



LGBTQCAUCUS.LEGISLATURE.CA.GOV

August 19, 2026

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

The Honorable Monique Limón
Senate President pro Tempore
1021 O Street, Suite 8518
Sacramento, CA 95814

The Honorable Robert Rivas
Speaker of the Assembly
1021 O Street, Suite 8330
Sacramento, CA 95814

The Honorable John Laird
Chair, Senate Budget Committee
1020 N Street, Room 502
Sacramento, CA 95814

The Honorable Jesse Gabriel
Chair, Assembly Budget Committee
1021 O Street, Suite 8230
Sacramento, CA 95814

RE: Urgent Request for Emergency Backfill to Protect Access to Transgender Health Care in Response to Federal Cuts

Dear Governor Newsom, Pro Tem Limón, Speaker Rivas, Chair Laird, and Chair Gabriel:

On behalf of the California Legislative Lesbian, Gay, Bisexual, Transgender, and Queer (LGBTQ) Caucus, we write to respectfully urge you to take quick action to appropriate \$10 million in response to the U.S. Centers for Medicare and Medicaid Services (CMS) final rule published on August 13, 2026 prohibiting federal Medicaid and Children's Health Insurance Program (CHIP) funding from being used to pay for critical gender-affirming medical care, including hormonal therapy and surgical care, for young people in Medi-Cal programs. The rule will take effect on October 13, 2026 – less than two months away.

This additional funding in the current budget year will ensure that, in the short-term, medically-necessary and legally protected health care can continue for transgender youth that rely on Medi-Cal. Additionally, we request your commitment to work with us during the Fall to develop a sustainable state-only billing pathway to maintain reimbursement for Medi-Cal providers that are committed to providing this health care, even in the face of hostile federal actions.

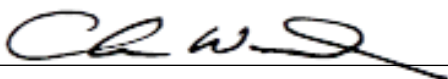
Medi-Cal and CHIP are lifelines for thousands of transgender Californians and their families, and the devastating impacts of these cuts cannot be understated. California is home to the largest transgender, gender-diverse, and intersex (TGI) population in the nation, including an estimated 263,700 transgender adults and 84,600 transgender youth. The state has long led the country in recognizing gender-affirming health care as medically necessary, evidence-based treatment essential to the health and well-being of TGI people. Under California law, individuals are guaranteed access to medically necessary gender-affirming health care without discrimination, and state-regulated Medi-Cal and all Medi-Cal managed health plans are required to cover medically necessary gender-affirming health care for adults and youth.

We are grateful to you for the historic investments included in this year's Budget Act to protect and strengthen TGI health care in California in the face of growing federal attacks. However, the \$26 million secured in this year's budget to establish the TGI Health Care Fund was designed to provide operational support to sustain California's gender-affirming health care provider network and infrastructure; and the \$30 million included to replenish the Uncompensated Care Fund is used to compensate providers of abortion, contraception, and gender-affirming health care for individuals below 400% FPL who are uninsured or otherwise not eligible for Medi-Cal programs. Neither program was intended to backfill provider reimbursements for services to patients enrolled in Medi-Cal impacted by this new rule. A set-aside for a state-only billing pathway was asked for in the original request for the TGI Health Care Fund, but that set-aside was not ultimately included in the enacted budget. Sweeping funding from the TGI Health Care Fund or the Uncompensated Care Fund to cover the losses from this new rule will make it impossible for these existing programs to accomplish their intended purposes, further exacerbating the problem. Without immediate action from the state to appropriate additional dollars in response, reimbursement for providers offering this medically-necessary health care will be disrupted – threatening access to gender-affirming health care for young people who rely on Medi-Cal programs, and potentially resulting in some providers permanently stopping care.

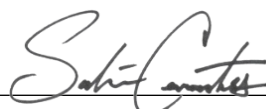
Therefore, we are requesting that the legislature urgently allocate \$10 million to cover the total annual amount of services impacted by this final rule, including the loss of federal funding before the end of this year's session on August 31. Further, we request your commitment to partner with us to establish a separate, state-only billing pathway within Medi-Cal by next year.

Thank you for your careful consideration and attention to this urgent request. We in the LGBTQ Caucus look forward to continuing our work with you in the coming days to find both short-term and permanent solutions to ensure that all Californians can continue to access lifesaving health care. If you have any questions please do not hesitate to contact the undersigned members or contact our Assembly Caucus Consultant, Natalia Garcia, at Natalia.Garcia@asm.ca.gov, and Senate Caucus Consultant, Jacob Fraker, at Jacob.Fraker@sen.ca.gov.

Sincerely,



**Assemblymember Chris Ward,
Chair**



**Senator Sabrina Cervantes,
Vice Chair**