MEDICAL BOARD OF CALIFORNIA
LEGISLATIVE ANALYSIS

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| BILL NUMBER: | SB 903 |
| AUTHOR: | Padilla |
| BILL DATE: | July 2, 2026, Amended |
| SUBJECT: | Mental Health Professionals: Artificial Intelligence |
| SPONSOR: | California Association of Marriage and Family Therapists; California Behavioral Health Association; California Psychological Association; National Union of Healthcare Workers |
| POSITION: | Neutral |

DESCRIPTION OF CURRENT LEGISLATION

Prohibits offering or facilitating psychotherapy services, including through artificial intelligence (AI), unless conducted in accordance with this proposal or other applicable laws. Prohibits advertising psychotherapy services when provided through a companion chatbot. Provides state licensing boards with the authority to take enforcement actions due to violations.

RECENT AMENDMENTS

Since the prior meeting of the Medical Board of California (Board), SB 903 was amended, as follows:

- Various definitions in the bill were changed, as described below:
    - A definition for “companion chatbot” was added.
    - The definition for “consent” was updated.
    - The definition for “licensed professional” was recast but did not make substantive changes related to the Board’s licensees.
    - The definition of “psychotherapeutic communication” was updated.
    - The definition of “supplementary support” was updated.
- Language was added to state that an individual, corporation, or entity that provides or facilitates psychotherapy services may use artificial intelligence tools or systems only to assist in providing administrative support or supplementary support in psychotherapy services, provided that those activities are carried out in a manner consistent with this chapter and any other applicable law.

- An individual, corporation, or entity is prohibited from advertising psychotherapy services when the services are provided through a companion chatbot.

- Research, as defined, is exempted from the provisions of the bill.

- Various other technical and clarifying amendments were adopted.

BACKGROUND

Pursuant to the California Medical Practice Act (the Act), only a natural person who is licensed by, and in good standing with, the Medical Board of California or the Osteopathic Medical Board of California may practice medicine in this state (see Business and Professions Code (BPC) section 2052). AI may not represent itself as a physician, and it may not practice medicine, including diagnosing and treating a patient.

Physicians must treat their patients according to the standard of care, which is the level of skill, knowledge, and care in diagnosis and treatment ordinarily possessed and exercised by other reasonably careful and prudent physicians in the same or similar circumstances at the time in question. Relatedly, BPC section 2242 requires an appropriate prior examination of a patient and a medical indication to properly prescribe or provide prescription medication.

The Act does not prohibit a physician from using tools, such as AI, in the course of their work and does not require that a physician see a patient in-person or have real-time interactions with the patient prior to diagnosing them or determining a treatment plan, if care and treatment by virtual or asynchronous contact is consistent with the standard of care under the facts and circumstances at issue. Further, BPC section 2290.5 provides requirements related to interacting with a patient via telehealth, which, depending upon the circumstances, may be relevant to a patient interaction involving the use of AI (see also this Board webpage related to BPC 2290.5 and practicing via telehealth).

The Act does not require specific notifications to patients that AI is being used in their practice; however, physicians using AI may be subject to other laws related to privacy (e.g., when recording a patient interaction). Relatedly, the Board posted information on its website regarding AB 3030 (Calderon, Chapter 848 of 2024 Statutes), which added new sections to the Health and Safety Code that require various health care settings, including a physician's office, to make certain disclosures when using generative AI to create written or verbal patient communications regarding "patient clinical information," as defined.

Before receiving medical care, including interacting with providers (or a person/service that claims to be a health care provider) online/remotely, the consumers should verify that who they are interacting with has a current and active license in this state. If any individual or AI system is impersonating a health care provider, consumers should file a complaint with the appropriate entity.

In May 2024, the Federation of State Medical Boards (FSMB) released a report that recommends various best practices for state medical boards in governing the use of AI in clinical care. These recommendations were adopted by the FSMB's House of Delegates at the 2024 FSMB Annual Meeting.

During the Board's February 26-27, 2026, Quarterly Meeting, Frank Meyers, J.D., Director of Regulatory Innovation & Member Services of the FSMB, made a presentation titled "A Regulator's Perspective on AI in Healthcare."

The CMIA generally prohibits a health care provider, a health care service plan, a contractor, a corporation and its subsidiaries and affiliates, or any business that offers software or hardware to consumers, including a mobile application or other related device, as defined, from intentionally sharing, selling, using for marketing, or otherwise using any medical information, as defined, for any purpose not necessary to provide health care services to a patient, except as expressly authorized by the patient, enrollee, or subscriber, as specified, or as otherwise required or authorized by law.

