



## **Joint Hearing**

### **Senate Budget Subcommittee #3 on Health and Human Services Assembly Budget Subcommittee #1 on Health**

*Senator Caroline Menjivar and Assemblymember Dawn Addis, Chairs*

## **Agenda**

**Monday, April 6, 2026**

**2:30pm, or Upon Adjournment of Senate Session, Room 127**

### ***Oversight Hearing:***

### ***Access to Gender Affirming Care in California***

#### **I. LEGAL LANDSCAPE AND ACCESS TO GENDER AFFIRMING CARE**

Presentations by:

#### Department of Justice

Neli Palma  
Senior Assistant Attorney General  
California Department of Justice

Crystal Adams  
Deputy Attorney General  
California Department of Justice

Department of Managed Health Care

Mary Watanabe  
Director  
Department of Managed Health Care

Dan Southard  
Chief Deputy Director  
Department of Managed Health Care

Sarah Ream  
Chief Counsel  
Department of Managed Health Care

Department of Health Care Services

Tyler Sadwith  
Chief Deputy Director of Health Care Programs and State Medicaid Director  
Department of Health Care Services

**II. HOW PROVIDERS AND FAMILIES NAVIGATE ACCESS TO GENDER AFFIRMING CARE**

Presentations by:

Dr. Johanna Olson-Kennedy  
Director  
Prosilio Care

JM Jaffe  
Executive Director  
Lyon-Martin Community Health Services

Rhaetia Hanscum  
Parent

Will Lohf  
Patient

Jane Doe  
Parent

**III. PUBLIC COMMENT**

**SENATE BUDGET SUBCOMMITTEE #3 – HEALTH AND HUMAN SERVICES  
ASSEMBLY BUDGET SUBCOMMITTEE #1 - HEALTH  
JOINT HEARING – MONDAY, APRIL 6<sup>TH</sup>, 2026**

**BACKGROUND INFORMATION**

**ACCESS TO GENDER AFFIRMING CARE IN CALIFORNIA**

**Transgender Californians and Gender Affirming Care.** The United States is home to 2.1 million adults and 724,000 youth who identify as transgender. Of the 2.1 million adults who identify as transgender, 32.7 percent are transgender women, 34.2 percent are transgender men, and 33.1 percent are non-binary. California is home to the largest population of transgender people in the nation, with 263,700 adults and 84,600 youth identifying as transgender in California, representing 0.86 percent of California adults and 3.15 percent of California youth.<sup>1</sup>

Transgender people typically experience some degree of gender incongruence, defined by the World Health Organization (WHO) as a marked and persistent incongruence between an individual’s experienced gender and their assigned sex at birth<sup>2</sup>. Gender dysphoria, a term used to describe transgender people experiencing psychological distress or unease resulting from gender incongruence, is often the diagnosis that allows transgender people to have access to treatment.

According to a document published by the United States Department of Health and Human Services (HHS) Office of Population Affairs, gender affirming care is a supportive form of healthcare that consists of an array of services that may include medical, surgical, mental health, and non-medical services for transgender and non-binary people.<sup>3</sup> These interventions can help align emotional, interpersonal, and biological aspects of transgender people’s lives with their gender identity, and may include, but not be limited to, counseling, changes in social expression, hormone therapy, or surgery.

Transgender and nonbinary youth are at particular risk of serious adverse effects related to gender dysphoria, with an increased risk of experiencing depressed mood, seriously considering suicide, and attempting suicide compared to cisgender lesbian, gay, bisexual, queer, and questioning youth. Transgender males and transmasculine nonbinary youth were at even higher risk for these negative outcomes.<sup>4</sup> The 2024 U.S. National Survey on the Mental Health of LGBTQ+ Young People, conducted by The Trevor Project, found that 47 percent of transgender women, 52 percent of transgender men, and 43 percent of nonbinary/genderqueer individuals had considered suicide in the past year, with 14 percent of transgender women, 18 percent of transgender men, and 13 percent of nonbinary/genderqueer individuals having actually attempted suicide. Transgender and

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<sup>1</sup> Herman, Jody, and Flores, Andres. “How Many Adults and Youth Identify as Transgender in the United States”. Williams Institute, UCLA School of Law. August 2025.

