April 29 2026

The Honorable Buffy Wicks
Chair, Assembly Appropriations Committee
1021 O Street, Room 8220
Sacramento, CA 95814

RE: AB 2575 (Ortega) – Oppose

Dear Assemblymember Wicks:

Our broad coalition representing physicians, hospitals and health systems, health plans, life sciences, and other health care stakeholders, **respectfully opposes Assembly Bill (AB) 2575 (Ortega, D-Hayward), regarding artificial intelligence (AI) use in health care.**

AI utilized in clinical decision support systems (CDSS) has the potential to improve nearly every aspect of health care, including quality, patient experience, and affordability. These systems are the latest in a series of innovative resources that trained and experienced health care providers use to help

their patients. However, at every stage of clinical care, clinicians retain full judgment and control. AI is simply used to assist with and free up resources for patient care, reduce clinician burnout, and expand early warning systems. **Health care providers do not deploy AI or related technologies to make care decisions. Clinician accountability and expertise are preserved, and California's invaluable health care professionals retain full oversight and responsibility.**

In addition, before deployment, AI tools undergo an extensive review process that includes input from the health care workers who will use them. No AI system is activated for use by medical professionals or used in patient care without a thorough assessment and ongoing monitoring for effectiveness.

Despite these existing safeguards, the bill would impose additional requirements that increase health care costs. And, as a large purchaser of health care services — for state employees, Medi-Cal recipients, prisoners, and others — the state of California would not be immune and would bear increased costs as health care spending continues to rise.

First, the bill would deny the health care system the cost savings that AI clinical tools already deliver. Research shows that AI-enabled care coordination, predictive analytics, and CDSS are producing measurable reductions in health care costs. Disrupting or delaying these tools does not simply pause those savings; it restores the costs those tools were eliminating, at precisely the moment providers can least afford it.

Second, AB 2575 would impose new compliance and liability obligations that would consume resources safety-net providers do not have. The cost of regulatory compliance is fixed, regardless of organizational size or financial condition, meaning it falls most heavily on entities that can least afford it. For these providers, months-long delays in deploying beneficial tools translate into actual financial harm, worsening the damage already caused by federal funding cuts.

California's health care system is facing the most severe financial crisis in a generation. The One Big Beautiful Bill Act (H.R. 1, 119th Congress) will strip billions of dollars from the state's health care funding, driving up the number of uninsured patients, increasing uncompensated care burdens on providers, and pushing safety-net providers closer to layoffs, service cutbacks, or even outright closure. AB 2575 would compound these pressures.

Rather than helping providers manage ongoing financial pressures, AB 2575 would disrupt and delay the deployment of technologies that are already delivering measurable improvements in patient outcomes and reducing costs across the health care system. The bill's disclosure requirements would force health care entities to disable AI tools currently embedded within electronic health record platforms. These are the same platforms California law requires providers to use to meet the state's health data exchange obligations. Disabling these systems would not only set back patient care, but it would also undermine California's own interoperability goals.

The practical consequence is that providers would face months-long delays before re-deploying tools that are already working. Research published by the California Health Care Foundation has documented that health data exchange platforms — when properly integrated into clinical workflows — drive meaningful cost reductions and efficiency gains across the system.[1] AB 2575's compliance requirements would interrupt these gains.

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[1] Haynes, K. (2025). *Health Data Exchange Drives Efficiency and Cuts Costs.* California Health Care Foundation. Published July 9, 2025. https://www.chcf.org/resource/health-data-exchange-drives-efficiency-cuts-costs/

According to an economic analysis by the National Bureau of Economic Research, broader adoption of AI across the health care system could reduce total spending by 5% to 10% — translating to between $200 billion and $360 billion in annual savings — without reducing patients' access or the quality of care they receive. Researchers attributed these projected savings to AI's ability to help clinicians make better-informed decisions, deploy hospital resources more efficiently, and reduce the volume of tests, procedures, and unnecessary interventions.[2]

A 2025 review of 92 published studies found that AI tools are delivering meaningful improvements across the health care system — not just in theory, but in real clinical settings. When doctors and radiologists use AI to help review medical scans like X-rays and MRIs, they can read results significantly faster and catch cancers that might otherwise be missed, with detection rates improving by 20%. Hospital staff who use AI spend less time on repetitive, time-intensive tasks, freeing up clinicians to focus on patients rather than paperwork and other non-clinical tasks.

The researchers found the strongest and most consistent evidence at the health system level, where AI is helping hospitals move patients through care more quickly, identify serious conditions earlier, and use limited staff and resources more efficiently. The review does caution that many of the individual findings come from single hospitals and may not apply everywhere, and that real barriers remain around data privacy, regulatory oversight, and integrating these tools into existing clinical workflows. However, the overall outcome is that AI is already functioning as a force multiplier for health care workers, helping the same number of clinicians do more, catch more, and respond faster.[3]

Any delay or reduction in AI tools increases administrative costs, reduces care coordination capacity, raises readmission rates, and drives up uncompensated care, all of which fall disproportionately on Medi-Cal providers and the low-income patients they serve. Disrupting the efficiency tools hospitals rely on only adds costs for the health care system's most financially vulnerable providers.

AI is not an aspiration in health care. Rather, it is a reality that is currently saving lives throughout California. We have a shared obligation and commitment to ensure that these tools are developed and deployed responsibly, equitably, and transparently. AB 2575, as drafted, would not achieve these goals. Instead, it would bury clinicians in unworkable disclosure requirements, create perverse liability incentives, undermine patient safety systems, impair clinical quality oversight, increase cost, and ultimately reduce patient access to beneficial technology, with the greatest harm falling on the communities that can least afford it.

For these reasons, the organizations listed above oppose AB 2575.

cc: The Honorable Liz Ortega
The Honorable Members of the Assembly Appropriations Committee
Allegra Kim, Principal Consultant, Assembly Appropriations Committee
Joe Shinstock, Consultant, Assembly Republican Caucus

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[2] Sahni, N., Stein, G., Zemmel, R., & Cutler, D.M. (2023). "The Potential Impact of Artificial Intelligence on Healthcare Spending." *NBER Working Paper No. 30857.* National Bureau of Economic Research. Published January 2023. Also published as a chapter in *The Economics of Artificial Intelligence: Health Care Challenges* (Agrawal, Gans, Goldfarb & Tucker, eds.), National Bureau of Economic Research, 2024, pp. 49–75. https://www.nber.org/papers/w30857

[3] Gebremeskel, T.G. & Romeo, F. (2025). "Unveiling the Benefits of Artificial Intelligence in Individual, Organizational Management, and the Health/Sector System." *Health Science Reports.* Published December 27, 2025. DOI: 10.1002/hsr2.71536. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC12743724/