Date of Hearing: April 16, 2026
Fiscal: Yes

ASSEMBLY COMMITTEE ON PRIVACY AND CONSUMER PROTECTION
Rebecca Bauer-Kahan, Chair
AB 2278 (Ávila Farías) – As Amended April 14, 2026

SUBJECT: In-home supportive services: County of Contra Costa: innovative technologies

SYNOPSIS

California's In-Home Supportive Services (IHSS) program allows eligible seniors and individuals with disabilities to receive critical services from the comfort and convenience of their own homes. Delays in processing IHSS applications can result in gaps in services, placing vulnerable Californians at risk. Over the past few years, the development of generative artificial intelligence (GenAI) has transformed the fields of speech recognition, transcription, and summarization. Incorporating these innovative technologies into IHSS eligibility assessments may serve to streamline documentation and reduce processing times – but while the benefits of using these systems to automate certain aspects of the interview process may be great, the known limitations of current GenAI systems raise significant concerns regarding misrepresentation of applicant information and handling of sensitive personal data.

This bill establishes a pilot project in the County of Contra Costa to evaluate the use of innovative technologies in the IHSS eligibility interview process. The bill contains various protections aimed at ensuring that (1) transcriptions and summarizations produced by innovative technologies accurately reflect the content of eligibility interviews, and (2) applicant data remain confidential despite the use of these technologies. The bill is sponsored by Contra Costa County and supported by LeadingAge California.

If passed by this committee, this bill will next be referred to the Assembly Appropriations Committee.

EXISTING LAW:

1) Provides, pursuant to the California Constitution, that all people are free and independent by nature and have inalienable rights. Among these is the fundamental right to privacy. (Cal. Const. art. I, § 1.)

2) Establishes the Information Practices Act of 1977, governing the collection, maintenance, use, and dissemination of personal information by California state agencies. (Civ. Code § 1798 *et seq.*)

3) Requires each state agency to maintain in its records only personal information which is relevant and necessary to accomplish a purpose of the agency required or authorized by the California Constitution or statute or mandated by the federal government. (Civ. Code § 1798.14.)

4) Establishes the IHSS program, administered by the State Department of Social Services and Counties, under which qualified aged, blind, and disabled persons are provided with services in order to permit them to remain in their own homes. (Welf. & Inst. Code § 12300 *et seq*.)

5) Establishes the Community First Choice Option (CFCO) program, which authorizes states to provide home- and community-based attendant services and supports to eligible Medicaid enrollees, and provides federal financial participation for a state that provides services under the CFCO program. (42 U.S. Code § 1396n(k).)

6) Beginning July 2026, if the state ceases to receive enhanced federal financial participation due to noncompliance of timely case reassessment for the CFCO program within IHSS, requires 100% of the federal penalty to be paid by counties. For the 2025-26 fiscal year only, establishes that the state and county shall each pay 50% of the federal penalty. (Welf. & Inst. Code § 12306.16(d)(7).)

7) Establishes privacy protections for individuals receiving any form of public social services, as provided. (Welf. & Inst. Code § 10850.)

8) Provides that all laws of a general nature have uniform operation, and that a local or special statute is invalid in any case if a general statute can be made applicable. (Cal. Const. art. IV, § 16.)

THIS BILL:

1) Requires the State Department of Social Services to develop and make available a five-year pilot project for the County of Contra Costa for the purpose of improving IHSS eligibility and processing times through the use of innovative technologies.

   A) Requires the pilot project be made available between the 2027 and 2031 calendar years, inclusive.

   B) Requires the pilot project to be designed with a focus on decreasing IHSS application processing times for recipients participating in the CFCO program.

2) Requires the County of Contra Costa to test innovative technologies that facilitate documentation and summarization of IHSS in-home eligibility interviews, with informed consent of the individual.

   A) Requires the county to post on its internet website annual reports on progress and outcomes of the pilot project during the implementation period.

3) Requires the County of Contra Costa to an IHSS applicant's separate and distinct written consent prior to using innovative technologies to transcribe or summarize information provided by the applicant during an interview.

4) Requires that any transcriptions or summaries generated by innovative technologies be reviewed by a human caseworker prior to being used to make or facilitate a decision regarding the provision, denial, timing, or quality of IHSS services or benefits.

5) Prohibits any use of information collected or generated by innovative technologies other than for the purpose of transcribing or summarizing information provided by an applicant during an interview, including by a third-party vendor.