<sup>2</sup> World Health Organization. “International Classification of Disease 11 (ICD-11)”. Conditions Related to Sexual Health. 2025.

<sup>3</sup> U.S. Department of Health and Human Services. “Gender Affirming Care and Young People”. Office of Population Affairs. <http://opa.hhs.gov/sites/default/files/2023-08/gender-affirming-care-young-people.pdf>. Accessed: April 4, 2026.

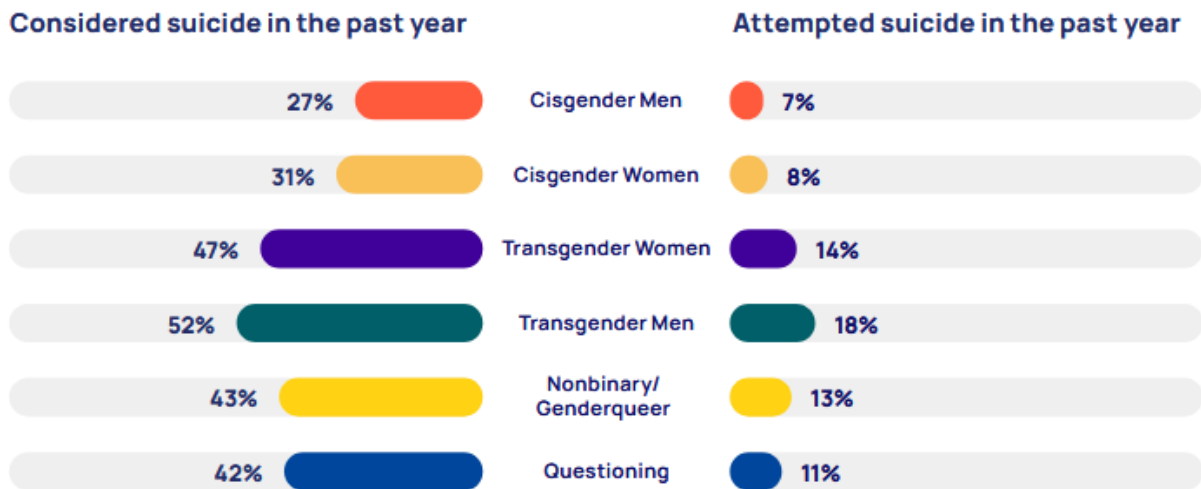
<sup>4</sup> Price-Feeney, M., Green, A., Dorison, S. “Understanding the Mental Health of Transgender and Nonbinary Youth”. Journal of Adolescent Health 66 (2020): 684-690.

nonbinary youth are also at higher risk of anxiety and depression, and 65 percent report feeling discriminated against due to their gender identity.<sup>5</sup>

Affirming care	What is it?	When is it used?	Reversible or not
<b>Social Affirmation</b>	Adopting gender-affirming hairstyles, clothing, name, gender pronouns, and restrooms and other facilities	At any age or stage	Reversible
<b>Puberty Blockers</b>	Using certain types of hormones to pause pubertal development	During puberty	Reversible
<b>Hormone Therapy</b>	Testosterone hormones for those who were assigned female at birth	Early adolescence onward	Partially reversible
	Estrogen hormones for those who were assigned male at birth		
<b>Gender-Affirming Surgeries</b>	“Top” surgery – to create male-typical chest shape or enhance breasts	Typically used in adulthood or case-by-case in adolescence	Not reversible
	“Bottom” surgery – surgery on genitals or reproductive organs		
	Facial feminization or other procedures		

Source: U.S. Department of Health and Human Services Office of Population Affairs (*restored by court order*)

## Rates of considered and attempted suicide among LGBTQ+ young people by gender identity:



Source: 2024 National Survey on the Mental Health of LGBTQ+ Young People. The Trevor Project.

