DHCS All Plan Letter Summary

To: Medi-Cal network participants November 2026

Subject: All Plan Letter 26-018: Federal Reimbursement Limitation on Gender-Affirming Care Services for Youth

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The Department of Health Care Services (DHCS) recently issued All Plan Letter (APL) 26-018, "Federal Reimbursement Limitation on Gender-Affirming Care Services for Youth." We are sharing a summary of this APL with you to ensure you are aware of the information, and you can apply the information to your practice or facility operations, where appropriate.

APL 26-018 provides guidance to managed care plans (MCPs) such as Blue Shield of California Promise Health Plan about requirements for gender-affirming care services for youth in relation to a newly promulgated Final Rule from the federal Centers for Medicare & Medicaid Services (CMS).

Effective October 13, 2026, the Final Rule prohibits states from claiming federal Medicaid and Children's Health Insurance Program (CHIP) matching funds for specified gender-affirming care services furnished to Medi-Cal members under age 18 and CHIP members under age 19.*

APL summary

- Effective for dates of service on or after **October 13, 2026**, Medi-Cal and MCPs will no longer reimburse the following services for Medi-Cal members under the age of 18 or for CHIP members under the age of 19 when provided as part of gender-affirming care:
  - Surgical interventions (e.g., mastectomy or breast augmentation)
  - Puberty blockers and associated professional services
  - Hormone therapy and associated professional services
    - Members who are already taking gender-affirming hormones as of October 13, 2026, may continue to have these medications reimbursed through **April 12, 2027**, to allow for a transition period. After April 12, 2027, these medications will be reimbursed with state-only funding from the Department of Health Care Access and Information (HCAI) grant program.
    - This transition period does not apply to puberty blocking medications or surgical interventions.
- MCPs are advised to continue to cover the services above to treat medical conditions other than gender dysphoria.
- The APL advises MCPs to cover all other medically necessary services for Medi-Cal members under the age of 18 and CHIP members under the age of 19, including office visits, lab tests, speech therapy, and psychotherapy, whether they are associated with the treatment of gender dysphoria or not.
- MCPS are also advised to cover services needed to treat complications that have been caused or exacerbated by the provision of the non-reimbursable services noted above.

- Providers with gender-affirming surgical interventions scheduled for patients on or after October 13, 2026, with prior authorization already approved, may contact HCAI to request state-only funding for those services. Visit the HCAI website to learn more.
- Additional information is pending from HCAI about access to state funds for hormone therapy and puberty blockers. In the interim, providers should not cancel services or redirect members.
- APL 26-018 includes member notification requirements related to this change in benefits, which MCPs are advised to complete as soon as feasible.

This summary is only meant as a brief description of the APL. Please see the APL itself for additional background and the complete requirements. The full text of APL 26-018 may be found at this URL: https://www.dhcs.ca.gov/wp-content/uploads/2026/09/APL-26-018-GAC.pdf
(Links to the websites above will take you off the Blue Shield Promise website.)

Resources

- **HCAI email:** genderaffirmingcare@hcai.ca.gov
- **HCAI program information:** Gender Affirming Care and Reproductive Health
- **DHCS Provider Bulletin:** New Federal Reimbursement Limitations on Gender Affirming Care for Youth, Effective October 13, 2026

* Federal guidance for identifying CHIP members versus Medicaid (i.e., Medi-Cal) members:
  - CHIP members are in aid code 2C (0 through 18 years of age).
  - Medicaid members are any individual from 0 through 17 years of age who is **not** in aid code 2C.

If you have questions about providing gender-affirming care to youth, please contact our Blue Shield Promise Provider Services team at **(800) 468-9935** from 6 a.m. to 6:30 p.m., Monday through Friday.