



Healthcare Laws Affecting California's Independent Physicians and Small Practice Groups in 2025

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Agenda

- Overview of new healthcare laws in 2025
- In-depth discussion of:
 - SB 1061 – Medical Debt
 - SB 525 – Minimum Wage for Healthcare Employees
 - AB 3030 – Artificial Intelligence
 - SB 1120 – Physicians Make Decisions Act
 - AB 2164 – Physician License Renewal
 - AB 2258 – Preventative Services
- How do new laws impact your practice?
- Trending areas of health law



Dozens of New CA Healthcare Laws in 2025

- Insurance Coverage for IVF
- Penalties for Threatening Healthcare Workers
- Evidence-Based Implicit Training
- Maternal Mental Healthcare Screenings – Focus on postpartum
- Prescription Labels for Visually Impaired
- Psychiatric Hospital Stays for Violent Offenders
- Artificial Intelligence
- Medical Debt Reporting
- Physician and Surgeon Licensure
- Alzheimer's
- And More!!



SB 1061 – Medical Debt

- Prohibits a consumer credit reporting agency from making any consumer credit report containing information about medical debt
- Effective January 1, 2025
- Contracts creating medical debt entered on or after July 1, 2025, must include specific terms informing parties of the prohibition against furnishing medical debt information to credit reporting agencies
 - “A holder of this medical debt contract is prohibited by Section 1785.27 of the Civil Code from furnishing any information related to this debt to a consumer credit reporting agency. In addition to any other penalties allowed by law, if a person knowingly violates that section by furnishing information regarding this debt to a consumer credit reporting agency, the debt shall be void and unenforceable.”
 - A contract entered into on or after July 1, 2025, that does not include the term described above is void and unenforceable
- It is a violation of the law to “furnish information regarding medical debt to a consumer credit reporting agency”

SB 525 – Minimum Wage for Health Care Employees

- Raises the minimum wage for health care workers across various facilities
- Originally signed in October 2023, but implementation was delayed because of budget constraints
- Effective October 16, 2024
- Covered Employees: is defined as an employee providing patient care, healthcare services, or other services supporting the provision of healthcare
- Covered Healthcare Facilities: include medical hospitals, psychiatric hospitals, skilled nursing facilities, home health agencies, and physician groups
 - “Physician group” means a medical group practice, including a professional medical corporation, as defined in Section 2406 of the Business and Professions Code, another form of corporation controlled by physicians and surgeons, or a medical partnership, **provided that the group includes a total of 25 or more physicians.**
- Take an annual salary and divide by 2,088 to get the hourly wage
- Different rates based on number of full-time equivalent employees
- For physician groups (with 25 or more physicians)→
 - From June 1, 2024, to May 31, 2026, inclusive, twenty-one dollars (\$21) per hour.
 - From June 1, 2026, to May 31, 2028, inclusive, twenty-three dollars (\$23) per hour.
 - From June 1, 2028, and until adjusted pursuant to subdivision (d), twenty-five dollars (\$25) per hour.



AB 3030 – Artificial Intelligence



- Regulates use of generative artificial intelligence in healthcare communications
- Effective January 1, 2025
- If a practitioner or office / facility use generative AI to create written or verbal communications containing patient clinical information, there must be a disclaimer informing the patient that the communication was generated by AI – but exempt if there is human provider who reviews the communication
- Must provide how a patient can contact a human
- Enforced by the Medical Board of California or Osteopathic Medical Board of California

SB 1120 – Physicians Make Decisions Act

- Takes effect on January 1, 2025
- Designed to regulate the use of AI and algorithms in health plans' prior authorization decisions and management (utilization review) by ensuring that AI-based determinations are made with adequate human oversight
- AI systems must make decisions based on a combination of the enrollee's medical history, individual clinical circumstances, and other relevant medical records
- AI tools cannot replace healthcare decision-making and autonomously deny, delay, or modify care
- Health care service plans and disability insurers must clearly disclose how AI tools are being used in utilization reviews
- AI tools must be applied fairly and equitably, without discrimination against any enrollees
- Enforced by DMHC and violation could be a crime



AB 2164 – Physician License Renewal

- Prohibits the Medical Board of California from requiring an applicant for a physicians and surgeons license or a physicians and surgeons postgraduate training license to disclose:
 - A condition or disorder that does not impair the applicant’s ability to safely practice medicine
 - A condition or disorder for which the applicant is receiving treatment, and as a result of the treatment, does not impact the applicant’s ability to practice medicine safely
- But it does not prohibit the Board from requiring disclosure in participation in a treatment program, resulting from accusation or disciplinary action brought by the Board
- If an applicant discloses a condition or disorder that impairs their ability to practice medicine safely, the Board will provide information regarding the availability of a probationary or limited practice license
- The Board will provide, at the time of license renewal, a questionnaire containing and attestation that the physician would sign indicating that they can practice medicine safely

AB 2258 – Preventative Services

- Effective January 1, 2025
- Prohibits a group or individual non-grandfathered health care service plan from imposing cost-sharing requirement for services integral to the provision of preventative care services and screenings
- **Evidence-based items or services** that have in effect a rating of “A” or “B” in the recommendations of the United States Preventative Task Force
 - A and B grade recommendations are services that the Task Force most highly recommends implementing for preventive care and that are also relevant for implementing the Affordable Care Act. These preventive services have a high or moderate net benefit for patients.
 - BRCA / Breast / Cervical Cancer Screenings
- **Immunizations** – Advisory Committee on Immunization Practices of the federal Centers for Disease Control and Prevention
- **Infants, children, adolescents, and women** – United States Health Resources and Services Administration

Considerations When Interpreting New Health Laws

- When does the law take effect?
 - Most laws will take effect January 1, 2025, but read the fine print
- Does the law change over time?
 - Even if the law takes effect on January 1, 2025, are there other dates to be mindful of?
- Are there exemptions?
 - Practice size, practice area, etc.
- State versus federal law
- Where does the law live?
- Who is enforcing the law?





How Do New Laws Impact Your Practice?

- Will you have to take proactive measures to comply?
- What happens if you are not yet in compliance?
 - Talk to a lawyer
- How can you stay up-to-date?
 - Review law firm / news articles
 - Contact appropriate trade organizations
 - Connect with peers
- How can you be a part of the legislative process?
 - Get involved with trade / lobbying organizations
 - Engage with representatives
 - Make your voice heard

Trending Areas in Health Law

- Artificial Intelligence
- Private Equity
- Health Equity
- Mental Health
- Reproductive Rights
- Combating Federal Law / Policy
- Healthcare Coverage / Affordability



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