



April 15, 2026

TO: Members, Assembly Health Committee

**SUBJECT: AB 2729 (BONTA) MEDI-CAL: EMPLOYER RESPONSIBILITY FOR MEDI-CAL TRUST FUND
OPPOSE – AS AMENDED MARCH 19, 2026
SCHEDULED FOR HEARING – APRIL 21, 2026**

The California Chamber of Commerce and the undersigned **OPPOSE AB 2729 (Bonta)**, as amended March 19, 2026. This bill creates the Employer Responsibility for Medi-Cal Trust Fund in the State Treasury and authorizes the funding sources to consist of new taxes and deposits, including employer penalties, as specified in the Budget Act of 2026. We believe a policy change of this magnitude to impose a number of significant new penalties on California's employers should be handled with the upmost transparency and should be analyzed by the Legislature's respective policy committees.

We support the goal of expanding access to affordable health care to Californians and applaud Governor Newsom and the Legislature for providing coverage for nearly every person residing in the State. As of 2024, about 94% of Californians had health care coverage. We recognize the passage of H.R. 1 has forced the State to make difficult, cost-saving, decisions to many publicly funded programs, however, we are opposed to the approach of penalizing employers for their employees enrolled in the Medi-Cal program. This measure seeks to punish California's businesses without addressing the underlying drivers of health coverage inequities, such as increasing costs of healthcare services across all markets, healthcare workforce shortages, etc.

AB 2729 Will Hurt California Workers and Economy

Without being given the opportunity to truly review the proposal, it's unclear how much of an impact this measure, and other related measures, will have on California's economy. CalChamber urges the Legislature to consider policies that will encourage companies to build, grow, invest and reinvest in this state. In doing so, businesses will not only put their resources towards further operating in California but will also need to hire – full-time and part-time – employees to keep up with the operational growth. Legislation to the contrary creates an environment where California becomes a less attractive state for business development.

Should a policy like **AB 2729** become law, individuals like students and second-chancers, who may be only able to work part-time, or are looking to build their resumes and gain professional experience, will have a more difficult time securing certain positions. This could also be applied to temporary or seasonal positions, commonly provided in industries such as tourism, agriculture and construction. Under **AB 2729**, these individuals could place too high of a risk for employers and immediately become less competitive candidates in an already difficult hiring landscape.

With affordability at the top of the Legislature's policy agenda, implementing new punishments on employers will disproportionately impact medium-sized businesses that already operate on narrow margins and have limited flexibility to absorb new costs. Legislation like **AB 2729** will discourage mid-size companies from expanding their operations and workforce. Faced with additional financial burdens, employers may be forced into hiring freezes, reassess employee hours, or limit company growth - outcomes that could ultimately undermine the economic stability of the very workers the bill seeks to support.

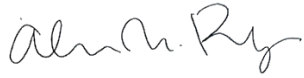
Most medium to large employers in California provide health care coverage to their employees and do their best to make it affordable, though health care costs are beyond employer control. We believe working collaboratively with the employer community to strengthen employer-sponsored coverage options and

addressing overall affordability challenges would be a more constructive, transparent approach to increasing access to affordability health care coverage.

However, the current approach attempts to implement new taxes and penalties on employers without providing meaningful input from affected stakeholders.

For these reasons, we must **OPPOSE AB 2729 (Bonta)**.

Sincerely,



Alexis Rodriguez
Policy Advocate
on behalf of

California Attractions and Parks Association, Sabrina Demayo Lockhart
California Chamber of Commerce, Alexis Rodriguez
California Farm Bureau, Bryan Little
California Fuels + Convenience Alliance, Alessandra Magnasco
California Restaurant Association, Matt Sutton
California Trucking Association, Nick Chiappe
International Franchise Association, Matthew Kagel
TechNet, Jose Torres

cc: Legislative Affairs, Office of the Governor
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