporting mechanisms necessary to ensure appropriate use and access by appropriate users. The APA urged the FTC to investigate “the prevalence and impacts of deceptive practices employed by AI-generative chatbots and other AI-related technologies like Character.ai, Replika, and other companies for developing and perpetuating AI-generated characters that engage in misrepresentations and for engaging in deceptive trade practices, passing themselves off as trained mental health providers, and potentially causing harm to the public.”<sup>4</sup>

---

<sup>2</sup> California Department of Justice. (2024). *Application of existing California laws to artificial intelligence in healthcare* (Legal Advisory). <https://tinyurl.com/AGadvisory>

<sup>3</sup> <https://abp.assembly.ca.gov/media/1241>

<sup>4</sup> Letter from Arthur C. Evans, Chief Executive Officer, American Psychological Association to Federal Trade Commission (December 2024).

As reported by the *New York Times*, a lawsuit against Character.ai has been filed by the mother of a Florida teen who died by suicide after interacting with a chatbot claiming to be a licensed psychologist.<sup>5</sup> A second lawsuit was initiated by the parents of a Texas teen with autism grew hostile and violent towards them during a period of time when he was interacting with a chatbot claiming to be a psychologist. According to *The Washington Post*, he had also begun harming himself and lost 20 pounds.<sup>6</sup>

Although the dangers of these chatbots are well documented, they are popular. Some of Character.ai's chatbots have had more than one million conversations with users. In its letter to the FTC, the APA argues that:

Given that the fundamental purpose of professional licensing is consumer protection, there is a compelling legal argument that the same prohibitions contained in professional licensing laws restricting unqualified individuals from referring to themselves as a “psychologist” or “physician” or other licensed professional and attempting to conduct themselves in that way ought to apply these non-human chatbots as well.

In 2025, the Legislature enacted AB 489 (Bonta), which was intended to address general concerns about the integration of AI technologies in health care practice settings, and specific concerns about the growing popularity of AI chatbots engaged in psychotherapy. AB 489 expressly applied existing title protections for health care professionals to the advertising or functionality of an AI system, program, device, or similar technology. The bill additionally prohibited the use of any term, letter, or phrase in the advertising or functionality of an AI system, program, device, or similar technology that indicates or implies that the care or advice being offered through the AI technology is being provided by a natural person in possession of the appropriate license or certificate to practice as a health care professional.

Another bill enacted in 2025, SB 243 (Padilla), placed new requirements and restrictions on companion chatbots, as defined, by requiring companion chatbot operators to disclose that the chatbot is artificial if a reasonable person interacting would be misled to believe that they were interacting with a human. The bill further required operators to take certain actions with respect to a user the operator knows is a minor, including disclosing to the user that the user is interacting with AI. Additionally, the bill mandated that companion chatbot operators implement protocols to respond when a user expresses suicidal ideation or self-harm, including providing contact information for crisis or suicide hotlines

This bill would seek to limit the use of companion chatbots in the context of psychotherapy services and psychotherapeutic communication. The bill would prohibit companion chatbots from being used to provide psychotherapy, or as being advertised for that purpose. Additionally, the bill would restrict the use of AI by psychotherapists in their services and communications with patients. The author believes these additional guardrails will further protect patients.

---

<sup>5</sup> Ellen Barry, *Human Therapists Prepare for Battle Against A.I. Pretenders*, *The New York Times* (Feb. 24, 2025), <https://www.nytimes.com/2025/02/24/health/ai-therapists-chatbots.html>

<sup>6</sup> Nitasha Tiku, *An AI companion suggested he kill his parents. Now his mom is suing*. *The Washington Post* (Dec. 13, 2024), <https://www.washingtonpost.com/technology/2024/12/10/character-ai-lawsuit-teen-kill-parents-texas>

**Current Related Legislation.** AB 1988 (Pellerin) would require companion chatbot operators to ensure that multiple statements within a 72-hour period of a user's intent to harm themselves or others results in a suspension of the user's account, pending human review. *This bill is pending the Senate Committee on Privacy, Digital Technologies, and Consumer Protection.*

