Date of Hearing: June 24, 2026

ASSEMBLY COMMITTEE ON LABOR AND EMPLOYMENT
Liz Ortega, Chair
SB 1284 (Smallwood-Cuevas) – As Amended May 14, 2026

**SENATE VOTE**: 30-9

**SUBJECT**: Medi-Cal benefits: employer reports

**SUMMARY:** Requires the Department of Health Care Services (DHCS) to publish an annual report regarding specified employers with employees enrolled in Medi-Cal; and prohibits an employer from discharging, discriminating or retaliating against an employee, or refusing to hire a job applicant, based on Medi-Cal enrollment. Specifically, **this bill**:

*Requires the DHCS to publish an annual report regarding specified employers with employees enrolled in Medi-Cal:*

1) Requires the DHCS, after receiving the information from the Employment Development Department (EDD), to annually publish a report that includes all of the following about employers that have any employees enrolled in Medi-Cal at any point during the reporting year while employed by the employer:

    a) The name and address of each employer;

    b) The parent company of the employer, if applicable;

    c) The Employer Identification Number (EIN) of the employer;

    d) The North American Industry Classification System (NAICS) code assigned to the employer;

    e) The total number of employees of that employer;

    f) The total number of employees of that employer enrolled in the Medi-Cal program by category of aid at any point during that reporting year;

    g) The aggregate number of months all employees of that employer received benefits through the Medi-Cal program while employed;

    h) The total number of dependents of employees of that employer enrolled in the Medi-Cal program;

    i) The estimated total annual cost of Medi-Cal services provided to employees, and dependents of employees, of each employer;

    j) A summary of the 100 employers with the highest number of employees and dependents enrolled in the Medi-Cal program; and,

k) A summary of the 100 employers with the highest percent of employees and dependents enrolled in the Medi-Cal program.

2) Defines "employer" to mean an employer required to file an annual pay data report with the Civil Rights Department (private employers with 100 or more employees) and that has any employee enrolled in Medi-Cal at any point during the reporting year while employed by the employer.

3) Requires the DHCS to submit the report to the Legislature no later than September 1, 2027, and annually thereafter, as specified.

4) Exempts individually identifiable information about employees or Medi-Cal enrollees contained in the report from disclosure under the California Public Records Act and subjects such information to existing confidentiality requirements that apply for purposes of the Medi-Cal program.

5) Provides that the above provisions shall not be construed to permit authorization or publication of identifying information of employees enrolled in Medi-Cal.

6) Updates authority for the EDD to provide information to the DHCS for purposes of the report described above, and authorizes the DHCS and the EDD to enter into data-sharing agreements as necessary to implement the above provisions, consistent with state and federal privacy laws.

7) Provides that the above provisions shall not be construed to authorize an employer to engage in any conduct against an employee or a job applicant in violation of (9) below, including, but not limited to, discouraging or preventing an employee from applying for or enrolling in Medi-Cal.

8) Makes related findings and declarations, and states the intent of the Legislature in enacting the above provisions to ensure that Medi-Cal continues to operate as the payor of last resort and to support the effective administration, oversight, and evaluation of the program by improving transparency regarding the relationship between employment and Medi-Cal enrollment.

*Prohibits an employer from discharging or retaliating against an employee or job applicant based on Medi-Cal enrollment:*

9) Prohibits an employer from discharging or in any manner discriminating or retaliating against an employee who applies for, or is enrolled in, Medi-Cal, and prohibits an employer from refusing to hire a person because that person is enrolled in Medi-Cal.

*Other provisions:*

10) Repeals the sunsetted law requiring the DHCS and the Department of Social Services to share with the EDD the social security numbers of all Medi-Cal and CalFresh recipients.

**EXISTING FEDERAL LAW**:

1) Establishes the Medicaid program to enable each state to furnish medical assistance on behalf of individuals whose income and resources are insufficient to meet the costs of necessary medical services. 42 USC §1396, et seq.

