

Date of Hearing: April 14, 2026

ASSEMBLY COMMITTEE ON HEALTH
Mia Bonta, Chair
AB 1949 (Lee) – As Amended March 16, 2026

SUBJECT: Medi-Cal: acupuncture treatments.

SUMMARY: Makes three changes to ease restrictions on the Medi-Cal acupuncture benefit. Specifically, **this bill:**

- 1) Requires continued coverage of acupuncture in the Medi-Cal program, even if federal matching funds are no longer available.
- 2) Changes the number of allowable services without prior authorization to 24 per year instead of the current “2-per-month” collective cap on a group of services that includes acupuncture, audiology, chiropractic, occupational therapy, podiatry and speech therapy.
- 3) Specifies that the coverage of 24 services per year on acupuncture benefits is not subject to utilization controls.

EXISTING LAW:

- 1) Establishes the Medi-Cal program, which is administered by the Department of Health Care Services, and under which qualified low-income individuals receive health care services. [Welfare and Institutions Code (WIC) § 14000, *et seq.*]
- 2) Establishes a schedule of benefits under the Medi-Cal program, which includes benefits required under federal law and benefits provided at the state’s option, both of which are funded with federal and state dollars. The schedule of benefits includes acupuncture, provided that federal matching funds are available. [WIC § 14132]

FISCAL EFFECT: Unknown. This bill has not been analyzed by a fiscal committee.

COMMENTS:

- 1) **PURPOSE OF THIS BILL.** According to the author, acupuncture is a crucial treatment for debilitating health conditions, and we cannot eliminate this health benefit for low-income Californians. This bill is intended to improve access to the proven benefits of acupuncture by allowing the medically necessary number of treatments per month while maintaining the overall cost controls for the benefit.
- 2) **BACKGROUND.**
 - a) **Benefits in Medicaid and Medi-Cal.** At the federal level, the Medicaid program includes mandatory benefits all states must cover, including, for instance, physician services, long-term care, and inpatient care. Other benefits are covered at state option for adults, including pharmacy, dental, and acupuncture. States generally receive federal matching funds that reimburse states for 50% to 90% of the costs of the health care service. The state Medi-Cal program also covers some benefits and populations for which

there is no federal match available using solely state funds, but most benefits are eligible for federal matching funds.

- b) Acupuncture.** According to the Cleveland Clinic, acupuncture is a treatment that uses very thin steel needles inserted into skin to stimulate specific points throughout the body, including the back, neck, head and face. The goal of acupuncture is to relieve a health condition or symptom, such as pain. According to Johns Hopkins Medicine, the practice comes from Traditional Chinese Medicine (TCM). TCM believes that the body's vital energy, called qi (pronounced chi), flows along specific channels or meridians. The use of acupuncture on certain points within the meridians is believed to improve the flow of blocked or stagnant qi, which improves health. Scientific studies have confirmed the effectiveness of acupuncture for a variety of conditions. Acupuncturists are licensed in California by the California Acupuncture Board.
- c) Medi-Cal Coverage of Acupuncture.** According to the Medi-Cal provider manual:
- i)** Acupuncture services are covered when used to prevent, modify, or alleviate the perception of severe, persistent chronic pain resulting from a generally recognized medical condition.
 - ii)** Outpatient acupuncture services are subject to a limit of two services in any one calendar month or any combination of two services per month from the following services: acupuncture, audiology, chiropractic, occupational therapy, podiatry and speech therapy.
 - iii)** Additional services can be provided based upon medical necessity through prior authorization.

The limit of two services per month serves as a de facto annual limit of 24 services per year, which this bill would maintain. However, the 24-service cap is a collective cap that applies to a combined group of services, as listed above. Although this policy applies in Fee-for-Service and sets baseline coverage for what must be covered by Medi-Cal, Medi-Cal managed care plans may have more generous coverage policies at the plans' discretion. For instance, the Molina Medi-Cal handbook states that certain services, including acupuncture, audiology, and chiropractic care, are approved for up to two visits per month without prior authorization, and makes no mention of a collective cap on a group of services. The Molina handbook also, similarly, notes that additional services may be available with prior authorization.

It is possible that patients whose treatment plan requires a higher intensity of acupuncture treatment than twice per month—or those who use acupuncture, audiology, chiropractic, occupational therapy, podiatry and speech therapy—exhaust their allowable visits under current Medi-Cal policy and need to seek prior authorization for additional services. It is unclear how large a practical barrier prior authorization poses in this case, but prior authorization generally creates friction between a health care provider's order for a service and the delivery of a service.

- d) Optional Benefits Have Been Considered for Elimination to Reduce State Costs.** Optional Medi-Cal benefits for adults have often been considered for elimination as a cost-saving measure. Optional benefits must be covered for children up to age 21 under

federal Medicaid requirements, but coverage for adults is at state option. The Medi-Cal acupuncture benefit for adults was eliminated in 2009 as a cost-saving measure and reinstated in 2016. In 2025, the Administration again proposed to eliminate acupuncture services as a cost-saving measure, but this proposal was rejected by the Legislature.

- 3) **SUPPORT.** According to California Acupuncture Coalition (CAC), the trade association representing acupuncturists and the sponsor of this bill, acupuncture is a critical form of care with demonstrated benefits for pain management, mental health, addiction treatment, nausea related to chemotherapy, and a range of other conditions and offers an effective low-risk treatment option when conventional approaches may be limited or carry added complications. The CAC explains effective care typically requires multiple visits per week over a treatment period and that the current two visits per month limit prevents therapeutic dosing. This bill is also supported by the U.S. Pain Foundation.
- 4) **RELATED LEGISLATION.** SB 944 (Wiener) would require the continued coverage of acupuncture in the Medi-Cal program, even if federal matching funds are no longer available. SB 944 is pending in the Senate Appropriations Committee.
- 5) **PREVIOUS LEGISLATION.**
 - a) AB X3 5 (Evans), Chapter 20, Statutes of 2009, eliminated Medi-Cal coverage of several optional benefits, including acupuncture.
 - b) SB 833 (Committee on Budget and Fiscal Review), Chapter 30, Statutes of 2016, restores acupuncture as a Medi-Cal benefit for all eligible members, effective July 1, 2016.
- 6) **POLICY COMMENTS.**
 - a) Statute currently mandates coverage of acupuncture services, but like all optional services, the state has in the past made changes through the budget to eliminate funding and corresponding statutory authority for acupuncture and other optional services. Changing statute will not necessarily prevent future consideration of changes to the benefit.
 - b) This bill makes changes to lift limitations on acupuncture benefits, but it makes no such changes to other services that are subject to a collective cap. This raises an issue of policy inconsistency between treatment of acupuncture and treatment of other optional benefits. However, since the two-per-month cap on a particular group of services does not appear to have a strong clinical evidence basis, it is unclear how to remedy such a newly created inconsistency without significantly expanding this proposal to all service types in the “two-per-month” category.
- 7) **AMENDMENTS.** The author has agreed to accept committee-recommended amendments to strike the prohibition of utilization controls, as shown below. Utilization controls are a widely used and important tool in health care programs to enhance program integrity, ensure appropriate care, and control costs.

14133.03. (a) The Medi-Cal program shall cover up to 24 acupuncture visits per beneficiary per calendar year. **Notwithstanding Section 14133.15 or any other law and except as provided in subdivision (b), this benefit is not subject to utilization controls.**

REGISTERED SUPPORT / OPPOSITION:

Support

California Acupuncture Coalition (sponsor)

U.S. Pain Foundation

Several individuals

Opposition

None on file

Analysis Prepared by: Lisa Murawski / HEALTH / (916) 319-2097