The Trevor Project Survey also found that, among transgender and nonbinary young people, 13 percent reported being on gender-affirming hormones and two percent reported taking puberty

<sup>5</sup> Nath, R., Matthews, D.D., DeChants, J.P., Hobaice, S., Clark, C.M., Tayloer, A.B., Muñoz, G. “2024 U.S. National Survey on the Mental Health of LGBTQ+ Young People”. The Trevor Project. 2024.

blockers. 61 percent of youth on gender-affirming hormones were somewhat or very concerned about losing access to this care. Evidence shows that access to gender affirming care can reduce rates of depression and suicidality among transgender and nonbinary youth, demonstrating the life-or-death importance of ensuring access to gender affirming care.<sup>6</sup>

**Gender Affirming Care Under California Law.** In California, state law has several protections that ensure access to gender affirming care for Californians. According to the Department of Managed Health Care (DMHC), California law prohibits health plans from denying health care or discriminating against individuals because of the individual’s gender, including gender identity or gender expression, and protects the right of Californians to access gender affirming care under the Transgender, Gender Diverse, and Intersex (TGI) Inclusive Care Act, SB 923 (Wiener), Chapter 822, Statutes of 2022. Under state law, any health plan licensed by DMHC or insurer licensed by the California Department of Insurance (CDI) must provide medically necessary gender affirming care to their health plan enrollees. These services include both medical interventions and surgical interventions.

According to the Department of Health Care Services (DHCS), medically necessary gender affirming care is a covered benefit in the Medi-Cal program. DHCS recommends providers refer to nationally recognized clinical practice guidelines emphasizing evidence-based medicine, general clinical consensus, and alignment with the current standard of care for gender affirming care services consistent with, but not limited to, the World Professional Association for Transgender Health, the Endocrine Society, the American Academy of Pediatrics, and the American Psychological Association. DHCS requires services to be provided timely and to include the following core services: 1) pharmacy services, including prescription, hormone and puberty-blocking medications; and 2) medical services, including mental and behavioral health services as well as a variety of surgical procedures and other treatments, including ancillary services incident to those services.<sup>7</sup>

In the Covered California health benefit exchange, health plans offered on the exchange are required under state law to offer gender affirming care services, as DMHC-licensed health care service plans. However, the federal Centers for Medicare and Medicaid Services (CMS) finalized a rule in 2025 to prohibit exchange plans from treating “sex trait modification procedures” as an essential health benefit under the Affordable Care Act.<sup>8</sup> This rule had the effect of disallowing the use of federal premium subsidies for the portion of premiums in Covered California plans that supports gender affirming care. In California, as a result of this adverse federal action, the 2025 Budget Act included expenditure authority of \$15 million annually from the Health Care Affordability Reserve Fund, and the Legislature approved trailer bill language, to require Covered California plans to continue to offer gender affirming care benefits, consistent with state law, and support payments by Covered California to health plans to defray the cost of offering state-mandated gender-affirming care benefits in the exchange.

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<sup>6</sup> Green, A., DeChants, J.P., Price, M., Davis, C.K. “Association of Gender-Affirming Hormone Therapy with Depression, Thoughts of Suicide, and Attempted Suicide Among Transgender and Nonbinary Youth”. *Journal of Adolescent Health* 70 (2022): 643-649.

<sup>7</sup> Department of Health Care Services. “Medi-Cal Provider Manual – Gender Affirming Care Services”. November 2025.

<sup>8</sup> 45 Code of Federal Regulations Parts 147, 155, and 156. “Patient Protection and Affordable Care Act; Marketplace Integrity and Affordability”. Final Rule – June 25, 2025.

