


January 30, 2026

Welcome to America's Physician Groups' *California Update*. Each week APG reports the latest on health care happenings in the Golden State.

Here's what you'll find in this week's edition:

- [Legislative Alert](#): Proposed Ballot Initiative Threatens Community Health Clinics
- New [Mental Health Artificial Intelligence Legislation](#) Introduced In California
- APG California Policy & Advocacy [2026 Meeting Dates](#)
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Legislative Alert: Proposed Ballot Initiative Threatens Community Health Clinics

A proposed statewide ballot initiative, **Initiative No. 25-0008A1 (2025)**, would impose a rigid spending mandate on nonprofit community health clinics, including Federally Qualified Health Centers (FQHCs), putting California's health care safety net at risk.

The measure would require clinics to spend **at least 90 percent of annual revenue on "program services,"** severely limiting funds available for staffing infrastructure, compliance, technology, and facility operations. While promoted as a patient-centered reform, the proposal ignores the real-world costs of delivering safe, high-quality care in underserved communities.

The initiative authorizes **monetary penalties and criminal liability**, creates a new state enforcement regime costing **tens of millions of dollars annually**, and would divert scarce clinic resources away from patient care and toward compliance and legal exposure.

Importantly, Initiative No. 25-0008A1 has not yet qualified for the ballot. It is currently **out for signature** and must still meet qualification requirements before it can appear on a future statewide election ballot this November.

For these reasons, **America's Physician Groups** has joined the **provider opposition effort** to stop this measure and protect access, flexibility, and the long-term stability of California's community health clinics.



New Mental Health Artificial Intelligence Legislation Introduced In California

The regulation of Artificial Intelligence (AI) remains an active policy area for California lawmakers. Almost twenty new bills relating to AI were introduced by the California Legislature in 2025. California State Senator Steve Padilla recently introduced Senate Bill 903, the "Wellness and Oversight for Psychological Resources Act."

Among other things, SB 903 seeks to prohibit health care providers from using AI in providing supplementary support in "therapy or psychotherapy where the client's therapeutic session is recorded or transcribed" unless the following conditions are satisfied:

1. The patient, or the patient's representative, is informed **in writing** that a) AI will be used, and b) the specific purpose of the AI tool or system that will be used.
2. The patient or the patient's representative provides **consent** to the use of AI.

SB 903 also specifically prohibits AI from:

1. making "independent therapeutic decisions,"
2. directly interacting with clients in any form of therapeutic communication unless approved by the FDA and in compliance with HIPAA, and
3. generating therapeutic recommendations or treatment plans without the review of the licensed professional.

APG continues to collect background and feedback to assess the potential impacts on our members.



2026 APG California Policy & Advocacy Meeting Dates

Members, please mark your calendars for APG's California Policy Forum and California Medi-Cal Forum meetings. You can download APG's 2026 events calendar [here](#).

California Policy Forum

2:00 - 3:00 pm

- February 5 - Register [here](#)
- April 9
- June 3
- December 3

California Medi-Cal Forum

4:00 - 5:00 pm

- February 10 - Register [here](#)
- March 10
- April 14
- May 12
- June 9
- August 11
- October 13
- November 10
- December 8



APG California Advocacy Member Resources

- [2025 Legislative Implementation Guide](#)
- **Tracked Health Care Bills 2025-26:** bills we're following in the California State Legislature
- November 2025 IHA Provider Directory webinar [recording](#)
- **Office of Health Care Affordability** [regulations](#) and [explanatory slide deck](#)
- **DMHC Quality and Equity Reporting** program [All Plan Letter](#)

For more news and resources, please visit APG's [website](#) or contact a member of APG's California advocacy team.

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