



Protect Medi-Cal Funding 2025: LGBTQI+ People

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California's Medicaid program (Medi-Cal) provides a critical investment in the health of Californians. Medi-Cal coverage and services are tailored to meet the unique needs of low-income individuals and families, and provides the most affordable coverage. If Medicaid cuts are enacted, states like California will lose billions of dollars in federal Medicaid funding, shifting financial responsibility for Medicaid services to the states and to enrollees. The loss of billions of dollars in federal Medicaid funding will invariably lead to cuts in services and the loss of affordable coverage. This issue brief explains why Medi-Cal is so critical to helping low-income LGBTQI+¹ people, and it explains how low-income LGBTQI+ people in California would be harmed by Medicaid funding caps and cuts.

Why Medi-Cal is important for LGBTQI+ Californians:

- **Medi-Cal is a critical source of coverage for an estimated 1.4 Million low-income LGBTQI+ Californians.**² National and California data on LGBTQI+ Medicaid (and Medi-Cal) enrollees is extremely limited, even despite state laws that require certain health departments to collect it.³ Nationally, an estimated 13+ million LGBT individuals are enrolled in Medicaid; with approximately 12.7% who identify as Transgender.⁴ The numbers increase for Lesbian and Gay Black, non-Hispanic adults on Medicaid compared to their heterosexual counterparts.⁵ Limited data that exists thus far suggests that roughly 2% of Medi-Cal adults and adolescents reported that they identify as Transgender.⁶ The same data also indicates that 3.3% of Medi-Cal adults identify as Lesbian, Gay, or, Homosexual and 7.3% identify as Bisexual.⁷ Thus, Medi-Cal is a crucial source of health insurance for LGBTQI+ people in California as the state with the largest LGBTQI+ population in the U.S.
- **Medi-Cal covers services important to LGBTQI+ Californians.** While LGBTQI+ Medi-Cal beneficiaries have unique health care needs, they also have ordinary health needs the health system fails to provide. The [service package](#) offered by the Medi-Cal program was developed to meet the health needs of all beneficiaries, and includes several services designed to meet the everyday and unique needs of LGBTQI+

Californians. Medi-Cal covers critical benefits for LGBTQI+ beneficiaries such as STI screening and testing including HIV screening and testing, as low-income LGBTQI+ people experience disproportionate rates of STI and HIV infection.⁸ In addition, Medi-Cal specifically covers gender-affirming care for Transgender, Gender-Diverse, and Intersex (TGI) beneficiaries (including TGI youth and young adults).⁹ In addition, Medi-Cal covers family planning and pregnancy-related services for Bi+ beneficiaries, people who are attracted to more than one gender, including Bisexual, Pansexual, Queer, and Omnisexual people, which is important as Bi+ women experience disproportionately high rates of unplanned pregnancy.¹⁰ Medi-Cal also covers a range of necessary services for low-income LGBTQI+ people, such as prescription medication; non-emergency medical transportation to and from health-related services; and a wide range of mental health and substance use disorder services.¹¹ In addition, Medi-Cal prohibits participating providers from discriminating against people because of their sexual orientation, gender identity, and gender expression, and requires Medi-Cal managed care plans to ensure that their staff are trained in TGI cultural competency, and contract with providers who provide culturally competent care to LGBTQI+ members.¹² These protections are particularly important to ensure that LGBTQI+ people in Medi-Cal not only feel safe and comfortable, but that they can also access the care they need.¹³