2) Requires states to provide safeguards restricting the use or disclosure of information concerning applicants and recipients to purposes directly connected with the administration of the program with limited exceptions for school nutrition programs. 42 USC §1396(a).

3) Starting January 1, 2027, as enacted by H.R. 1 (Public Law No. 119-21), requires individuals with incomes below 138% of the federal poverty level who are under age 65, not pregnant, and have no Medicaid-eligible dependents to demonstrate community engagement through at least 80 hours of work, community service, or participation in a work program, or at least half-time participation in an educational program, or have a monthly income not less than 80 times the federal minimum wage in a specified month. Provides for some exceptions to this requirement. 42 USC §1396(a).

4) Requires an applicable large employer, defined as an employer with an average of 50 or more full-time equivalent employees in a calendar year, to offer its full-time employees and their dependents the opportunity to enroll in minimum essential coverage under an eligible employer-sponsored plan or be subject to an assessable payment if any of their full-time employees enroll in a state-based health insurance exchange. 26 USC §4980(h).

**EXISTING STATE LAW:**

1) Establishes the Medi-Cal program, administered by the DHCS, under which qualified low-income individuals receive health care services. Welfare and Institutions Code § 14000, et seq.

2) Requires an individual's information given for purposes of receiving Medi-Cal to be kept confidential and not open to examination other than for purposes directly connected with the administration of the program. Limits the use of Medi-Cal applicant and recipient information to encompass those activities and responsibilities in which DHCS and its agents are required to engage in to ensure effective program operations, which include but are not limited to, establishing eligibility and methods of reimbursement; determining the amount of medical assistance; providing services for recipients; conducting or assisting an investigation, prosecution, or civil or criminal proceeding related to the administration of the Medi-Cal program; and conducting a legislative investigation or audit related to the administration of the Medi-Cal program, with limited exceptions for the coordination of other benefits, namely school nutrition programs. Welfare & Institutions Code § 14100.2.

3) Exempts confidential Medi-Cal applicant or recipient information from disclosure pursuant to the California Public Records Act. Government Code § 7930.170.

4) Requires private employers with 100 or more employees to submit to the Civil Rights Department an annual pay data report with specified information on employees including total earnings hours worked of each employee, total employees, and the employer's NAICS code. Government Code § 12999.

5) Establishes the EDD within the Labor and Workforce Development Agency and makes it responsible for, among other duties, the administration of the Unemployment Insurance and Disability Insurance programs. Unemployment Insurance Code § 301.

6) Authorizes the EDD to share wage and employment data, under specified conditions, for specified purposes and enumerates the programs for which data can be shared. Unemployment Insurance Code § 1095.

**FISCAL EFFECT**: According to the Senate Appropriations Committee:

- Unknown costs for the Employment Development Department (EDD), likely one-time General Fund costs of $100,000 and ongoing General Fund costs of $100,000, for administration.
- Unknown ongoing General Fund costs, potentially hundreds of thousands, for DHCS to provide the reports.

**COMMENTS**:

*Employer-provided healthcare requirements under federal law:*

In California, there is no state-level mandate requiring all employers to offer health insurance. However, employers are subject to the requirements of the federal Affordable Care Act, under which most employers with an average of 50 or more full-time equivalent employees in a calendar year must offer their full-time employees minimum essential health coverage that is affordable and provides a minimum value, as defined, or potentially make an employer shared responsibility payment to the IRS. This requirement is commonly known as the "employer mandate."

When workers are not covered by an employer-sponsored plan, they often enroll in Medi-Cal if their household income falls within the program's limits. Medi-Cal is California's Medicaid program and offers free or low-cost coverage to qualifying low-income individuals and families.

*California workers enrolled in Medi-Cal:*

According to research by the UC Berkeley Labor Center, one out of five California workers is enrolled in Medi-Cal. Low-income workers are less likely to have coverage through their job, and certain industries are more likely to employ individuals who are also enrolled in Medi-Cal, including agriculture, forestry, fishing, and mining; restaurants, bars, and food service; administrative and building services, and retail.