6) Allows a county caseworker to cease using innovative technologies during an interview, or discard an output, if the caseworker determine the transcription or summary does not accurately reflect the content of the interview.

7) Makes various findings and declarations in support of a special statute for the County of Contra Costa.

COMMENTS:

1) **Author's statement.** According to the author:

> Contra Costa, like many other counties, is faced with significant financial pressures as a result of H.R. 1, the state budget, and recession signals in the broader economy. County revenues are declining as a result of decreasing sales tax revenue and slowing property tax revenue growth. Increasing unfunded spending requirements for social services administration and health care are exacerbating these challenges of the County's already-underfunded IHSS administration. The new CFCO penalties will amount to nearly $2.5 million in the first full year of implementation and are expected to climb to almost $5 million. Faced with these challenges, the County is seeking ways to improve services for IHSS enrollees and decrease application processing times without significantly increasing administrative costs.
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> AB 2278 would authorize Contra Costa County to pilot innovative technologies to help accelerate eligibility and enrollment processing times for In Home Supportive Services (IHSS), resulting in an improved customer experience while reducing administrative burden on social services employees and avoid federal penalties. Through this pilot, the County aims to significantly decrease IHSS application processing for the CFCO recipients - and ultimately save money in the long run.

2) **Background.** *Community First Choice Option (CFCO).* CFCO is a federally authorized Medicaid State plan option, established by the Affordable Care Act of 2010, that provides home- and community-based services to eligible individuals. A state that elects to implement CFCO must comply with federal requirements, and in return, the state receives an enhanced federal medical assistance percentage for services provided.[1]

In-Home Supportive Services (IHSS). IHSS is a Medi-Cal benefit established under California law that provides in-home supportive services to eligible aged, blind, and disabled individuals. The program is administered by the State Department of Social Services in coordination with county welfare departments. Eligible individuals receive a specified number of service hours, which they can use to hire providers who are compensated through the program. Eligibility for IHSS requires Medi-Cal enrollment and a functional need for services, as determined by a county social worker.[2]

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[1] Medicaid.gov, "Community First Choice (CFC) 1915 (k)," https://www.medicaid.gov/medicaid/home-community-based-services/home-community-based-services-authorities/community-first-choice-cfc-1915-k.
[2] CDSS Department of Social Services, "In-Home Supportive Services (IHSS) Program," https://www.cdss.ca.gov/in-home-supportive-services.

In California, IHSS serves as a delivery mechanism for CFCO-covered services. Counties are responsible for carrying out program requirements pursuant to federal law, and are held financially liable for errors that result in a loss of federal funding. Beginning in July 2026, if the state ceases to receive enhanced federal financial participation under CFCO due to a county's noncompliance with timely case reassessment requirements, the county will be responsible for paying 100 percent of the resulting federal penalty. For the 2025–26 fiscal year only, the state and the county are each responsible for 50 percent of the federal penalty.[3]

Contra Costa County. This bill makes various findings and declarations related to Contra Costa County:

- Although the County of Contra Costa is a county of approximately 1,150,000 people, constituting around 3 percent of the state's overall population, the county is responsible for approximately triple that proportion of statewide late penalties.

- The County of Contra Costa already significantly overmatches for the administration of the program, with the CFCO late penalties being anticipated to approach nearly $5,000,000 annually if no legislative action is taken.

Innovative technologies: AI and GenAI. Modern transcription and summarization technologies are increasingly powered by artificial intelligence and generative artificial intelligence systems that analyze and reconstruct language based on learned patterns from large datasets. "Artificial intelligence" refers to the mimicking of human intelligence by artificial systems, such as computers. AI uses algorithms – sets of rules – to transform inputs into outputs. Inputs and outputs can be anything a computer can process, including numbers, text, audio, video, or other data.[4] GenAI is a subset of AI that produces outputs closely resembling human-created content.[5]

Compared to conventional computer programs, which act according to pre-programmed rules, GenAI models "learn" from examples such as books, articles, photos, film, or music. This learning occurs within "neural networks" – massive systems of nodes linked by adjustable connections – that encode statistical patterns gleaned from data.

