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**STATEMENT FOR THE RECORD BEFORE THE JOINT ASSEMBLY AND SENATE HEALTH  
COMMITTEES**

**THE COST OF UNCERTAINTY: HEALTH COVERAGE ACCESS AND AFFORDABILITY  
AMID FEDERAL INSTABILITY**

March 10, 2026  
Christin Evans

Thank you, Chair Bonta, Chair Weber Pierson and Members of the Committees:

My name is Christin Evans and I am the Co-owner of Booksmith in San Francisco and Kepler's Books in Menlo Park. I appreciate the opportunity to share with you how rising healthcare costs are impacting small businesses like mine and to make recommendations for how California can help make health insurance more affordable for Main Street.

At Booksmith, four of my employees qualify for health benefits. For those workers, I cover the full cost of their healthcare premiums. Although I am proud to support my employees, the decision to do so translates into one of my top expenses – and that cost isn't going down anytime soon. My costs have risen by about 17% in 2026 to \$3,250 for my staff, up from \$2,776 in 2025. In 2025, employee health plan premiums rose by 7.5%, an increase that was more modest but still impactful for my business. At some point, increases like what we're experiencing in 2026 will not be sustainable and I may be forced to drop health coverage for my employees entirely. If I do, that puts my employees in a difficult position. Why should they continue to work for an independent bookstore and receive only a salary when they could get jobs with a much larger corporation that can give them far more robust benefits in addition to competitive pay?

My experience with healthcare expenses is far from unusual. In fact, [research](#) from Small Business Majority found that two-thirds of small business owners say increasing healthcare premiums place at least a moderate financial burden on their business, with 47% calling premium spikes a major financial burden. Although California has expanded healthcare coverage significantly, rising costs, consolidation and coverage gaps continue to strain small business owners and our workers. Entrepreneurs and employees still face high premiums, large out-of-pocket costs and barriers to care, underscoring the need for targeted policies that control costs, expand coverage and improve accountability. Given these ongoing and increasing problems, I encourage the California Assembly to take the following steps to benefit small businesses:

- The Office of Health Care Affordability (OHCA) must implement spending growth targets by 2028 to ensure cost controls translate into measurable affordability improvements for small businesses and their workers. To rein in this excess spending, the OHCA law required that the board, which includes experts appointed by the Speaker, pro Tem and Governor, set cost growth targets to slow how much hospitals, health plans and provider groups increase their spending each year. This target was based on growth in median income at 3.5 percent to ensure in the future health care costs don't increase more quickly than our income. Next year will be the first year that health care organizations' data will be accountable to this target. By 2028, OHCA will have the analysis of which health plans, hospitals and large physician groups are over the target, and then will engage in progressive enforcement starting with technical assistance, public testimony by the entity about why they are over the target, and then a performance improvement plan. The process allows the health care organization to engage with OHCA on how to get to the target and improve.

- Advance healthcare cost control through OHCA oversight. With the passage of AB 1415, California strengthened OHCA’s ability to address mergers and acquisitions in the healthcare industry, preventing hospital consolidation when it drives up costs and limits competition without improving patient outcomes. After all, one quarter of every dollar spent in healthcare has no value for patients, according to the California Health Care Foundation. This is excess spending that goes to administrative waste, excessive profits, unfair prices, and treating illnesses that could have been treated earlier or prevented all together with basic primary care.
- Ensure healthcare programs are properly funded to support small business owners and their workers who rely on them for coverage. If the state pursues a large-employer healthcare responsibility assessment, it should apply only to the largest employers that shift healthcare costs onto Medi-Cal, with clear size thresholds and exemptions for the smallest businesses that struggle to afford to offer coverage. Resulting revenue should be dedicated to investing in programs that make healthcare coverage more affordable for small businesses such as the Health Care Affordability Reserve Fund and restricted to proven affordability tools, including state-funded cost-sharing reductions and premium support for moderate-income business owners and workers in the 400–600% FPL range population, who have just lost their federal Enhanced Premium Tax Credits, while rewinding recent Medi-Cal exclusions for undocumented Californians and preventing spillover onto smaller firms.
- Improve transparency and accountability in health coverage decisions by enacting legislation such as AB 280 to require annual verification of provider directories and improve accuracy standards and support SB 363, which would require reporting on claim denials, reducing inappropriate denials that raise costs and burden small employers.

At a time when operating costs are rising at a nearly unprecedented pace due to tariffs, disruptive immigration policy efforts, lack of access for immigrant healthcare and inflation, small businesses are getting squeezed from many angles. If healthcare also continues to spike at the current rates we’ve seen in recent years, many small businesses will simply be priced out. There are many things California can do to help bring down healthcare costs for small businesses and our employees. But whatever fixes we choose, we must choose them quickly or it will be too late to save Main Street.

Thank you,

Christin Evans  
Owner, Booksmith and Kepler’s Books  
San Francisco and Menlo Park