Employees with Medi-Cal coverage work for employers of all sizes, with 27 percent of Medi-Cal-enrolled workers employed by companies with over 1,000 employees, 17 percent working for employers with 101-999 employees, and 7 percent working for companies with 51-100 employees. However, nearly half of working Medi-Cal enrollees work in businesses with under 50 employees.

The UC Berkeley Labor Center estimates that $36 billion will be spent to provide Medi-Cal to these workers, including state and federal spending, in Fiscal Year 2026-27.[1]

*HR 1 Medicaid eligibility work requirements:*

In July 2025, Congress passed HR 1, the federal budget reconciliation bill, which, among other things, included new work documentation requirements for Medicaid eligibility starting January 1, 2027, and increased the frequency of eligibility redeterminations to every six months instead of annually. To be eligible, individuals must prove that they are working, engaging in community service, or receiving work training for at least 80 hours per month—or that they are enrolled in school part time—unless they qualify for an exemption. States must verify compliance through these activities or through an income equivalent to the federal minimum wage for 80 hours a month.

The UC Berkeley Labor Center estimates that 1.87 million Californian adults will lose Medi-Cal coverage due to the work requirements.[2] Given this increase in the number of uninsured, along with other HR 1 provisions that restrict states' ability to raise revenue to fund their Medicaid programs, California is having to reevaluate its budget to either supplement the spending or cut services.

*AB 1792 (Gomez, Chapter 889, Statutes of 2014):*

In 2014, AB 1792 (Gomez) was signed into law, which required the DHCS to annually inform the EDD of the names and social security numbers of all recipients of the Medi-Cal program; required the DHCS to determine the average per-individual cost of state- and federally-funded benefits provided by the Medi-Cal program and inform the EDD of these costs; defined an employer as an individual or organization that employs 100 or more beneficiaries of the Medi-Cal program; required the Department of Finance (DOF) to, after obtaining specified information from EDD, annually transmit to the Legislature and post on the DOF website a report that, among other things, identified the 500 employers in the state with the most number of employees enrolled in a public assistance program ranked by the number of those employees.

However, in 2014, the US Department of Labor (DOL) notified the EDD that federal regulations prohibit making public the information in the AB 1792-required report. The DOL letter essentially stated that federal law requires unemployment compensation (UC)-related information to be kept confidential to avoid deterring either unemployed workers or employers from participating in the UC program. States must bar the disclosure of "any UC information that reveals the name or any identifying particular about any individual or any past or present employer or employing unit, or which could foreseeably be combined with other publicly available information to reveal any such particulars."

However, federal law permits states to disclose confidential UC information to public officials for use in the performance of their official duties if there is a written, enforceable agreement

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[1] Inequities in job-based health coverage for California low-wage workers." UC Berkeley Labor Center. (2026). https://laborcenter.berkeley.edu/wp-content/uploads/2023/05/Inequities-in-job-based-health-coverage-for-California-low-wage-workers.pdf

[2] Projected reduction in Medi-Cal coverage due to federal H.R.1 and 2025-26 State Budget, by county, 2028. UC Berkeley Labor Center. https://laborcenter.berkeley.edu/projected-reduction-in-medi-cal-coverage-due-to-federal-h-r-1-and-2025-26-state-budget-by-county-2028/

whereby the public official agrees to limit the use of the information. as specified, and take measures to protect its confidentiality, and reimburses the UC agency for all costs of providing the information. For these purposes, "public official" is defined as "an official, agency, or public entity within the executive branch of Federal, State, or local government who (or which) has responsibility for administering or enforcing a law; or an elected official in the Federal, State, or local government." Of particular importance to this bill, the DOL letter specifically noted that the Legislature as a whole does not meet the definition of public official, but individual legislators do.

As a result of these conflicts, the report pursuant to AB 1792 was never created. *As noted by other committees, the author should continue discussions to ensure this bill's language does not run afoul of federal law and meet the same fate as AB 1792.*

AB 1792 also protected employees from discrimination and retaliation in the workplace for applying for or being enrolled in the Medi-Cal program. However, AB 1792 had a sunset date of January 1, 2020, and its provisions are now repealed.

