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California Legislature
Committee on Rules

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TA, TRI (R-ALT)

Thursday, May 14, 2026
10 minutes prior to Session
State Capitol, Room 126

REGULAR AGENDA

REQUEST TO ADD URGENCY CLAUSE

1. AB 2729 (Bonta) Medi-Cal: Employer Responsibility for Medi-Cal Trust Fund

[Page 2](#)

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May 13, 2026

The Honorable Blanca Pacheco
Chair, Assembly Rules Committee
1021 O Street, Suite 6250
Sacramento, CA 95814

Dear Chair Pacheco:

I am writing to respectfully request that the committee approve the adoption of an urgency clause for AB 2729 (Bonta).

This bill creates the Employer Responsibility for Medi-Cal Trust Fund in the State Treasury to hold new taxes and deposits, including employer penalties, as specified in the Budget Act of 2026, and directs the fund's moneys to restore health care services cut from Medi-Cal as a result of federal and state budget cuts. This bill creates the Employer Responsibility for Medi-Cal Trust Fund in the State Treasury to hold new taxes and deposits, including employer penalties, as specified in the Budget Act of 2026, and directs the fund's moneys to restore health care services cut from Medi-Cal as a result of federal and state budget cuts.

This act is an **urgency** statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are: To provide health care to people who will lose health care coverage due to Public Law No: 119-21 (H.R. 1), it is necessary for this act to take effect immediately.

Sincerely,

Buffy Wicks
Assemblymember, 14th District

AMENDED IN ASSEMBLY MARCH 19, 2026

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 2729

Introduced by Assembly Member Bonta
(Coauthors: Assembly Members Addis, Ahrens, Arambula, Bryan,
Elhawary, Garcia, Haney, Jackson, Kalra, Lee, McKinnor, Ortega,
Pellerin, Celeste Rodriguez, Rogers, and Sharp-Collins)

February 20, 2026

An act relating to Medi-Cal: to add Section 14199.5 to the Welfare and Institutions Code, relating to Medi-Cal and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2729, as amended, Bonta. Medi-Cal: ~~employer penalty: contribution:~~ *Employer Responsibility for Medi-Cal Trust Fund.*

Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services. The Medi-Cal program is in part governed by, and funded pursuant to, federal Medicaid program provisions.

Existing law, the federal Patient Protection and Affordable Care Act, imposes a certain assessment on an applicable large employer, as defined, that offers full-time employees and their dependents the opportunity to enroll in minimum essential coverage, and for whom one or more full-time employees have been certified as having enrolled in a qualified health plan for which a premium tax credit or cost-sharing reduction is allowed or paid.

This bill would create the Employer Responsibility for Medi-Cal Trust Fund to consist of new taxes and deposits, including employer penalties

98

specified in the Budget Act of 2026. The bill would continuously appropriate the fund to the State Department of Health Care Services to fund the costs of administering the Medi-Cal program in a manner necessary to prevent loss of or to restore health care coverage, benefits, or access to care following the passage of federal House Resolution 1 (Public Law 119-21) and subsequent state budget actions. The bill would state that these provisions would become operative only if the Medicaid provisions of federal House Resolution 1 are not repealed prior to January 1, 2027. By creating a continuously appropriated fund, the bill would make an appropriation.

~~This bill would state the intent of the Legislature to enact legislation that would require employers that employ individuals who are enrolled in the Medi-Cal program to pay a penalty as a contribution to a Medi-Cal fund.~~

Vote: ~~majority~~^{2/3}. Appropriation: ~~no~~ yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Affordable and comprehensive health care coverage should
- 4 be accessible to all Californians to protect their health and
- 5 financial security.
- 6 (b) Fourteen million five hundred thousand Californians are
- 7 covered by Medi-Cal.
- 8 (c) Despite significant progress in expanding health care
- 9 coverage, an estimated 2,500,000 Californians remained uninsured
- 10 in 2024, and many more are underinsured or struggle to afford
- 11 care.
- 12 (d) Federal House Resolution 1 (Public Law 119-21), passed
- 13 by a partisan vote in a Republican-controlled Congress and signed
- 14 by President Donald J. Trump will significantly increase the
- 15 number of people who are uninsured and go without the health
- 16 care they need.
- 17 (e) It is the intent of the Legislature to establish a fund within
- 18 the Department of Finance that would receive deposits and to
- 19 appropriate moneys to the State Department of Health Care
- 20 Services for the sole purpose of preventing loss of or restoring
- 21 health care coverage, benefits, or access to care following the

1 *passage of federal House Resolution 1 and subsequent state budget*
2 *actions.*

3 *SEC. 2. Section 14199.5 is added to the Welfare and Institutions*
4 *Code, to read:*

5 *14199.5. (a) The Employer Responsibility for Medi-Cal Trust*
6 *Fund is hereby created in the State Treasury.*

7 *(b) The fund shall consist of new taxes and deposits, including,*
8 *but not limited to, employer penalties, as specified in the Budget*
9 *Act of 2026. The total amount of moneys that may be deposited in*
10 *the fund from all sources shall be determined by the Director of*
11 *Finance, in consultation with the Treasurer.*

12 *(c) Notwithstanding Section 13340 of the Government Code,*
13 *moneys in the fund are continuously appropriated without regard*
14 *to fiscal years to the State Department of Health Care Services to*
15 *fund direct and indirect costs of administering the Medi-Cal*
16 *program in a manner necessary to prevent loss of or to restore*
17 *health care coverage, benefits, or access to care following the*
18 *passage of federal House Resolution 1 (Public Law 119-21) and*
19 *subsequent state budget actions.*

20 *(d) This section shall become operative only if the Medicaid*
21 *provisions of federal House Resolution 1 (Public Law 119-21) are*
22 *not repealed prior to January 1, 2027.*

23 ~~SECTION 1. It is the intent of the Legislature to enact~~
24 ~~legislation that would require employers that employ individuals~~
25 ~~who are enrolled in the Medi-Cal program to pay a penalty as a~~
26 ~~contribution to a Medi-Cal fund.~~

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