Health care providers in California are also subject to specific protections and responsibilities under state law. According to the California Department of Justice, California law prohibits medical boards that certify health professionals from denying licensure or otherwise disciplining providers based on the performance, recommendation, or provision of gender affirming care. Staff privileges similarly cannot be denied or restricted based on any out-of-state action against a healthcare practitioner for providing gender affirming care. Recent federal threats, particularly from a federal directive from the Office of Management and Budget freezing or pausing federal funding for gender affirming care, prompted Children’s Hospital Los Angeles and other providers to end delivery of gender affirming care. The California Department of Justice issued a letter in response reminding these providers of their obligations under state anti-discrimination law to provide equal access to health care services.<sup>9</sup>

**Federal Threats to Access to Gender Affirming Care.** The federal government under the Trump Administration has systematically and methodically attempted to erase transgender people from existence, threatening coverage for, and access to, gender affirming care, and eliminating resources and references to transgender people from websites, monuments, and public spaces. In addition, the Administration has placed restrictions on the ability of transgender and gender diverse people to obtain accurate identity documents, including passports. Demonstrating the Trump Administration’s commitment to this project, the U.S. Department of Health and Human Services document on gender affirming care cited earlier in this background paper had been removed by the federal Administration, but was required to be restored pursuant to a court order, with the following message preceding the document:

“Per a court order, HHS is required to restore this website to its version as of 12:00 AM on January 29, 2025. Information on this page may be modified and/or removed in the future subject to the terms of the court’s order and implemented consistent with applicable law. Any information on this page promoting gender ideology is extremely inaccurate and disconnected from truth. The Trump Administration rejects gender ideology due to the harms and divisiveness it causes. This page does not reflect reality and therefore the Administration and this Department reject it.”<sup>10</sup>

This message, appended to a document providing information and resources for youth seeking gender affirming care, encapsulates the inherent conflict between a federal Administration refusing to acknowledge the rights, dignity, or very existence of transgender people, and the vast array of state and local governments, medical professionals and associations, researchers, the legal community, and ordinary people determined to stand up to hatred and bigotry institutionalized at the highest levels of the federal government.

Unfortunately, the damage wrought by the Trump Administration extends beyond defacing resources on gender affirming care on federal websites. Over the past year, the federal government has taken a series of escalating administrative and regulatory actions aimed at restricting access to gender affirming health care, particularly for youth. Recent actions include the “Kennedy Declaration” and two recent Centers for Medicare and Medicaid Services proposed federal rules -

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<sup>9</sup> California Department of Justice. “Attorney General Bonta Reminds Hospitals and Clinics of Anti-Discrimination Laws Amid Executive Order on Gender Affirming Care”. February 5, 2025.

<sup>10</sup> United States Department of Health and Human Services.

- though a broader pattern of executive orders, DOJ directives, and federal actions has created a climate of uncertainty among providers and patients nationwide regarding the availability of medically-necessary gender affirming health care.

### The Kennedy Declaration

On December 18, 2025, U.S. Health and Human Services Secretary Robert F. Kennedy Jr. issued a formal declaration stating that gender affirming care for minors is "neither safe nor effective as a treatment modality for gender dysphoria, gender incongruence, or other related disorders in minors" and that those services therefore fail to meet professionally recognized standards of care. The declaration created a pathway to bar any provider such as hospitals, clinics, or private practices, from participating in Medicare and Medicaid based solely on their provision of gender affirming care for youth. Unlike the proposed rules described below, the declaration was not subject to a notice and comment period, meaning it could take effect without the typical regulatory safeguards.

Following the declaration's issuance, HHS referred 13 major academic medical institutions, including NYU Langone Health, Seattle Children's Hospital, Children's Hospital Colorado, Lurie Children's Hospital of Chicago, and Boston Children's Hospital, to the department's Inspector General's office for investigation.<sup>11</sup>

Twenty-one states, including California, representing more than a third of states, challenged the declaration in federal court. On March 19, 2026, a U.S. District Court decision vacated the Kennedy Declaration, finding that Secretary Kennedy had not followed required administrative procedures before issuing it. The court found that the declaration lacked the authority to establish superseding standards of care to exclude providers from federal health care programs. The ruling is expected to be appealed.