- **Medi-Cal meets the needs of LGBTQI+ people with intersectional identities.**

California's LGBTQI+ community is diverse and nonmonolithic. According to the Williams Institute, approximately forty percent of LGBT adults identify as Black, Indigenous, or People of Color (BIPOC).¹⁴ From 2019 data, thirty-four percent of the California LGBT population identifies as Latine, five percent identify as more than one race, five percent identify as Asian, and five percent identify as Black.¹⁵ More than half of BIPOC people who are also LGBTQ rank their mental health as poor.¹⁶ Similarly, older LGBTQI+ adults are more likely to have anxiety, depression, and suicidal ideation than their non-LGBTQ+ counterparts.¹⁷ LGBTQI+ people at all ages and races are exposed to harmful homophobia and transphobia in public spaces, in policy, and historically; BIPOC LGBTQI+ people face additional exposure to racism. With this exposure and rightful fear of discrimination, Medi-Cal's coverage of culturally competent and affirming health care, including mental health care, is crucial. A study of disability in the LGBT community found that disability was 156% more prevalent in the LGBT community compared to those who do not identify as LGBT.¹⁸ For transgender people, the prevalence of disability rises to 281% when compared to non-LGBT populations.¹⁹ Many LGBTQI+ people with disabilities rely on Medi-Cal's expansive coverage of home- and community-based services, like In-Home Supportive Services, and durable medical equipment, like wheelchairs and oxygen equipment.

- **Medi-Cal meets the needs of LGBTQI+ youth.** The average age range of the LGBT community (37.8 years of age) is generally younger than the non-LGBT community (46.5 years of age).²⁰ Youth and young adults in the LGBTQI+ community are particularly at risk for mental health conditions like anxiety, depression, and suicidal ideation.²¹ Medi-Cal Minor Consent provides critical health care coverage for young LGBTQI+ people in California. Under this program, individuals age 12 and older can consent to outpatient mental health treatment and counseling if the minor, in the opinion of the attending professional person, is mature enough to participate intelligently in such treatment or counseling; STI prevention, diagnosis, and treatment; residential shelter services; as well as intimate partner violence services are also covered.²² Medi-Cal also covers gender-affirming care for adolescents and young adults, including puberty blockers and hormone therapy treatment.²³

How funding caps would harm LGBTQI+ people in California:

- **Funding cuts could lead California to cut coverage of services important to LGBTQI+ people.** If California loses federal Medicaid funding, it may have to eliminate coverage of critical, yet optional, Medi-Cal services. For example, federal law does not require Medi-Cal to cover prescription drugs or behavioral health services for adults. Thus, California could cut funding for prescription drugs, even though many LGBTQI+ people rely on prescription medications – including hormone treatments, pre-exposure prophylaxis for HIV prevention (PrEP), mental health medications, arthritis treatments, and drugs that treat chronic fatigue – to maintain their health and treat their health conditions.²⁴ Similarly, California could reduce coverage of important mental health and substance use treatment services that LGBTQI+ Medi-Cal enrollees rely on.²⁵ In addition, federal funding cuts could lead California to place additional restrictions, such as service caps or co-payments, on important services for LGBTQI+ people that federal law requires Medi-Cal to cover, such as STI and HIV screening and testing, and doctor's visits. The Administration has already signaled that it is looking to limit or eliminate federal funding for gender-affirming care for young people under age 19. To ensure that TGI youth in California continue to have access to these services, California may have to use additional state funds to pay for this care, which will put additional pressure on the state to cut elsewhere or cut coverage altogether.
- **Funding cuts could reduce access to culturally competent care for LGBTQI+ people.** As discussed above, LGBTQI+ individuals encounter discrimination and culturally nonresponsive care throughout the health system. While improvements are ongoing, California has implemented critical measures to provide quality and culturally

competent care for LGBTQI+ Medi-Cal enrollees.²⁶ Federal funding cuts could jeopardize the progress that California has made in ensuring that LGBTQI+ Medi-Cal enrollees access coverage and services that meet their health care needs and may discourage individuals from seeking care, which will only widen health inequities. For example, when California cut provider reimbursement rates in 2009, many enrolled providers opted out of the program because their margins couldn't sustain the cuts, including those who serve LGBTQI+ patients who already operate on thin margins.²⁷ California is also home to many specialty providers in gender-affirming care treatment. The demand for their services has increased over the years due to increasing demand both inside and outside of the state.²⁸ Federal funding cuts will only further increase the pressure on providers of gender-affirming care and strain plan networks, and may lead some providers to stop accepting Medi-Cal.

