The Trump Administration Cuts Federal Funding for Gender Affirming Care for TGI Youth

Last updated: October, 2026

Here is What Providers Need to Know

The finalized **CMS rule** published August 13, 2026 prevents federal Medicaid (Medi-Cal in California) funding for gender-affirming medical care, including hormonal therapy, puberty blockers, and surgical care, for Medicaid beneficiaries under 18. **The rule is in effect as of October 13, 2026.**

It is important to highlight what this rule **does not do**:

1. The rule does not ban care or impose any civil or criminal penalties for providers, patients, or parents. **Providers should continue providing care.**
2. This rule does not prevent states from providing coverage for care with state-only funds.
   a. Nor does it prevent non-federal funding to cover the cost of care, including private insurance or paying out of pocket.
3. This rule does not ban any providers from providing these services, including hospitals.
4. This rule does not prohibit providers from delivering care.
5. This rule does not affect federal funding for other services that TGI youth in Medi-Cal currently receive, such as mental health services.

Important to note: Hormone therapy for existing patients should still be billed to Medi-Cal until April 12, 2027. For new patients, the Department of Health Care Access and Information (HCAI) has an agreement with **Pucci's Pharmacy to provide prescriptions**.

Gender-affirming care is still legal, safe, and protected in CA

This new decision does not change California law or prohibit providers from continuing to provide care. California prohibits healthcare providers and insurers from discriminating against or denying care to transgender, gender-diverse, or intersex (TGI) people. As of October 13, 2026, California is paying for necessary gender-affirming care for youth in Medi-Cal through the Department of Health Care Access and Information (HCAI).

California has taken a number of steps to protect families accessing gender-affirming care here, and health care providers, from prosecution by other states. California also protects against the release of medical information if the information is requested pursuant to another state's law banning gender-affirming care.

Reproductive health care services, gender-affirming health care services, and gender-affirming mental health care services are rights secured by the Constitution and laws of California. Interference with these rights, whether or not under the color of law, is against the public policy of California. Cal. Civ. Code § 1798.301.

California's Attorney General Bonta has challenged the CMS rule stating that it "violates the law and long lasting precedent by blocking reimbursements for medically necessary care." **See full press release sent on September 2, 2026**.

California prohibits business establishments (including nonprofits serving the public and health care providers) and government entities from discriminating against individuals on the basis of sex, gender identity, gender expression, sexual orientation, and transgender status. These laws also bar discrimination based on perceived sexual orientation or gender identity, and based on relationship to someone who is LGBTQ. Cal. Civil Code § 51; Cal. Gov. Code §§ 11135, 12926; 2 Cal. Code Reg. §§ 14000 et seq. **See Attorney General Bonta's Letter to CHLA sent February 5, 2025.**

The Department of Health Care Access and Information (HCAI) will now cover the following services:

1. HCAI will be able to reimburse Medi-Cal patients for puberty blockers, hormone therapy, or surgery for trans youth under 18.
   a. **Please note** that the Department of Health Care Access and Information (HCAI) has made an agreement with **Pucci's Pharmacy to provide prescriptions**.

2. There is a "continuation of use" period for patients who had started hormone therapy prior to October 13, 2026. Hormone therapy for existing patients should still be billed to Medi-Cal until April 12, 2027.

3. Providers with questions and concerns should contact HCAI at **genderaffirmingcare@hcai.ca.gov**.

Reminders for providers

1. Be the best advocate for your patients in continuing access to medically-necessary care.
   a. Ensure your patients lab work, prescriptions, etc. are as up to date as possible.
   b. Expedite initiating care for any patients that are ready to begin care.
   c. **Gender Affirming Care for Youth: What Providers Need to Know (HCAI)**
   d. **Gender Affirming Care Services (Medi-Cal)**
   e. **Gender Affirming Care Supply Order Form - Pucci's Pharmacy**

2. Do not use different diagnostic codes and remain within standards of care.
   a. **World Professional Association for Transgender Health (WPATH)**
   b. **Endocrine Society Gender Dysphoria/Gender Incongruence Practice Guideline**

3. Legal support and educational organizations.
   a. **Good Health Project**
      i. **NEW: Guide for Independent Practices Providing Care to Trans Youth**
   b. **Lawyers for Good Government**
   c. **Movement Advancement Project**

*Providers in California should continue providing medically necessary care and set the **standard for providers nationwide to do the same!***