In December 2025, an article published[1] on the website of the National Center for Biotechnology Information notes the following about the Illinois law that SB 903 is modeled after:

> "In August 2025, Illinois enacted Public Act 104-0054, the first state statute in the United States to explicitly define and regulate the use of AI in psychotherapy services, establishing boundaries around administrative support, supplementary support, and therapeutic communication. While the Act clarifies several aspects of AI use in therapy, it also leaves important gray areas, such as whether AI-generated session summaries, psychoeducation, or risk-flagging functions should be considered therapeutic communication. Drawing on the history of empirically supported treatments in psychology, we argue that a framework of evidence, safety, fidelity, and legal compliance could help determine when AI tools should be integrated into clinical care. This approach provides a concrete pathway for balancing patient protection with responsible innovation in the rapidly evolving field of mental health AI tools."

ANALYSIS

According to the author's fact sheet:

> "According to clinicians, chatbot therapists pose data and privacy concerns, have a limited understanding of client backgrounds, can cause client over-reliance on

[1] Szoke D, Pridgen S, Held P. Artificial Intelligence in Mental Health Services Under Illinois Public Act 104-0054: Legal Boundaries and a Framework for Establishing Safe, Effective AI Tools. JMIR Ment Health. 2025 Dec 4;12:e84854. doi: 10.2196/84854. PMID: 41343839; PMCID: PMC12677879.

chatbots, give incorrect treatment recommendations, and have an inability to detect subtle communication cues, such as tone and eye contact[2].

Last year, the Illinois Legislature passed the Wellness and Oversight for Psychological Resources Act to address these concerns. California must build on this model to ensure that mental health treatment is safe, ethical, and conducted by trained professionals.

SB 903 would protect individuals seeking therapy or psychotherapy services by ensuring those services are provided only by qualified, licensed professionals. This bill would prohibit individuals or companies, including those using AI, from offering or advertising therapy or psychotherapy in California unless a licensed professional is responsible for the care.

In high-risk professions, such as mental health treatment, it is imperative to ensure that AI technology is not being misused in a way that is potentially harmful to patients. We must act to ensure that commercial interests are not put above the needs and wellbeing of Californians."

SB 903 establishes the "Wellness and Oversight for Psychological Resources Act," and states that its purpose is to safeguard individuals seeking therapy or psychotherapy services by ensuring these services are delivered by qualified, licensed, or certified professionals. Further, this law is intended 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 artificial intelligence technology has the potential to expand clinical capacity if used in a safe, ethical, and legal manner.

**Terms Defined in SB 903**

"Administrative support" means tasks performed to assist a licensed professional in the delivery of psychotherapy services that do not involve psychotherapeutic communication. "Administrative support" includes, but is not limited to, all of the following:

- Managing appointment scheduling and reminders.
- Processing billing and insurance claims.

[2] https://pmc.ncbi.nlm.nih.gov/articles/PMC12158938/

- 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.

“Companion chatbot” means 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.

“Consent” means a clear, explicit affirmative act by an individual that meets both of the following requirements:

- Unambiguously communicates the individual’s express, informed, and voluntary agreement, either verbally or in writing, and documented in the record.

- Is revocable by the individual.

“Consent” does not include an agreement that is obtained by any of the following:

- The acceptance of a general or broad terms of use agreement or a similar document that contains descriptions of artificial intelligence along with other information unrelated to the privacy of medical information.

- An individual hovering over, muting, pausing, or closing a given piece of digital content.

- An agreement obtained through the use of deceptive actions.

“Licensed professional” includes various professionals, including a “person authorized to practice medicine in any state or nation who devotes, or is reasonably believed by the patient to devote, a substantial portion of their time to the practice of psychiatry.”

“Peer support” means services provided by individuals with lived experience of mental health conditions or recovery from substance use disorders that are intended to offer encouragement, understanding, and guidance without clinical intervention.

“Psychotherapeutic communication” means 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.

“Psychotherapeutic communication” includes, but is not limited to, any of the following:

- Direct interactions with patients or clients for the purpose of diagnosing or treating a mental health or substance use disorder or concern.

- Providing guidance, therapeutic strategies, or interventions designed to achieve mental health outcomes.

- Collaborating with patients or clients to develop or modify therapeutic goals or treatment plans for a mental health or substance use disorder or concern.

- Offering behavioral feedback intended to promote psychological growth or address mental health conditions.

“Psychotherapeutic communication” does not include 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

“Psychotherapy services” means services provided to diagnose or treat an individual’s mental health or substance use disorder.

“Psychotherapy services” does not include religious counseling or peer support.

“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.

“Supplementary support” includes, but is not limited to, any of the following: Preparing and maintaining client records, including psychotherapy and progress notes.

- Preparing and maintaining patient or client records, including psychotherapy and progress notes.

- Analyzing data to track patient or client progress or identify trends, reviewed by a licensed professional.

