Office of Senate Floor Analyses
(916) 651-4171

UNFINISHED BUSINESS

Bill No: SB 944
Author: Wiener (D), et al.
Amended: 8/20/26
Vote: 21

SENATE HEALTH COMMITTEE: 9-0, 3/25/26
AYES: Weber Pierson, Caballero, Durazo, Gonzalez, Menjivar, Padilla, Pérez, Rubio, Smallwood-Cuevas
NO VOTE RECORDED: Valladares, Grove

SENATE APPROPRIATIONS COMMITTEE: 5-0, 5/14/26
AYES: Cervantes, Cabaldon, Grayson, Richardson, Wahab
NO VOTE RECORDED: Seyarto, Dahle

SENATE FLOOR: 35-0, 5/19/26
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Alvarado-Gil, Blakespear, Grove, Niello, Ochoa Bogh

ASSEMBLY FLOOR: Passed, 8/25/26

SUBJECT: Medi-Cal: acupuncture

SOURCE: California Acupuncture Coalition

DIGEST: This bill requires the continued coverage of acupuncture in the Medi-Cal program, even if federal matching funds are no longer available, subject to appropriation.

Assembly Amendments add the requirement that the Legislature make a specific appropriation to maintain coverage should federal matching funds no longer be available for acupuncture services.

ANALYSIS:

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]

This bill requires the continued coverage of acupuncture in the Medi-Cal program, even if federal matching funds are no longer available if the Legislature makes an appropriation for this purpose.

Background

According to the author of this bill:

> This bill removes the provision in California code that requires matching federal funds in order for acupuncture to qualify as a Medi-Cal covered benefit. This move ensures that regardless of the federal landscape, California will step up to ensure our most vulnerable communities are receiving the care they deserve. By enshrining acupuncture as a Medi-Cal covered benefit, this bill brings how Medi-Cal treats acupuncture in line with other forms of care such as occupational therapy, chiropractic care, physical therapy, optometric care, mental health services, pharmacy services, and a number of other critical benefits. By establishing acupuncture as a Medi-Cal provided benefit, this bill helps protect this critical form of care from federal funding cuts.

Federal payment for Medicaid services. The federal Medicaid program, which governs the operation of Medi-Cal in California, contains three different types of covered benefits: mandatory benefits that all states must cover; optional benefits that a state may cover by including the benefits in its Medicaid state plan; and benefits that are not on either list. For either mandatory or optional benefits, the federal rate can range from 50% to 90% of the cost of providing the service, with the state paying the remainder. For the third category of Medicaid benefits, those

that are neither mandatory nor optional, the state is required to pay the entire cost of the benefit. Currently, some Medi-Cal services, such as abortions or services to immigrants not qualified to receive federal Medicaid services, are paid for entirely by the state. Acupuncture is an optional federal benefit for which there is federal payment when a state elects to provide the service.

Medi-Cal provision of acupuncture services. According to the Medi-Cal provider manual, 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. Outpatient acupuncture services (with or without electric stimulation of the needles) are limited to two services in a calendar month, although additional services can be provided based upon medical necessity through prior authorization. In order to address a state budget crisis beginning in 2008, AB X3 5 (Evans, Chapter 20, Statutes of 2009) eliminated Medi-Cal coverage of several optional benefits, including audiology, optometry, podiatry, psychology, speech therapy, acupuncture, chiropractic services, optician and optical laboratory services, incontinence creams and washes, and dental services. When the state's finances were on the rebound, the Legislature passed SB 833 (Committee on Budget and Fiscal Review, Chapter 30, Statutes of 2016) to restore acupuncture as a Medi-Cal benefit for all eligible members. As recently as last year, the Administration proposed in a trailer bill to eliminate acupuncture services as a cost-cutting measure.

Comments

Although this bill was likely prompted by previous cuts or attempts to cut acupuncture services from the Medi-Cal program, this bill's requirement of continued coverage even absent federal financial participation will not prevent future Administrations or Legislatures from attempting to cut acupuncture services in tough budget years as this service is not a mandatory federal benefit. That said, passage of this bill would signal legislative support for acupuncture services.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Assembly Appropriations Committee, General Fund (GF) cost pressures of around $27 million per year, should federal financial participation become unavailable for acupuncture services in the future. The May 2026 Medi-Cal Local Assistance Estimate projects savings of $13.6 million total funds ($5.4 million GF and $8.2 million federal funds) in 2026-27 from eliminating the Medi-Cal acupuncture benefit in January 2027. Thus, the cost of funding the benefit in

the absence of federal matching funds would be approximately $27 million per year (GF).

SUPPORT: (Verified 8/24/26)

California Acupuncture Coalition (Source)
Academy of Chinese Culture and Health Sciences
AIDS Healthcare Foundation
Alhambra Medical University Alumni Association
American Association of Chinese Medicine and Acupuncture
API Health Parity Coalition
APLA Health
Asian Americans Advancing Justice Southern California
Association of Korean Asian Medicine and Acupuncture of America
City and County of San Francisco
Clever Care Health Plan
Dental Board of California
Dongguk University Los Angeles
Family Health Centers of San Diego
Health Access California
Health Alliance of Northern California
Indian Health Center of Santa Clara Valley
Los Angeles LGBT Center
Marin Community Clinics
Neighborhood Healthcare
North Coast Clinics Network
North East Medical Services
Racial and Ethnic Mental Health Disparities Coalition
Santa Cruz Community Clinic
Shasta Community Health Center
Southern California Pacific Islander Community Response Team
The Children's Clinic Serving Children and Their Families
TrueCare
U.S. Pain Foundation
United Acupuncture Association
Whitewater University of California
Several individuals

OPPOSITION: (Verified 8/24/26)

None received

ARGUMENTS IN SUPPORT: The source of this bill, California Acupuncture Coalition, states that 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. This bill removes the statutory requirement that acupuncture coverage under Medi-Cal depend on federal matching funds. The U.S. Pain Foundation writes that evidence-informed, non-pharmacologic options such as acupuncture play an important role in multimodal pain management strategies. For individuals enrolled in Medi-Cal, access to comprehensive pain treatment options is frequently limited. When non-drug therapies are not readily available, patients may face fewer choices and reduced ability to participate in balanced treatment plans.

Prepared by: Jen Flory / HEALTH / (916) 651-4111
8/25/26 15:45:10

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