### Proposed Federal Rules

Also on December 18, 2025, CMS issued two proposed rules that would further restrict access to gender affirming care for youth through the Medicare and Medicaid programs.

The first -- the proposed Conditions of Participation (CoP) rule -- would prohibit most Medicare and Medicaid enrolled hospitals from providing specified gender affirming medical care, including puberty blockers, hormone therapy, and surgery, to individuals under age 18, regardless of payer. This means the prohibition would apply to all patients at covered hospitals, including those with private insurance or paying out of pocket, not just Medicaid enrollees. It is important to note that while the proposed rule covers puberty blockers, hormone therapy, and surgery, utilization of these services among youth is relatively rare, and surgical procedures are particularly uncommon. The proposed rule itself identifies only 85 surgeries performed in covered facilities on youth over the course of one year nationwide, representing less than 0.0003 percent of youth under 18 in the United States.

If the proposed CoPs rule were finalized, most hospitals would be prohibited from providing gender affirming care services for youth. Because nearly 44 percent of all hospital care spending nationally comes from Medicare and Medicaid payments, it is considered highly unlikely that hospitals would opt out of those programs to preserve gender affirming care services. CMS

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<sup>11</sup> <https://www.nytimes.com/2026/03/19/us/rfk-jr-transgender-care-ruling.html>

estimates the proposed rule would impact approximately 8,570 young people nationally, accounting for states that already restrict youth access to gender affirming care. Although gender affirming services could still theoretically be provided outside of hospitals subject to the proposed CoP rule, patients may need to travel farther and pay more to receive care. They may also face challenges finding specialized pediatric gender clinics, which are often based in hospital settings. CMS itself assumes that approximately half of those estimated to be impacted, or roughly 4,285 youth, would stop receiving care entirely.

The second rule -- the proposed Medicaid rule -- would prohibit the use of federal Medicaid and CHIP funds to cover the same specified gender affirming care services for youth, regardless of provider type. The specified services are the same pharmaceutical and surgical services the CoPs proposed rule seeks to bar. Unlike the CoPs proposal, which applies at the facility level regardless of insurance, the Medicaid rule restricts coverage based on the patient's coverage source, meaning it would apply to any provider type, including primary care providers and endocrinologists, not just hospitals. The Kaiser Family Foundation estimates that approximately 270,000 transgender youth are covered by Medicaid or CHIP nationally, approximately 138,000 of whom live in states without existing state-level bans and could face insurance limitations under the proposed rule. CMS estimates that Medicaid spent about \$31 million on the specified services for enrollees aged 18 years and younger in 2023. This represents about 0.003 percent of all Medicaid spending that year.<sup>12</sup>

Both rules were subject to a 60-day public comment period following their December 2025 publication. Public comment period on both proposed rules has closed, but neither rule has been finalized. If finalized, both are expected to face significant legal challenges.

#### *Other Federal Actions on Gender Affirming Care*

The Kennedy Declaration and proposed CMS rules are part of a broader pattern of federal actions targeting gender affirming care. Key additional actions include:

- The Department of Veterans Affairs rescinded Veterans Health Administration Directive 1341(4) on March 14, 2025, ending prior guidance related to transgender and intersex veterans and initiating a review to medical benefits package.
- The Department of Defense issued a memorandum in May 2025 excluding several forms of gender affirming care for individuals under 19 from TRICARE coverage.
- The Office of Personnel Management issued a Carrier Letter in August 2025 eliminating coverage of gender affirming care for transgender people of all ages under the Federal Employees Health Benefits Program and Postal Service Health Benefits Program beginning January 2026.