According to the author: "Over the past decade, California has expanded health care coverage and grown into the fourth largest economy in the world, proving that we can build prosperity while protecting working families. Today, more than 3 million working Californians rely on Medi-Cal because their employers do not provide affordable health insurance. Nearly one in five jobs in California is held by a worker enrolled in Medi-Cal, representing over $20 billion annually in public spending tied to the workforce.

When companies fail to provide affordable coverage or livable wages, Medi-Cal fills the gap. That means taxpayers are subsidizing a significant share of health care costs for California's low-wage workforce. That should not happen in the dark. If taxpayers are covering the cost of health care for a company's workforce, the public deserves to know. SB 1284 brings transparency and accountability to this issue by requiring the California Health and Human Services Agency to publish the names of employers with workers enrolled in Medi-Cal, along with the estimated annual cost to the program associated with those employees."

The author adds that the measure promotes equity, per HR 39 (Gipson, 2021), in that "SB 1284 seeks to address inequities by highlighting the extent to which low-wage workers rely on Medi-Cal for access to health care. Workers in industries with low rates of employer-sponsored insurance are disproportionately people of color, women, immigrants, and workers employed in service-sector occupations.

Many of these workers and their families depend on Medi-Cal to access essential health services. By increasing transparency, the bill helps identify systemic factors contributing to health coverage disparities and supports informed policy discussions about employer responsibility, wages, and access to affordable health care. The bill may particularly benefit low-income communities, Black and Latino Californians, immigrant communities, and other populations that experience higher rates of uninsurance and are more likely to rely on Medi-Cal for coverage."

Committee Comment: As mentioned above, nearly half of working Medi-Cal enrollees work for employers with fewer than 50 employees. Given this statistic, the author may wish to consider including all private employers in the bill's definition of "employer."

**Arguments in Support**

SEIU California, co-sponsor of this measure, writes that "research shows that nearly two in three (63%) nondisabled nonelderly adults enrolled in Medi-Cal work, and over 8 in 10 (83%) reported being in a working family. Workers turn to Medi-Cal because they are working in a low-wage industry or the employer-sponsored health care plan premiums and associated out of pocket costs are not affordable for their family.

Employers that pay low wages and offer no or unaffordable benefits shift the costs of doing business onto taxpayers. The social and economic burden created by the lack of health care coverage for some workers and the coverage of other workers through the Medi-Cal program creates a burden on the state, affected workers, and the families of affected workers who suffer ill health and risk financial ruin. Employers that shift the costs of their business expenses onto taxpayers put responsible employers at a competitive disadvantage too, creating an unfair playing field for business in the state."

**Arguments in Opposition**

The Greater Coachella Valley Chamber of Commerce writes in opposition that "Many employers in the Coachella Valley - particularly in the agricultural, hospitality, and service sectors - employ large workforces of hourly and seasonal workers who may qualify for Medi-Cal due to household income thresholds entirely unrelated to the employer's coverage offerings. Publicly identifying those employers by name alongside Medi-Cal cost figures attributed to their workers, without context about existing employer-sponsored benefit offerings, creates a misleading public record that unfairly stigmatizes businesses that are complying fully with current law and providing competitive employment opportunities in the Valley. The report is explicitly designed as the legislative predicate for future employer penalty legislation, and cross-agency data sharing between DHCS and EDD involving confidential wage, tax, and enrollment records raises significant privacy and data security concerns that go beyond the bill's public records exemptions."

**Prior and Related Legislation**

SB 1054 (Cabaldon) of 2026 would require, beginning July 1, 2027, specified employers and other entities to include in their report of wages, information on total monthly wage, industry, occupation, worker type, and hours worked for each employee, as specified; requires the information to be submitted monthly; and requires the EDD to share this information with various state entities for specified objectives. Pending in this Committee.

