



September 9, 2025

Vote NO on AB 1018

To: The Honorable Members of the Senate

RE: AB 1018 (Bauer-Kahan) – Oppose

On behalf of our broad coalition representing physicians, hospitals and health systems, pharmaceutical research, health plans, and other health care stakeholders, we write in **opposition to AB 1018 (Bauer-Kahan)** regarding artificial intelligence (AI).

As key stakeholders in an effective, efficient, and safe health care system for California, we are concerned that this legislation will harm patient care, exacerbate existing health disparities, and negatively impact the delivery of high-quality care for all. The California Legislature and voters have recognized the unique nature of health information and health care entities and exempted them from the California Consumer Privacy Act of 2018 at Civil Code Section 1798.145 and 1798.146(a). The Legislature should do the same regarding AI in health care.

AI has the potential to improve nearly every aspect of health care, including quality, access, 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 potential benefits and risks to ensure that AI is used safely, effectively, and equitably in service of patient care.

The regulatory framework created by AB 1018 is overly broad. It captures existing AI tools and systems that have been used successfully in health care for many years. Coupled with overly restrictive requirements, this would create enormous complexity and implementation challenges for health care providers without a corresponding benefit to patients. It would also hinder technological advancements and exacerbate existing health disparities by limiting the ability of many organizations to leverage AI tools to improve patient outcomes and the health of the populations they serve.

The bill will negatively affect health care in the five ways:

1. **Patient Care:** AI has the potential to significantly enhance patient care by providing more accurate diagnostics, predicting patient deterioration, and personalizing treatments. Over-regulating AI will result in slower deployment of these critical tools, depriving patients of timely and potentially life-saving interventions.
2. **Equity:** Overly burdensome requirements will exacerbate existing health disparities if only larger, highly resourced organizations are able to meet the requirements necessary to implement AI tools and technologies that improve patient outcomes and experience.
3. **Regulatory Overreach and Duplication:** Health care is already highly regulated. This bill would impose strict regulatory requirements on the development and implementation of AI technologies, stifling innovation and slowing the adoption of beneficial tools that can improve patient outcomes. Existing statutory and regulatory requirements already hold entities accountable for the use of AI tools.
4. **Increased Costs:** The compliance costs associated with AB 1018 would be substantial. These costs would be passed on to health care consumers and individual Californians, leading to higher health care expenses. In a state already grappling with high health care costs, it is crucial to avoid policies that would exacerbate this issue. These costs will place additional strain on our already fragile public health infrastructure, as public hospitals and health systems will be required to absorb significant compliance expenses associated with hiring external entities to conduct audits.
5. **Required use of unregulated compliance entities:** Beginning in 2030, AB 1018 requires developers to contract with third-party auditors to assess compliance. This mandate raises several concerns, particularly for regulated health care entities, which may be forced to cover the cost of expensive audits conducted by unregulated third parties that may lack the necessary health care expertise to accurately evaluate systems. These third-party auditors will be tasked with evaluating AI tools that have been used in health care for decades. Even health care providers that are merely deployers of Advanced Data Systems — not developers — could face financial impacts, as the costs of these audits are likely to be passed down to end users.
6. **Innovation and Competitiveness:** California is a leader in technological innovation, particularly in the health care sector. By imposing onerous regulations on AI, AB 1018 would slow innovation in the state, not only harming California's economy but also putting California's patients at risk of not being able to access the best available technologies in medicines.

For these reasons, the organizations listed below are **opposed to AB 1018**. We welcome future conversations about how to ensure that patients are protected, outcomes are improved, access to care is maximized, and health care costs are held in check through responsible and ethical AI integration in health care.