GenAI models do not fundamentally understand the content they produce. It is a testament to the ingenious architecture of the deep neural nets powering these systems that their outputs are remotely coherent; but though their outputs may be cogent, they are not always correct. "'These systems live in a world of language,' said Melanie Mitchell, an A.I. researcher at the Santa Fe Institute. 'That world gives them some clues about what is true and what is not true, but the language they learn from is not grounded in reality. They do not necessarily know if what they are generating is true or false.'"[6]

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[3] Welf. & Inst. Code § 12306.16(d)(7)
[4] AB 2885 (Bauer-Kahan & Umberg; Ch. 843, Stats. 2024) defined AI as "an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments."
[5] AB 2013 (Irwin, Ch. 817, Stats. 2024) defined GenAI as "artificial intelligence that can generate derived synthetic content, such as text, images, video, and audio, that emulates the structure and characteristics of the artificial intelligence's training data."
[6] Cade Metz, "What Makes A.I. Chatbots Go Wrong?," *New York Times,* (March 29, 2023), www.nytimes.com/2023/03/29/technology/ai-chatbots-hallucinations.html.

Lost in transcription. When GenAI systems are used for speech transcription, this fundamental lack of understanding can lead to inaccurate or incomplete transcripts. Speech recognition models rely on statistical patterns learned from training data, which may not fully capture the diversity of real-world speech. Variations in accent, dialect, speech rate, and pronunciation can reduce accuracy. In November 2025, Center for News, Technology & Innovation published a metastudy to "better understand how AI is shaping transcription and translation and what these developments mean for journalism." They found that while "overall, AI models are improving ... transcription tools remain most accurate for a relatively narrow range of standard American English dialects and accents."[7] A recent report from *The Guardian* describes social workers' AI tools generating 'gibberish' transcripts of accounts from children:

> As scores of local authorities begin to use AI note-takers to accelerate recording and summarisation of meetings with adult and child service users, a seven-month study by the Ada Lovelace Institute found "some potentially harmful misrepresentations of people's experiences are occurring in official care records". The independent thinktank found that one social worker who had used an AI transcription tool to create a summary said the technology had incorrectly "indicated that there was suicidal ideation", but "at no point did the client actually … talk about suicidal ideation or planning, or anything". Another said that the AI's notes might refer to "fishfingers or flies or trees" when in fact a child was talking about their parents fighting. Social work experts said such glitches were particularly worrying as it could cause a risky pattern of behaviour to be missed.[8]

Environmental conditions such as background noise or poor microphone quality can further degrade performance. Region-specific vocabulary and proper nouns may be misrecognized if they are not well represented in the model's training data, and GenAI models may even "hallucinate" words or phrases by substituting plausible-sounding content where audio is unclear or incomplete. A 2024 Associated Press article describes the propensity of OpenAI's transcription tool "Whisper" to hallucinate in medical settings:

> Tech behemoth OpenAI has touted its artificial intelligence-powered transcription tool Whisper as having near "human level robustness and accuracy." But Whisper has a major flaw: It is prone to making up chunks of text or even entire sentences, according to interviews with more than a dozen software engineers, developers and academic researchers. Those experts said some of the invented text — known in the industry as hallucinations — can include racial commentary, violent rhetoric and even imagined medical treatments.[9]

Summarization systems based on GenAI have similar problems: these systems generate condensed text based on statistical patterns in training data and, depending on the content of that data, can omit critical details, overemphasize unimportant points, or subtly distort meaning. Summarization systems can struggle to accurately maintain an individual's tone or intent,

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[7] Center for News, Technology & Innovation, "AI Transcription and Translation in Journalism," https://cnti.org/reports/ai-transcription-and-translation-in-journalism/.
[8] Robert Booth, "Social workers' AI tool makes 'gibberish' transcripts of accounts from children," *The Guardian*, February 11, 2026, https://www.theguardian.com/education/2026/feb/11/ai-tools-potentially-harmful-errors-social-work.
[9] Garance Burke and Hilke Schellman, "Researchers say an AI-powered transcription tool used in hospitals invents things no one ever said," *Associated Press,* October 26, 2024, https://apnews.com/article/ai-artificial-intelligence-health-business-90020cdf5fa16c79ca2e5b6c4c9bbb14.

leading to summaries that mischaracterize the original material. As with transcription, the generative nature of these systems can lead them to introduce hallucinated facts into a summary. A 2026 *New York Times* article examines whether Google's "AI Overviews" – summaries of leading web results for a given search – accurately reflect the content of those results:

