GOVERNOR'S VETO
AB 1949 (Lee)
As Enrolled August 30, 2026
2/3 vote

SUMMARY

Changes the number of allowable services in Medi-Cal 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. Specifies, consistent with current practice, that additional services can be authorized based on medical necessity.

Senate Amendments
Non-substantive; amendments incorporate chaptering language to resolve conflicts with AB 350 (Bonta) and SB 944 (Weiner).

Governor's Veto Message
I appreciate the author's intent to ensure vulnerable populations maintain access to acupuncture as a treatment option. To that end, Medi-Cal already covers up to two acupuncture services per month, and the Department of Health Care Services can administratively update Medi-Cal policy to align with the generally accepted standard of care without the need for legislation. Further, I do not believe it is appropriate to legislate additional visit requirements outside the annual budget process due to its impact on utilization and costs.

In partnership with the Legislature this year, my administration has enacted a balanced budget that recognizes the challenging fiscal landscape our state faces while maintaining our commitment to working families and our most vulnerable communities. With significant fiscal pressures and the federal government's hostile economic policies, it is vital that we remain disciplined when considering bills with significant fiscal implications that are not included in the budget, such as this measure.

COMMENTS

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.

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.

Medi-Cal Coverage of Acupuncture. According to the Medi-Cal provider manual:

1) 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.

2) 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.

3) 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.

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. The 2026-27 Governor's May Revision to the budget again proposes to delete Medi-Cal acupuncture coverage, effective January 1, 2027, for an ongoing General Fund cost savings of $13.1 million per year.

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.

Arguments in 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, acupuncture colleges, and other stakeholders.

Arguments in Opposition
None on file.

FISCAL COMMENTS

According to the Senate Committee on Appropriations, unknown cost pressures to the Medi-Cal program due to potential increased utilization of optional benefit services (General Fund and federal funds).

VOTES

ASM HEALTH: 15-1-0
YES: Bonta, Chen, Addis, Aguiar-Curry, Ahrens, Caloza, Carrillo, Mark González, Johnson, Patel, Patterson, Rogers, Schiavo, Sharp-Collins, Stefani
NO: Sanchez

ASM APPROPRIATIONS: 11-0-4
YES: Wicks, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache
ABS, ABST OR NV: Hoover, Dixon, Ta, Tangipa

ASSEMBLY FLOOR: 77-0-3
YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
ABS, ABST OR NV: Muratsuchi, Celeste Rodriguez, Tangipa

SENATE FLOOR: 40-0-0
YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ASSEMBLY FLOOR: 78-0-1
YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson,

Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
ABS, ABST OR NV: Tangipa

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