AB 2023 (Wicks) would establish a comprehensive regulatory framework to ensure that companion chatbots made available to children in this state are safe by design. *This bill is pending the Senate Committee on Privacy, Digital Technologies, and Consumer Protection.*

SB 300 (Padilla) would place additional obligations and prohibitions on the operators of companion chatbots. *This bill is pending in the Assembly Committee on Privacy and Consumer Protection.*

SB 1119 (Padilla) would establish a comprehensively regulatory framework for companion chatbots with regard to children's safety, including imposition of a series of obligations and restrictions on operators that make such chatbots available in California. *This bill is pending in the Assembly Committee on Judiciary.*

**Prior Related Legislation.** AB 489 (Bonta), Chapter 615, Statutes of 2025 extended the enforceability of existing title protections for various licensed health care professions to expressly apply against a person or entity who develops or deploys AI or GenAI technology.

SB 243 (Padilla), Chapter 677, Statutes of 2025 placed a number of requirements and restrictions on operators of companion chatbots, as defined.

SB 579 (Padilla) of 2025 would have required the Secretary of the Government Operations Agency to appoint a mental health and AI working group to evaluate identified issues and determine the role of AI in mental health settings. *This bill was held on suspense in the Senate Committee on Appropriations.*

AB 2013 (Irwin), Chapter 817, Statutes of 2024 required a developer of a GenAI system or service to publicly disclose specific information related to the system or service's training data.

AB 3030 (Calderon), Chapter 848, Statutes of 2024, required specified health care providers to disclose the use of a GenAI tool when it is used to generate communications to a patient pertaining to patient clinical information.

#### **ARGUMENTS IN SUPPORT:**

The *California Psychological Association* and the *California Association of Marriage and Family Therapists* write jointly as co-sponsors of this bill: "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 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 psychotherapy to professionals who hold a license and are subject to regulation and enforcement by state licensing boards."

**ARGUMENTS IN OPPOSITION:**

The *California Medical Association* (CMA) and the *California Hospital Association* (CHA) write jointly in opposition to this bill unless amended: “Artificial intelligence has the potential to improve nearly every aspect of health care, including quality, patient experience, and affordability. At the same time, the health care field faces unique considerations when using AI. Health care leaders and policymakers must understand and balance the potential benefits and risks to ensure that AI is used safely, effectively, and equitably. We welcome that conversation — and we share the Legislature’s commitment to getting it right.” CMA and CHA argue that provisions of the bill are “duplicative of existing Business and Professions Code sections and could create unintended consequences with existing licensure laws.”

**POLICY ISSUES:**

*Limitations on Patient Assessments.* Multiple stakeholders have raised concerns related to the proposed Section 4989.84 in the bill, which would prohibit any individual, corporation, or entity from using AI to perform certain functions. Specifically, this bill would prohibit the use of AI to “detect emotions or mental states” or to “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.” While the Legislature has already firmly established that AI should not be used to render any diagnosis or to interfere with the professional judgment of a licensee, this language could be interpreted as prohibiting AI from being used to effectively prioritize patients in crisis who need mental health care more urgently than other patients seeking psychotherapy services. The author should continue to work with stakeholders to refine this language to more narrowly achieve the intent of the bill while allowing AI to be used to serve valuable triage functions in a manner that does not supplant appropriate assessments by a human.

**REGISTERED 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  
California Alliance of Child and Family Services  
California Association of Local Behavioral Health Boards and Commissions  
California Association of School Counselors  
California Association of School Psychologists  
California Coalition for Behavioral Health  
California Consortium of Addiction Programs and Professionals  
California Federation of Labor Unions, AFL-CIO  
California State PTA  
County Behavioral Health Directors Association  
Mental Health America of California  
Oakland Privacy  
Osteopathic Medical Board of California  
PowerCA Action  
TechEquity Action

**REGISTERED OPPOSITION:**

ATA Action  
California Chamber of Commerce  
California Hospital Association  
California Medical Association  
TechNet  
Teladoc Health  
TimelyCare

Analysis Prepared by: Robert Sumner / B. & P. / (916) 319-3301