SB 1202 (Weber Pierson) of 2026 would require the DHCS to establish a dashboard to track enrollment data related to the implementation of recently-enacted federal enrollment barriers, including work requirements; and would require DHCS, counties, and Medi-Cal managed care plans to undertake linguistically and culturally appropriate outreach efforts to Medi-Cal recipients to educate them on the changes to federal law and maintaining Medi-Cal eligibility. Pending in the Assembly Health Committee.

AB 2161 (Bonta) of 2026 would codify the federal HR 1's work requirements; would require the DHCS to implement HR 1's work requirements in California in the least administratively burdensome way to Medi-Cal applicants and recipients as possible; and would prohibit the DHCS from applying HR 1's work requirements to state-only Medi-Cal populations. Pending in the Senate Health Committee.

AB 2729 (Bonta) of 2026 would create the Employer Responsibility for Medi-Cal Trust Fund consisting of new taxes and deposits, including employer penalties, to fund direct and indirect costs of administering the Medi-Cal program in a manner necessary to prevent the loss of or restore health care coverage, benefits, or access to care, following the passage of HR 1. Pending in the Assembly Appropriations Committee.

AB 1792 (Gomez), Chapter 889, Statutes of 2014, required the DHCS to annually inform the EDD of the names and social security numbers of all recipients of the Medi-Cal program; required the DHCS to determine the average per-individual cost of state- and federally-funded benefits provided by the Medi-Cal program and inform the EDD of these costs; defined an employer as an individual or organization that employs 100 or more beneficiaries of the Medi-Cal program; required the DOF to, after obtaining specified information from EDD, annually transmit to the Legislature and post on the DOF website a report that, among other things, identified the 500 employers in the state with the most number of employees enrolled in a public assistance program ranked by the number of those employees, as specified; and established a January 1, 2020 sunset date.

AB 880 (Gomez) of 2013 would have required employers with 500 or more employees to pay an employer responsibility penalty if their employees working more than 12 hours per week and more than 45 days in a calendar year are enrolled in Medi-Cal based on the Modified Adjusted Gross Income eligibility standard. Failed on the Assembly Floor.

**REGISTERED SUPPORT / OPPOSITION**:

**Support**

Service Employees International Union California (Co-Sponsor)
American Federation of State, County and Municipal Employees, AFL-CIO
California Alliance for Retired Americans
California Federation of Labor Unions, AFL-CIO
California Immigrant Policy Center
California Professional Firefighters
Courage California
Health Access California
Teamsters California
United Domestic Workers/American Federation of State, County and Municipal Employees. Local 3930
United Food and Commercial Workers Union - Western States Council

**Opposition**

Brea Chamber of Commerce
California Attractions and Parks Association
California Chamber of Commerce
California Farm Bureau
California Grocers Association
California League of Food Producers
California Trucking Association
Carlsbad Chamber of Commerce
Colusa County Chamber of Commerce

Corona Chamber of Commerce
Family Business Association of California
Gateway Chambers Alliance
Greater High Desert Chamber of Commerce
Housing Contractors of California
Imperial Valley Regional Chamber of Commerce
Industry Business Council
LA Cañada Flintridge Chamber of Commerce and Community Association
Laguna Niguel Chamber of Commerce
Lodi Chamber of Commerce
Los Angeles Area Chamber of Commerce
Menifee Valley Chamber of Commerce
Mission Viejo Chamber of Commerce
Modesto Chamber of Commerce
Murrieta Wildomar Chamber of Commerce
Newport Beach Chamber of Commerce
Norwalk Chamber of Commerce
Oceanside Chamber of Commerce
Rancho Cordova Area Chamber of Commerce
Santa Ana Chamber of Commerce
Santa Clarita Valley Chamber of Commerce
Santa Maria Valley Chamber of Commerce
Simi Valley Chamber of Commerce
Society of Human Resource Management California
The Greater Coachella Valley Chamber of Commerce
Torrance Area Chamber of Commerce
Yorba Linda Chamber of Commerce

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