



August 7, 2025

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

SUBJECT: SB 503 (Weber Pierson) — As amended July 17 — SUPPORT IF AMENDED

Dear Assemblymember Wicks:

Every day, patients place their trust in hospitals — often during their most vulnerable moments. Hospitals take that responsibility seriously and are deeply committed to delivering high-quality, equitable care to every patient. Promoting equitable access and quality of care is not just a legal requirement — it is central to hospitals' mission.

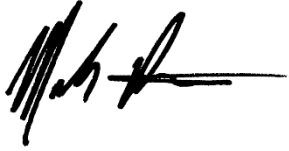
Senate Bill (SB) 503 would require that health care providers make reasonable efforts to identify instances when patient care decision support tools use input variables that reflect protected characteristics, and mitigate any potential risk of discrimination that could result from the use of those tools.

The California Hospital Association (CHA), on behalf of nearly 400 hospitals and health systems, supports these provisions. On July 17, however, SB 503 was amended to also require developers to, beginning Jan. 1, 2030, and at least annually thereafter, submit their artificial intelligence (AI) systems to an independent third-party audit. CHA opposes this new requirement for the following reasons:

- **Cost:** Audits are very expensive, and developers will pass these costs on to small and large hospital deployers. This means the costs will then be passed on to the entire health care system, including the Medi-Cal program and state employee health care premiums (including the California Public Employees' Retirement System and the California State Teachers' Retirement System).
- **Lack of standards for auditors:** To our knowledge, only one company in California purports to perform these audits — but there are no generally accepted standards around the knowledge or skills these auditors must possess to effectively perform such audits. Furthermore, there are no generally accepted performance standards against which to measure AI or deployers — and the AI auditing industry appears to lack relevant expertise in adequately assessing patient health care tools.
- **Role of audits/auditors:** The bill is unclear about whether auditors are supposed to either assess developers' and deployers' efforts to adequately identify risks and actively try to mitigate them or assess the AI tools/systems to ensure they are bias-free — or both.

CHA would support SB 503 if amended to resolve the concerns identified above.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Farouk', with a long horizontal flourish extending to the right.

Mark Farouk
Vice President, State Advocacy

cc: The Honorable Akilah Weber Pierson
Honorable Members of the Assembly Appropriations Committee
Allegra Kim, Consultant, Assembly Appropriations Committee
Joe Shinstock, Consultant, Assembly Republican Caucus