- **Funding cuts will harm LGBTQI+ people at a time when LGBTQI+ rights are already under attack.** Access to affirming and quality health care, including preserving access to LGBTQI+ people's trusted providers is crucial to meeting the needs of this vast population. Continued attacks on the LGBTQI+ community and the health care providers that care for them can only lead to worsening health outcomes. Indeed, studies show that LGBTQ people are more likely to delay medical care compared to non-LGBTQ people because of discrimination and lack of informed care.²⁹ The Affordable Care Act prohibits discrimination in federal health programs, including Medicaid, on the basis of sex, which has been interpreted to protect people in Medicaid from discrimination on the basis of sex characteristics, including intersex traits; pregnancy or related conditions; sexual orientation; gender identity; and sex stereotypes.³⁰ California law also prohibits discrimination on the basis of sex, gender identity, gender expression, sexual orientation, and transgender status, as well as perceived sexual orientation or gender identity, and relationship to someone who is LGBTQI+. ³¹ California law also explicitly protects the right to access sexual and reproductive health care and gender-affirming care.³² These anti-discrimination protections are absolutely essential for LGBTQI+ people who are more likely to face discrimination in accessing health care coverage and are more likely to avoid signing up for coverage for fear of discrimination.³³ These disparities are likely to worsen as the federal administration continues to roll out a series of executive orders that openly target TGI people, and intend to force Medi-Cal providers and other federal funding recipients to discriminate against TGI people.³⁴ While federal judges have temporarily halted these hateful and transphobic orders, they have already spurred a lot of fear, confusion, and a chilling effect among health care providers, LGBTQI+ people, allies, and communities in California and across the country.³⁵ Cutting funds to Medi-Cal will

make it even harder for providers who remain committed to offering care to LGBTQI+ populations.

Conclusion

The Medicaid program is designed to give California wide flexibility in designing and implementing its own Medi-Cal program to meet the particular health needs of its residents. The potential threats to the program on the federal level will not only result in devastating impacts on low-income LGBTQI+ people across the state, these threats will also make it necessary for California to impose additional cuts and erect barriers to access life-sustaining care for LGBTQI+ people in the future. While it remains unclear what the current 2025 Congress and Trump Administration will do with respect to the Medicaid program, such federal funding cuts or barriers to deter enrollment must be rejected so low-income LGBTQI+ Californians have the access to quality, affordable, culturally competent, and comprehensive health care that they need.

ENDNOTES

¹ This issue brief uses the term Lesbian, Gay, Bisexual, Transgender, Queer, and Intersex plus

(LGBTQI+) as an umbrella term to refer to people who fit into the listed gender and sexuality categories, as well as those who don't feel they fit into traditional categories of gender or sexuality. Some of the research cited in this issue brief talks about particular subsets of this community (e.g., "Bi+" to refer to people who are attracted to more than one gender, including Bisexual, Pansexual, Queer, and Omnisexual people, and "TGI" to refer to people who are Transgender, Gender Diverse, or Intersex), or uses other umbrella terms to refer the larger community (e.g., LGBT, LGBT+ LGBTQ, LGBTQ+). We will use the terms used by research we cite.

² This estimate is based on the fact that California has the highest LGBTQ+ population in the nation at approximately 9.5% and Medi-Cal covers almost 40% of the state's population, overall. See Hans Johnson, Public Policy Institute of California, California's LGBTQ+ Population (June 17, 2024), <https://www.pplic.org/blog/californias-lgbt-population>; see also Cal. Dep't Health Care Servs., *Medi-Cal Monthly Eligible Fast Facts* (2025), <https://www.dhcs.ca.gov/dataandstats/statistics/Documents/FastFacts-October2024.pdf>. Thus, given Medi-Cal's current enrollment at nearly 15 Million, we estimate that approximately 1.4 Million Medi-Cal beneficiaries identify as LGBTQI+. See Cal. Dep't Health Care Servs., *supra* at 2.