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<sup>12</sup> <https://www.kff.org/lgbtq/new-trump-administration-proposals-would-further-limit-gender-affirming-care-for-young-people-by-restricting-providers-and-reducing-coverage/>

- The CMS Marketplace Integrity and Affordability Final Rule, published in June 2025, designated specified gender affirming procedures as non-essential health benefits for Qualified Health Plan enrollees.

**California's Response: Protecting Access to Gender Affirming Care.** California has responded to federal actions through a combination of legal challenges, new statutory protections, budget investments, and attorney general enforcement actions.

### Legal Actions

The California Department of Justice has been among the most active state attorneys general in challenging federal restrictions on gender affirming care. Key legal actions include:

- In August 2025, the California Attorney General (AG) co-led a multistate coalition suing the Trump Administration over Executive Order 14187, which sought to restrict gender affirming care for individuals under 19 by removing coverage for gender-affirming care from federal health insurance policies, modifying requirements under the Affordable Care Act, and preventing hospitals or other providers who accept Medicare or Medicaid, or receive federal research funding, from providing such care.<sup>13</sup>
- In December 2025, the California AG joined 18 other attorneys general in filing suit against the Kennedy Declaration. The declaration was ultimately vacated by a federal court on March 19, 2026.<sup>14</sup>
- In January 2026, Attorney General Bonta filed suit against Rady Children's Health for closing its gender affirming care program for patients under age 19, arguing that the closure violated legally binding conditions placed on Rady's merger with Children's Hospital of Orange County, and sought a permanent injunction requiring restoration of services.<sup>15</sup>
- The California AG also filed amicus briefs opposing federal restrictions on gender affirming care<sup>16</sup>, issued guidance to California providers and insurers clarifying their obligations under state anti-discrimination laws<sup>17</sup>, and put Children's Hospital Los Angeles on notice of its obligations following reports that it had paused hormone therapies for gender affirming care patients.<sup>18</sup>

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<sup>13</sup> <https://oag.ca.gov/news/press-releases/attorney-general-bonta-files-lawsuit-against-trump-administration%E2%80%99s-unlawful>

<sup>14</sup> <https://oag.ca.gov/news/press-releases/attorney-general-bonta-files-lawsuit-challenging-trump-administration%E2%80%99s>

<sup>15</sup> <https://oag.ca.gov/news/press-releases/attorney-general-bonta-sues-rady-children%E2%80%99s-health-illegally-ending-gender>

<sup>16</sup> <https://oag.ca.gov/news/press-releases/attorney-general-bonta-california-remains-unwavering-our-commitment-protecting>

<sup>17</sup> <https://oag.ca.gov/news/press-releases/know-your-rights-attorney-general-bonta-issues-guidance-gender-affirming-care>

<sup>18</sup> <https://oag.ca.gov/news/press-releases/attorney-general-bonta-reminds-hospitals-and-clinics-anti-discrimination-laws>

### 2025 Budget Action

The 2025 Budget Act included a direct response to protect access to gender affirming care in Covered California plans. As noted above, the CMS Marketplace Integrity and Affordability Final Rule designated gender affirming procedures as non-essential health benefits, which would otherwise require California to defray the costs of providing that coverage. The 2025 Budget Act authorized Covered California to provide payments to health plans to defray those costs and appropriated up to \$15 million from the Health Care Affordability Reserve Fund, a non-General Fund source, for this purpose.

## **ISSUES FOR CONSIDERATION**

**State Protections to Ensure Access to Gender Affirming Care.** It has been clear since January 2025 that the Trump Administration is engaging in a systematic effort to deny the basic dignity and legal rights of transgender Americans in nearly every way, but particularly regarding access to gender affirming care services. While the California Department of Justice, in partnership with other states and allied entities, is defending transgender Californians from this institutionalized assault on their rights, the current makeup of the federal judiciary suggests that hatred and bigotry may prevail. Given these realities, the Legislature may wish to consider whether there are additional legal protections needed in state law to protect access to gender affirming care for transgender Californians.

