



OPEN LETTER TO CALIFORNIA HOSPITALS AND CLINICS

December 19, 2025

Re: CMS Proposed Rules Do Not Change California Law Protecting Transgender Healthcare

Dear California Healthcare Leaders:

We are writing to you at a critical moment for transgender youth, their families, and the dedicated providers who care for them. We deeply appreciate the courage many of you have shown by continuing to provide medically necessary healthcare for transgender young people in the face of unprecedented threats from the federal government. Your commitment has made a profound difference in the lives of thousands of patients across California.

We also know that recent actions by the Trump administration have caused significant confusion and concern within healthcare institutions. Most recently, the federal Centers for Medicare and Medicaid Services (CMS) released two proposed regulations that directly target healthcare for transgender young people. The first seeks to prohibit the use of federal Medicaid and CHIP funds to provide medically necessary care for transgender youth.¹ The second attempts to prohibit hospitals that provide this care from participating in Medicare and Medicaid altogether.²

While these proposed rules are deeply concerning, it is important to be clear: they are not final, they do not have the force of law, and there is no legal basis for any healthcare institution in California to stop providing medically necessary healthcare for transgender patients.

¹ This rule seeks to prohibit federal Medicaid funds from covering gender-affirming care for transgender youth under the age of 18, and CHIP funds from covering that care for transgender youth under 19.

² This rule explicitly applies only to hospitals, not to other settings (such as clinics or private physician practices) where healthcare providers deliver gender-affirming care to transgender youth.

The proposed CMS rules announce the Trump administration's intent to adopt new regulations. However, proposed rules must go through a formal federal regulatory process before they can take effect, including a public comment period and final agency action. Until that process is complete, no new legal obligations exist. In addition, these proposed rules are almost certain to be challenged in court, a process that could delay implementation for months or even years, if they take effect at all.

California law is clear and remains fully in effect. In California, healthcare is a right secured by state law (Cal. Civ. Code § 1798.301). California law also prohibits discrimination in the provision of healthcare services on the basis of gender identity, gender expression, transgender status, gender dysphoria diagnosis, or intersex status (Cal. Civ. Code § 51; Cal. Gov't Code §§ 11135, 12926; Cal. Code Regs. tit. 2, §§ 14000 et seq.). California further recognizes healthcare for transgender residents as medically necessary healthcare that respects the gender identity of the patient, as experienced and defined by the patient (Cal. Welf. & Inst. Code § 16010.2(b)(3); Cal. Civ. Code § 1798.300(c)).

Electing to refuse services to a group of individuals based on a protected characteristic — such as withholding care from transgender patients based on gender identity or a diagnosis of gender dysphoria while continuing to offer comparable services to non-transgender patients — constitutes unlawful discrimination under California law. Attorney General Bonta recently issued guidance making clear that healthcare providers cannot deny or restrict medically necessary care because a patient is transgender, nonbinary, gender nonconforming, or intersex, or because of a diagnosis of gender dysphoria.³

Even if the proposed CMS rules were finalized, medical care for transgender youth would remain legal and protected in California, and healthcare providers would continue to be bound by California's nondiscrimination protections. Nothing in these rules changes healthcare institutions' legal obligations under state law.

Over the past year, the Trump administration's attacks on healthcare for transgender youth have had devastating consequences across California. In response to federal threats, Children's Hospital Los Angeles, Stanford, Kaiser Permanente, and other institutions have already reduced services or closed programs entirely. As a result, thousands of young people have lost continuity of care, and families are being pushed onto waitlists, forced to travel long distances, or left with no viable options to access medically necessary healthcare.

We are deeply concerned that ongoing confusion and fear surrounding the proposed CMS rules could lead even more healthcare institutions to reduce services or stop providing care to transgender patients altogether. Such actions would further compound the harm already being felt by patients and families, leaving many without access to essential healthcare. We urge you, as healthcare leaders entrusted with the wellbeing of your patients, to continue honoring your legal and ethical obligations and not yield to political intimidation or threats.

We recognize the extraordinary pressure that healthcare institutions and providers are facing. The uncertainty created by these proposed rules places hospitals and clinics in an extremely difficult position, requiring leaders to navigate intense political pressure alongside real concerns about financial stability. We want to be clear that we recognize these challenges, and we are

³ California Department of Justice, Office of the Attorney General. (2025, November 13). Know Your Rights: Attorney General Bonta issues guidance on gender-affirming care rights in California. <https://oag.ca.gov/news/press-releases/know-your-rights-attorney-general-bonta-issues-guidance-gender-affirming-care>

committed to being strong partners as you continue to comply with California law and provide high-quality, evidence-based care to your patients.

We will continue advocating forcefully with state leaders — including Governor Newsom, Attorney General Bonta, and the Legislature — to ensure that healthcare providers have the legal clarity, financial support, and institutional backing needed to continue delivering medically necessary care in compliance with California law. Transgender youth, their families, and the clinicians who serve them are counting on all of us to stand firm, uphold the law, and do what is right in this moment.

In solidarity,

ACLU California Action
Alliance for TransYouth Rights
Black Women for Wellness Action Project
California LGBTQ Health and Human Services Network
Casita Feliz
Children Now
Courage California
Equality California
Gender Affirming Professionals
Gender Justice LA
Impact Fund
Los Angeles LGBT Center
Mirror Memoirs
Rainbow Families Action
San Diego Pride
The Children's Partnership
The TransLatin@ Coalition
TransFamily Support Services
Western Center on Law and Poverty