³ Federal rules require that every state's Medicaid program include a binary question about an individual's "sex" when they apply. 42 CFR 435.907(b) and 457.330; CMS, *Guidance on Adding Sexual Orientation and Gender Identity Questions to State Medicaid and CHIP Applications for Health Coverage* (Nov. 9, 2023), <https://www.medicaid.gov/sites/default/files/2023-11/cib11092023.pdf>. This question only includes "male" or "female" as options. CMS released guidance to states to include optional questions to ask for more targeted demographic data on gender identity and sexual orientation. See CMS, *supra*. Additionally, since the passage of California laws that require several state health departments to collect data on Sexual Orientation, Gender Identity, and Variations in Sex Characteristics (SOGISC), Medi-Cal asks these voluntary questions at each eligibility pathway. Cal. Dep't Health Care Servs., *Medi-Cal Statistical Report Sexual Orientation and Gender Identity (SOGI) Data Collection* (Nov. 2024), <https://www.dhcs.ca.gov/dataandstats/statistics/Documents/SOGI-Data-Collection-Nov2024.pdf>. This data helps identify what Medi-Cal is doing right and how it is falling short on delivering benefits and services equitably to serve the health needs of this vast population. Medi-Cal has also worked to ensure that individuals can apply and verify their identity without creating additional barriers for TGI individuals whose identity documents may not be congruent. Cal. Dep't Health Care Servs., ACWDL 21-25 (Nov. 5, 2021), <https://www.dhcs.ca.gov/services/medi-cal/eligibility/letters/Documents/21-25.pdf>. Although California's efforts have been gradual and more work needs to be done to improve SOGISC data collection and eligibility requirements for LGBTQI+ individuals, these are important steps to ensure the program delivers on their health care needs.

⁴ Emily Zylla & Elizabeth Lukanenm, *State Health Access Data Assistance Ctr., Sexual Orientation and Gender Identity Data: New and Updated Information on Federal Guidance and Medicaid Data Collection Practices* (2024), <https://www.shadac.org/sexual-orientation-and-gender-identity-data-new-and-updated-information-federal-guidance-and>.

⁵ *Id.*

⁶ Cal. Dep't Health Care Servs., *Medi-Cal Statistical Report Sexual Orientation and Gender Identity (SOGI) Data Collection* (2024),

<https://www.dhcs.ca.gov/dataandstats/statistics/Documents/SOGI-Data-Collection-Nov2024.pdf>.

⁷ *Id.*

⁸ CAL. WELF. & INST. CODE § 14132(n); Cal. Dep't Health Care Servs., *Medi-Cal Provider Manual, Family Planning* 18-28 (2022), [https://mcweb.apps.prd.cammis.medi-cal.ca.gov/assets/0B02BB4C-4494-4301-A62F-](https://mcweb.apps.prd.cammis.medi-cal.ca.gov/assets/0B02BB4C-4494-4301-A62F-471A664233EB/famplanning.pdf?access_token=6UyVkRRfByXTZEWIh8j8QaYyIPyP5ULO)

[471A664233EB/famplanning.pdf?access_token=6UyVkRRfByXTZEWIh8j8QaYyIPyP5ULO](https://mcweb.apps.prd.cammis.medi-cal.ca.gov/assets/0B02BB4C-4494-4301-A62F-471A664233EB/famplanning.pdf?access_token=6UyVkRRfByXTZEWIh8j8QaYyIPyP5ULO) [hereinafter *Medi-Cal Provider Manual, Family Planning*] (coverage of STI screening, testing, and treatment); see Nat'l Health L. Prog., *An Advocate's Guide to Medi-Cal Services: Ch. VI: Reproductive and Sexual Health Services* (2022 ed.), <https://healthlaw.org/wp-content/uploads/2023/01/UPDATE-NHeLP-MediServicesGuide-Chapter-6.pdf>; see also, e.g., Nat'l Coal. LGBTQ Health, *State of LGBTQ Health* (2024),