> In 2024, Google started giving A.I.-generated answers prime placement at the top of its search results page. The new product, AI Overviews, helped transform Google from a curator of information into a publisher. A recent analysis of AI Overviews found that they were accurate approximately nine out of 10 times. But with Google processing more than five trillion searches a year, this means that it provides tens of millions of erroneous answers every hour (or hundreds of thousands of inaccuracies every minute), according to an analysis done by an A.I. start-up called Oumi. More than half of the accurate responses were "ungrounded," meaning they linked to websites that did not completely support the information they provided. This makes it challenging to check AI Overviews' accuracy.[10]

A recent analysis conducted by investigative reporter and professor of journalism Hilke Schellman found that while leading GenAI systems accurately generated short summaries, results for long summaries were "surprisingly poor:"

> Only about half the facts included in the human-generated long summaries were found in the AI-generated ones. The AI-generated long summaries also had more hallucinations than in the short summaries. Notably, the human-generated summaries took three to four hours each to complete, while the AI tools produced each summary in about a minute . . . Longer summaries of around five hundred words might be helpful to a reporter to understand the gist of what went on in a three-hour meeting, but journalists should be aware that the summaries may lack important facts. We recommend generating long summaries for background research only, perhaps in cases when a reporter does not have time to read the meeting transcript in full. AI-generated long summaries should not be used for publication. In general, we recommend using humans to generate any summary longer than a couple hundred words, and to always verify the facts.[11]

Taken together, these issues can lead summarization systems to generate well-written summaries that nevertheless diverge significantly from the underlying content. An IHSS applicant's speech may additionally be affected by cognitive or developmental disabilities, speech impairments, limited English proficiency, nonstandard communication methods, emotional distress, fatigue, or the effects of medication. Such altered speech is unlikely to be well-represented in transcription/summarization systems' training data, increasing their likelihood of producing outputs that do not accurately reflect the content of the interview.

Privacy concerns. During IHSS eligibility interviews, applicants routinely disclose extensive personal and sensitive information, including details about their physical and mental health, functional limitations, living conditions, and daily care needs. The introduction of transcription and summarization systems owned or operated by third-party vendors into these settings raises

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[10] Tripp Mickle, Cade Metz, Dylan Freedman, Teresa Mondria Terol, and Keith Collins, "How Accurate Are Google's A.I. Overviews?," *New York Times*, April 7, 2026, https://www.nytimes.com/2026/04/07/technology/google-ai-overviews-accuracy.html.

[11] Hilke Schellmann, " Tested How Well AI Tools Work for Journalism," *Columbia Journalism Review*, August 19, 2025, https://www.cjr.org/analysis/i-tested-how-well-ai-tools-work-for-journalism.php.

the risk of sensitive information being accessed, stored, or used without an applicant's knowledge or consent.

3) **What this bill would do.** This bill would require the State Department of Social Services to develop and implement a five-year pilot project, available from 2027 through 2031, for the County of Contra Costa to evaluate the use of innovative technologies to improve IHSS eligibility determinations and reduce application processing times. The bill would require the county, with informed consent of the applicant, to test technologies that facilitate the documentation and summarization of IHSS in-home eligibility interviews, and to post annual reports on its internet website describing the progress and outcomes of the pilot project. The bill contains various protections addressing privacy and accuracy concerns with respect to the use of innovative technologies.

ARGUMENTS IN SUPPORT: The bill's sponsor, the County of Contra Costa, writes in support:

> Counties across California are facing significant fiscal and administrative pressures driven by federal policy changes, recession indicators, and increasing unfunded mandates in social services programs. Contra Costa County, like many jurisdictions, carries substantial responsibility for IHSS administration and eligibility work and must also now absorb the costs of new Community First Choice Option (CFCO) Late Penalties. Given these mounting pressures, AB 2278 provides a responsible, forward-looking solution. The bill would allow the County to test innovative technology tools that document and summarize IHSS in-home assessment interviews, enabling social workers to spend more time engaging with clients and less time completing administrative reporting.

LeadingAge California, an advocate for nonprofit senior living and care, writes in support:

> Timely access to IHSS is essential for older adults in need of assistance with activities of daily living. Delays in eligibility processing can create significant risks for health and safety, as well as increased strain on caregivers and providers. Improving processing times will help ensure that older adults receive needed supports more quickly and can age in place with dignity.

REGISTERED SUPPORT / OPPOSITION:

Support

Contra Costa County (Sponsor)
Leadingage California

Opposition

None on file.

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