



STRATEGY & GOVERNANCE	
Is there a state agency or taskforce responsible for AI regulation or development?	<p>Yes.</p> <p>Governor Gavin Newsom signed an Executive Order in 2023 that outlines a framework for California to study the development, use, and risk of generative AI, and develop a deliberate and responsible process for the evaluation and deployment of AI in state government.¹¹⁰</p> <p>Within the Executive Order, the Government Operations Agency, the California Department of Technology, the Office of Data and Innovation, and Governor's Office of Business and Economic Development are responsible for collaborating with other agencies on various AI initiatives.</p>
Is there an enacted AI law that applies to health insurance?	<p>Yes.</p> <p>CA S.B. 1120 (2024) imposes certain requirements on the use of AI in benefit utilization policies.¹¹¹ The law requires an AI system to base its determination on the following criteria: (1) an enrollee's medical or other clinical history; (2) individual clinical circumstances presented by the prescribing providers; and (3) other relevant clinical information contained in the enrollee's medical records.¹¹² The law also prohibits an AI system from being discriminatory in violation of state or federal laws, and it cannot supplant a health care provider's decision-making.</p> <p>The law also requires AI systems to be subject to audit and compliance reviews by the state, have written policies and procedures, and periodically review performance, use, and outcomes to maximize accuracy and reliability.</p> <p>CA A.B. 489 (2025) makes it unlawful for AI or GenAI technologies to imply that their care, advice, reports, or assessments are being provided by a human healthcare professional with the appropriate license.¹¹³</p>
Is there an official state strategy on AI?	<p>No.</p> <p>However, in November 2023, California issued a report highlighting the benefits and risks of generative AI throughout the state.¹¹⁴ In alignment with these identified benefits, California has launched a number of AI projects. Examples of AI projects include the California Department of Public Health's testing of AI to assist with writing inspection reports for health care facilities and the use of AI to improve language translation for health care appointments by the California Health and Human Services Agency.¹¹⁵</p>
CONSUMER PROTECTIONS	
Is there a state data protection law that applies to AI use of personal data?	<p>Yes.</p> <p>The California Consumer Privacy Act (CCPA) grants consumers the right to: (1) know about the personal information being collected, how it is used and shared; (2) delete personal information being collected; (3) opt-out of the sale or sharing of personal information; (4) correct inaccurate information; (5) limit information; and (6) non-discrimination when exercising their rights under the CCPA.¹¹⁶ However, health information identified under HIPAA and health records are exempt from the law.¹¹⁷</p>
Is human oversight of AI required?	<p>Yes.</p> <p>CA S.B. 1120 (2024) requires a determination of medical necessity to be made by a licensed physician or licensed health care provider competent to evaluate the specific clinical issues involved.¹¹⁸</p>
Is there a consumer complaint mechanism available?	<p>Yes.</p> <p>The California AG explicitly recognized that state and federal consumer protection and health care laws are applicable to companies using AI within California.¹¹⁹</p> <p>Consumers can file a complaint with the California Attorney General (AG) if they believe AI has been used in a deceptive or unfair manner.</p> <p>Consumers can file a complaint with the California Department of Insurance if they believe AI has been used improperly within their health insurance.</p>

<p>Has the state insurance commissioner adopted the NAIC Model Bulletin or a similar bulletin?</p>	<p>Yes.</p> <p>The California Department of Insurance issued guidance relating to the use of AI in utilization management, as mandated by S.B. 1120.¹²⁰ The Insurance Commissioner has also issued guidance on the use of AI, and other forms of "big data" being used to disproportionately deny claims from socioeconomically-disadvantaged communities.¹²¹</p> <p>The guidance document reiterates the requirements as enumerated in the law and states explicitly that the ACA requirements of Section 1577 apply to AI systems in health insurance.¹²²</p>
<p>FUTURE READINESS</p>	
<p>Are there state-based advocacy groups related to AI in health insurance or health care?</p>	<p>Yes.</p> <p>The California Health Care Foundation publishes resources on AI perspectives throughout the state, including patient, provider, and policymaker perspectives.¹²³</p> <p>Digital Democracy Cal Matters also provides an overview of state legislature activity on AI. Importantly, reports from Digital Democracy use AI to support their reporting and analysis.¹²⁴</p> <p>California consumers also have an opportunity to weigh-in on AI policy through the launch of Engaged California, an online platform that allows consumers to share their feedback on how AI is impact their work, lives, and the economy.¹²⁵</p>
<p>Are there state-funded training opportunities on AI?</p>	<p>Yes.</p> <p>Under a 2023 Executive Order, the state launched a public training program for state employees including a five-course series on AI essentials and knowledge.¹²⁶</p>