<https://healthlgbtq.org/stateof/lgbtqhealth>; Madina Agénor et al., *The Importance of Structural Interventions for Advancing Sexual Health and Health Equity in the United States: A Review of the Evidence and Recommendations for Action on Sexually Transmitted Infections*, 50 Sex. Trans. Dis. 1 (2023); Marguerita Lightfoot et al., *Addressing Health Disparities in HIV*, 88 J. AIDS S1 (2021).

⁹ Cal. Dep't Health Care Servs., *Medi-Cal Provider Manual, Transgender and Gender Diverse Services* (2022), [https://mcweb.apps.prd.cammis.medi-cal.ca.gov/assets/F81D2354-BA35-4415-9B82-](https://mcweb.apps.prd.cammis.medi-cal.ca.gov/assets/F81D2354-BA35-4415-9B82-8B2DF9A505FA/transgender.pdf?access_token=6UyVkRRfByXTZEWIh8j8QaYyIPyP5ULO)

[8B2DF9A505FA/transgender.pdf?access_token=6UyVkRRfByXTZEWIh8j8QaYyIPyP5ULO](https://mcweb.apps.prd.cammis.medi-cal.ca.gov/assets/F81D2354-BA35-4415-9B82-8B2DF9A505FA/transgender.pdf?access_token=6UyVkRRfByXTZEWIh8j8QaYyIPyP5ULO) [hereinafter *Medi-Cal Provider Manual, Gender Affirming Care*] (coverage of gender-affirming care).

¹⁰ CAL. WELF. & INST. CODE § 14132(a)-(b); see *Medi-Cal Provider Manual, Family Planning*, *supra* note 8; Nat'l Health L. Prog., *supra* note 8; Bethany G Everett et al., *Sexual Orientation Disparities in Mistimed and Unwanted Pregnancy Among Adult Women*, 9 Perspect. Sex. Repro. Health 157 (2017); Williams Inst., *Reproductive Health Care and LBT Adults* (2020), <https://williamsinstitute.law.ucla.edu/publications/lbt-reproductive-health>.

¹¹ See CAL. WELF. & INST. CODE § 14132.

¹² See CAL. CIV. CODE § 51; CAL. GOV. CODE § 11135; CAL. WELF. & INST. CODE § 14197.09.

¹³ See Nat'l Coal. LGBTQ Health, *supra* note 8.

¹⁴ Soon Kyu Choi et al., Williams Inst., *Black LGBT Adults in the U.S. LGBT Well-Being at the Intersection of Race* (2021), <https://williamsinstitute.law.ucla.edu/wp-content/uploads/LGBT-Black-SES-Jan-2021.pdf>.

¹⁵ Williams Inst., *LGBT Demographic Data Interactive* -- January 2019, <https://williamsinstitute.law.ucla.edu/visualization/lgbt-stats> (last visited Feb. 26, 2025).

¹⁶ See Hum. Rights Campaign, *The State of Mental Health in LGBTQ Communities of Color* 1-2 (2021), <https://hrc-prod-requests.s3-us-west-2.amazonaws.com/assets/BIPOC-Mental-Health-LGBTQ-2021.pdf>.

¹⁷ Nik M. Lampe et al., *Health Disparities Among Lesbian, Gay, Bisexual, Transgender, and Queer Older Adults: A Structural Competency Approach*, 98 Int. J. AGING HUM. DEV. 39 (2024).

¹⁸ Chris R. Surfus, *A Statistical Understanding of Disability in the LGBT Community*, 10 STATISTICS & PUBL. POLICY 1 (2023).

