Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 903 (Padilla) – As Amended July 2, 2026

Policy Committee:	Business and Professions	Vote:	17 - 0
	Privacy and Consumer Protection		14 - 1

Urgency: No State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

This bill regulates the use of artificial intelligence (AI) in psychotherapy services.

Specifically, this bill:

1) Allows an individual, corporation, or entity to use AI tools or systems only to assist in providing administrative support or supplementary support in psychotherapy services, as defined, provided the services are carried out in a manner consistent with this bill and any other law.

2) Provides that a patient does not surrender their rights to care if the patient or their legally authorized representative does not provide consent to the use of AI.

3) 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.

4) Prohibits an individual, corporation, or entity, when providing psychotherapy services or conducting triage or screening, from allowing AI to:

    a) Make therapeutic decisions.

    b) Directly interact with patients or clients in any form of psychotherapeutic communication, unless the tool or system is approved by the U.S. Food and Drug Administration for that use and is compliant with the federal Health Insurance Portability and Accountability Act of 1996.

    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) Perform triage or screening.

5) Requires a licensed professional who uses AI in connection with psychotherapy services or triage or screening be responsible for ensuring they and anyone under their supervision use AI in a clinically appropriate manner and in compliance with this bill.

6) Requires, if a licensed professional uses AI required or authorized by their employer or contracting entity, the employer or contracting entity be responsible for ensuring the AI is deployed in compliance with the bill and directing the licensed professional to use the AI in compliance with the bill.

7) Requires use of AI in patient or client records for psychotherapy services to comply with the Confidentiality of Medical Information Act and prohibits companies or entities from sharing, selling, storing, or training their models on any data obtained from psychotherapy in a manner inconsistent with any applicable law.

8) Provides that enforcement of the provisions of this bill and regulatory authority reside with the appropriate health care professional licensing board.

9) Excludes from the provisions of this bill religious counseling, peer support, self-help materials and educational resources that are available to the public and do not purport to offer psychotherapy services, AI used solely for training or simulation purposes, and research.

10) Defines various terms, including AI, companion chatbot, consent, administrative support, consent, psychotherapy services, psychotherapeutic communication, and triage or screening and defines "licensed professional" to include various unlicensed trainees, such as a social work intern, a clinical counselor trainee, and a registered associate professional clinical counselor under the supervision of a licensed professional clinical counselor, among others.

FISCAL EFFECT:

Costs of an unknown amount to the Board of Behavioral Sciences, which anticipates an increase in complaint volume and related enforcement costs but is unable to estimate the fiscal effect (Behavioral Sciences Fund).

The Board of Psychology and the Medical Board of California (MBC) also anticipate increased complaints, but expect the costs to be minor and absorbable. However, the MBC notes that if it is required to pursue an injunction as a result of this bill, the costs might not be absorbable (Contingent Fund of the Medical Board of California).

COMMENTS:

1) **Purpose.** This bill is co-sponsored by the California Association of Marriage and Family Therapists, California Behavioral Health Association, California Psychological Association, and National Union of Healthcare Workers. The bill is supported by a broad coalition of behavioral health organizations. 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. [This bill] 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.

2) **Background.** The integration of AI into health care practice raises legal, ethical, and patient care concerns. Many concerns relate to the 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. Further, 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.

3) **Related and Prior 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 Generative AI (GenAI) technology.

   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.

   SB 579 (Padilla), of the current legislative session, 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. SB 579 was held on suspense in the Senate Committee on Appropriations.

4) **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.

5) **Opposition and Oppose Unless Amended.** The bill is opposed by, among others, TechNet and California Chamber of Commerce. The California Hospital Association and California Medical Association write jointly in an oppose-unless-amended position that provisions of the bill are "duplicative of existing Business and Professions Code sections and could create unintended consequences with existing licensure laws."

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