- Identifying and organizing external resources or 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.

"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.

**Limits on Use of AI in Psychotherapy**

SB 903 requires an individual, corporation, or entity that provides or facilitates psychotherapy services to use AI tools or systems only to assist in providing administrative support or supplementary support in psychotherapy services, provided that those activities are carried out in a manner consistent with this chapter and any other applicable law.

Further, it states that an individual, corporation, or entity shall not use artificial intelligence to record or transcribe psychotherapeutic communications, psychotherapy sessions, or triage or screening unless the following conditions are satisfied:

- The patient or client, or the patient's or client's legally authorized representative, is informed verbally or in writing of both of the following:
    - That artificial intelligence will be used.
    - The specific purpose of the artificial intelligence tool or system that will be used.
- The patient or client, or the patient's or client's legally authorized representative, provides consent to the use of artificial intelligence.

That section also states 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.

**Licensed Professional Review Requirements**

When used in connection with the provision of psychotherapy services or conducting triage or screening, an individual, corporation, or entity shall not allow artificial intelligence to do any of the following without review and approval by a licensed professional:

- Make therapeutic decisions.
- Directly interact with patients or clients in any form of psychotherapeutic communication, unless the tool or system is approved or cleared by the United States Food and Drug Administration for that use and is compliant with the federal Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191).

- Generate therapeutic recommendations, assessment results, diagnoses, or treatment plans.
- Detect emotions or mental states.
- Perform triage or screening.

If a licensed professional uses AI in connection with psychotherapy services or triage or screening, the licensed professional shall be responsible for ensuring the licensed professional and anyone under their supervision uses the AI in a manner that is clinically appropriate and compliant with this chapter.

If a licensed professional uses AI required or authorized by their employer or contracting entity, the employer or contracting entity shall be responsible for both of the following:

- Ensuring that that AI is deployed in compliance with this chapter.
- Directing the licensed professional to use the AI in compliance with this chapter.

**Prohibitions on Companion Chatbot Advertising**

An individual, corporation, or entity shall not provide, advertise, or otherwise offer psychotherapy services when the services are provided through the use of companion chatbots. This includes by claiming the companion chatbot is a therapist or provides therapy.

**Records Confidentiality Provisions**

The bill states that all use of AI in psychotherapy services shall comply with the confidentiality required in section 56.104 of the Civil Code (within the CMIA). A company or entity shall not share, sell, store, or train their models on any data obtained from psychotherapy.

**Enforcement Provisions**

A violation of this legislation is subject to the jurisdiction of the appropriate health care professional licensing board or enforcement agency.

The appropriate health care professional licensing board may pursue an injunction or restraining order to enforce the provisions of this chapter, as authorized by Section 125.5.

This section does not limit the authority of a health care professional licensing board or enforcement agency to pursue any remedy otherwise authorized by law.

The appropriate health care professional licensing boards may adopt rules and regulations necessary to implement this chapter.

**Exemptions Provided**

The legislation states that it does not apply to any of the following:

- Religious counseling.
- Peer support.
- Self-help materials and educational resources that are available to the public and do not offer psychotherapy services.
- AI used solely for training or simulation purposes.
- Certain research conducted by an academic or nonprofit research institution that complies with specified federal applicable ethics, confidentiality, privacy, and security rules.

**Opponent's Arguments**

Those opposed to the bill generally state that, as currently drafted, the language would restrict AI screening and scheduling tools that help direct patients to the right care at the right time. These tools support, rather than replace, the judgment of a licensed provider, and the bill should be clarified to reflect that distinction. They note that some practices prohibited by the bill are duplicative of certain existing laws in the BPC related to licensed professionals and that adding these provisions could cause confusion.

FISCAL: Minor and absorbable enforcement and communication costs are anticipated. Possible major litigation costs if the Board pursues an injunction.

SUPPORT: 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
Osteopathic Medical Board of California
Pacific Clinics
PathPoint

Portia Bell Hume Behavioral Health and Training Center
Power California Action
PowerCa Action
Safe Passages
Shields for Families
Sistahfriends
Southern California Health & Rehabilitation Program
Stars Behavioral Health Group
Tarzana Treatment Centers
TechEquity Action
The California Association of Local Behavioral Health Boards and Commissions
Village Family Services
Turning Point Community Programs
WellSpace Health

OPPOSITION:
Ata Action (unless amended)
California Chamber of Commerce (unless amended)
California Hospital Association (unless amended)
California Medical Association (unless amended)
Technet (unless amended)
Teladoc Health, Inc. (unless amended)
TimelyCare (unless amended)

ATTACHMENT:
SB 903, Padilla. Mental Health Professionals: Artificial Intelligence.
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