¹⁹ See *id.*

²⁰ Williams Inst., *supra* note 15.

²¹ The Trevor Project, *2023 U.S. National Survey on the Mental Health of LGBTQ Young People* (2023), https://www.thetrevorproject.org/survey-2023/assets/static/05_TREVOR05_2023survey.pdf.

²² Cal. Dep't Health & Human Servs., *Medi-Cal Eligibility Procedure Manual, Minor Consent* (2025 ed.), <https://www.dhcs.ca.gov/services/medi-cal/eligibility/Documents/MEPM/4V-Minor-Consent.pdf>.

²³ Nat'l Health L. Prog., *An Advocate's Guide to Medi-Cal Services: Gender-Affirming Services* 4 (2020), <https://healthlaw.org/wp-content/uploads/2020/02/NHeLP-MediServicesGuide-Complete-Ch5.pdf>.

²⁴ See Nat'l Coal. LGBTQ Health, *supra* note X.

²⁵ See *id.*

²⁶ See S.B. 923, 2021-2022 Leg. Sess. (Cal. 2022), Trans Health and Equity Fund, https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB923.

²⁷ John Reichard, J. Commonwealth Fund, *California Docs 'Extremely' Angry with CMS Over Medicaid Cuts* (2011),

<https://www.commonwealthfund.org/publications/newsletter-article/california-docs-extremely-angry-cms-over-medicaid-cuts>.

²⁸ See, e.g., Anna Schoenbrunner et al., *Association Between California's State Insurance Gender Nondiscrimination Act and Utilization of Gender-Affirming Surgery*, 14 JAMA 819 (2023); Emily Alpert Reyes, *California's Protections for Transgender Care Could Be Tested Under Trump*, L.A. TIMES (Nov. 18, 2024),

<https://www.latimes.com/california/story/2024-11-18/gender-affirming-care>.

²⁹ Shabab Ahmed Mirza & Caitlin Rooney, Ctr. Am. Progress, *Discrimination Prevents LGBTQ People from Accessing Health Care* (2018),

<https://www.americanprogress.org/article/discrimination-prevents-lgbtq-people-accessing-health-care>.

³⁰ 42 U.S.C. § 18116; see, e.g., 45 C.F.R. § 92.206; 42 C.F.R. §§ 438.3(d)(4), 438.206(c)(2); *Notification of Interpretation and Enforcement of Section 1557 of the Affordable Care Act and Title IX of the Education Amendments of 1972*, 86 Fed. Reg. 27984 (2021).

³¹ CAL. CIVIL CODE § 51; CAL. GOV. CODE §§ 11135, 12926; CAL. CODE REG., tit. 2, §§ 14000-07.

³² CAL. CIV. CODE § 1798.301.

³³ See Caroline Medina & Lindsay Mahowald, Ctr. Am. Progress, *Discrimination and Barriers to Well-Being: The State of the LGBTQI+ Community in 2022* (2023),

<https://www.americanprogress.org/article/discrimination-and-barriers-to-well-being-the-state-of-the-lgbtqi-community-in-2022>.

³⁴ See e.g., Exec. Order 14187, 90 Fed. Reg. 8,771 (2025) (threatening the federal funding of health care providers that “fund, sponsor, promote, or assist” young people in transitioning from their sex assigned at birth).

³⁵ See Emily Alpert Reyes, *Children's Hospital L.A. Keeps Limits on Transgender Care Amid Challenges to Trump Order*, L.A. TIMES (Feb. 19, 2025), <https://www.latimes.com/california/story/2025-02-19/childrens-hospital-la-transgender-care-pause-trump-order>; Rachel Bluth, *Los Angeles Hospital Resumes Gender-Affirming Care After State Warning*, POLITICO (Feb. 21, 2025), <https://subscriber.politicopro.com/article/2025/02/los-angeles-hospital-resumes-gender-affirming-care-after-state-warning-00205571>.