
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

SB 528 (Weber Pierson) - Health care: maintenance and expansion

Version: May 5, 2025

Urgency: No

Hearing Date: May 19, 2025

Policy Vote: HEALTH 8 - 2

Mandate: No

Consultant: Agnes Lee

Bill Summary: SB 528 would require the California Health and Human Services Agency (CHHS) to develop a new program or expand an existing state program, to provide services or benefits that are otherwise covered under the Medi-Cal program but for any lack of, elimination of, reduction in, or limitation on, federal financial participation.

Fiscal Impact: Unknown, significant cost pressures to the General Fund. Actual costs would depend on federal actions and reductions in federal funding for state programs (which is indeterminate at this time but potentially hundreds of millions to several billions), and any state appropriations to develop new programs or expand existing programs.

Background:

Medi-Cal coverage of abortion. The most recent enacted versions of the federal Hyde Amendment prohibits covered funds to be expended for any abortion or to provide health benefits coverage that includes abortion. This restriction, however, does not apply to abortions of pregnancies that are the result of rape or incest ("rape or incest exception"), or where a woman would be in danger of death if an abortion is not performed ("life-saving exception"). As a statutory provision included in annual appropriations acts, Congress can modify, and has modified, the Hyde Amendment's scope over the years, both as to the types of abortions and the sources of funding subject to this restriction. California covers abortions beyond the Hyde Amendment restrictions using exclusively state funds.

Medi-Cal coverage of gender-affirming care. According to the Medi-Cal provider manual, gender-affirming care is a covered Medi-Cal benefit when medically necessary and refers to treatment provided to address incongruence between a person's gender assigned at birth and their gender identity. The manual states that requests for gender-affirming care should be from specialists experienced in providing culturally competent care to transgender and gender diverse individuals, and should use nationally recognized guidelines. The manual further states that nationally recognized medical experts in the field of transgender health care have identified the following core services in providing gender affirming care: mental and behavioral health services, hormone therapy, and a variety of surgical procedures that bring primary and secondary gender characteristics into conformity with the individual's identified gender, including ancillary services, such as hair removal, incident to those services.

Medi-Cal coverage of immigrants. Federal law limits eligibility for Medicaid services to citizens or immigrants with a qualified immigration status, except for specific restricted scope services, which have been interpreted to include emergency and pregnancy-

related services, as well as certain other public health services. As of January 1, 2024, California's Medi-Cal program no longer considers immigration status for purposes of eligibility for individuals of any age, so long as the individual would otherwise be eligible for the program as a low-income resident of California. Individuals not eligible for federal Medicaid funding receive Medi-Cal services through state funding. The Governor's May Revise proposal for 2025-26 includes several proposals to limit or modify these services.

Family PACT. Family PACT provides comprehensive family planning services to women and men, including all U.S. Food and Drug Administration (FDA) approved forms of contraception, emergency contraception, pregnancy testing with counseling, preconception counseling, male and female sterilization, limited infertility services, sexually transmitted infection (STI) testing and treatment, cancer screening, and HIV screening. The family planning and STI testing services are now funded through 90 percent federal funds and 10 percent state funds. STI treatment services and other family planning related services receive a 50 percent federal match.

Proposed Law: Specific provisions of the bill would:

- Require, subject to an appropriation made by the Legislature for this purpose, the CHHS to develop a new program, or to expand an existing state program, as applicable, to provide certain services or benefits that are otherwise covered under the Medi-Cal program but for any lack of, elimination of, reduction in, or limitation on, federal financial participation; and include the following:
 - Provide that the services or benefits may include, but are not limited to, abortion, family planning, and gender-affirming care, as specified.
 - Provide that the target populations may include, but are not limited to, individuals eligible for the Medi-Cal program and other individuals whether or not Medi-Cal beneficiaries, as specified.
 - Create the Health Care Maintenance and Expansion Fund, to be administered by the CHHS, to distribute funding for purposes of the services or benefits described above; and allow CHHS to receive private donations for deposit into the fund.
- Require, subject to an appropriation made by the Legislature for this purpose, the DHCS to develop a new program, or expand any existing state-only-funded health programs, to provide to Medi-Cal beneficiaries certain services or benefits that are otherwise covered under the Medi-Cal program but for any lack of, elimination of, reduction in, or limitation on, federal financial participation.
- Provide that, subject to an appropriation made by the Legislature for this purpose, the State-Only Family Planning Program may be modified and expanded to facilitate implementation of the above provisions, depending on the determinations made by the DHCS or CHHS.

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