**Ensuring Adequate Funding for Delivery of Gender Affirming Care Services in California.** Despite the current protections in state law for gender affirming care, and legal actions to protect Californians from adverse federal actions, the status of federal funding for gender affirming care is a significant threat to access for transgender Californians. Providers may be threatened with loss of eligibility to participate in federal programs, health plans may be threatened with loss of federal funding, and the availability of certain drugs for use as hormone therapy or puberty blockers for transgender Californians may be at risk. The Legislature may wish to consider developing a state-based framework that can ensure access to gender affirming care for Californians in the face of federal threats. The Legislature may also wish to consider whether existing state entities, like CalRx, could help secure access to gender affirming care drug products that could be at risk from federal threats.

**Questions.** The subcommittees have requested the panelists to address the following:

### PANEL 1: LEGAL LANDSCAPE AND ACCESS TO GENDER AFFIRMING CARE

#### Department of Justice (DoJ):

1. Please provide an overview of current state law and regulations governing the rights of Californians to seek gender affirming care and the responsibility of providers.
2. Please describe the legal actions undertaken by the Department of Justice to defend Californians from threats to access to gender affirming care from the federal government.

3. How is the Department of Justice responding to hospitals and other health care providers that are preemptively eliminating access to gender affirming care in response to federal threats?
4. Are there any statutory changes or other actions the Legislature should consider to strengthen protections for Californians seeking gender affirming care and ensuring access?

Department of Health Care Services (DHCS):

1. Please provide an overview of Medi-Cal coverage for gender affirming care in California.
2. What are the responsibilities of Medi-Cal providers to ensure access to gender affirming care for Medi-Cal beneficiaries?
3. Does DHCS track the adequacy of provider networks for the delivery of gender affirming care? What measures exist for how easy or difficult it is for Medi-Cal beneficiaries to access gender affirming care?
4. How are Medi-Cal providers navigating the threats from the federal government, given their responsibilities under state law, and what guidance has DHCS given to providers on their responsibilities?
5. Are there any statutory changes or other actions the Legislature should consider to strengthen protections for Medi-Cal beneficiaries seeking gender affirming care and ensuring access?

Department of Managed Health Care (DMHC):

1. Please provide an overview of how gender affirming care is offered by commercial health plans.
2. How, if at all, do commercial health plans ensure access to gender affirming care for their members in California?
3. Does DMHC track the adequacy of provider networks for the delivery of gender affirming care? What measures exist for how easy or difficult it is for Californians enrolled in a commercial health plan to access gender affirming care?
4. Are there any statutory changes or other actions the Legislature should consider to strengthen protections for Californians enrolled in commercial health plans to access gender affirming care?

PANEL 2: HOW PROVIDERS AND FAMILIES NAVIGATE ACCESS TO GENDER AFFIRMING CARE

Provider Panelists:

1. Please provide a description of the process for patients seeking gender affirming care in your practice, for both youth and adults.
2. What are the most common types of gender affirming care sought by your patients?
3. Does your practice see many patients that have been denied access to gender affirming care elsewhere?
4. What are the barriers you experience as a provider in delivering access to gender affirming care to your patients?
5. What changes or reforms should the Legislature consider to improve the delivery of, and access to, gender affirming care for Californians?

Family Panelists:

1. Please describe your or your family's experience in trying to access gender affirming care in California. How would you describe the typical experience for transgender youth or adults in seeking gender affirming care in California?
2. Did you first approach your regular primary care provider, or did you seek out resources on providers competent in the delivery of health care for transgender people?
3. Have you been denied access to gender affirming care by a provider, or been provided care that was not competent or relevant?
4. What has been your experience with health care coverage, in either Medi-Cal or the commercial health plan market, for gender affirming care?
5. What reforms or changes should the Legislature consider to ensure you or your family has access to gender affirming care in California?