The Colorado Health Foundation™

February 17, 2026

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-3481-P
P.O. Box 8013
Baltimore, MD 21244-8013

Submitted electronically via Regulations.gov

RE: Comments on Proposed Rule CMS-2451-P – Prohibition on Federal Medicaid and Children's Health Insurance Program Funding for Sex-Rejecting Procedures Furnished to Children

Dear Center for Medicare and Medicaid Servcies,

The Colorado Health Foundation (CHF or the Foundation) strongly opposes the Centers for Medicare and Medicaid Services' (CMS) proposed rule to prohibit federal Medicaid and Children's Health Insurance Program (CHIP) funding for gender-affirming medical care for children and adolescents. This proposal would deny access to medically necessary, evidence-based care for transgender and gender-diverse youth, disproportionately harm low-income children and families, and place young people at heightened risk of serious physical and mental health harms, including suicidality. In practice, the rule would operate as a de facto national ban on gender-affirming care for Medicaid- and CHIP-enrolled youth by coercing hospitals and health systems to choose between providing appropriate medical care and maintaining eligibility for essential federal funding.

As a nonprofit and nonpartisan private foundation, the Colorado Health Foundation works statewide to advance our mission to improve the health of Coloradans. Through community engagement, grantmaking, research, and private sector investments, our work aims to ensure that everyone in Colorado has what they need to be healthy.

Gender-Affirming Care Is Medically Necessary and Evidence-Based

Gender-affirming care is supported by decades of rigorous, peer-reviewed research demonstrating that it is both medically necessary and evidence-based. Every major U.S. professional health care association and society, including the American Academy of Pediatrics (AAP), the American Medical Association (AMA), the American Psychiatric Association (APA), the Endocrine Society, and the World Health Organization, has published statements affirming the clinical necessity of gender-affirming care.[1]

[1] https://legacy.lambdalegal.org/publications/fs_professional-org-statements-supporting-trans-health

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Care for transgender and gender-diverse youth is delivered under careful, evidence-based protocols that emphasize individualized assessment, parental involvement, and ongoing clinical oversight. Providers follow established standards of care, including those developed by the World Professional Association for Transgender Health, and rely on interdisciplinary health care teams to ensure patient safety and well-being.[2] The proposed rule's dismissal of this extensive clinical framework reflects a fundamental disregard for how gender-affirming care is actually provided and regulated in real-world medical settings.

Threats to Health Care Access and Well-Being

The proposed rule poses immediate and long-term risks to transgender and gender-diverse youth. CMS asserts that only a small share of Medicaid and CHIP expenditures is associated with gender-affirming care, yet this framing ignores the devastating real-world consequences for an estimated 138,000 transgender and gender-diverse youth enrolled in Medicaid or CHIP who live in states without statutory bans or state-level Medicaid exclusions.[3] For these young people, the proposed rule would abruptly eliminate meaningful access to medically necessary care.

Families whose children rely on Medicaid and CHIP typically have low incomes and cannot absorb the substantial out-of-pocket costs associated with uncovered medical care. As a result, the proposed rule would create insurmountable financial barriers, delay or prevent treatment, and exacerbate health inequities for children who already face systemic disadvantages.

Over the last half-century, study after study demonstrates that gender-affirming care is associated with improved mental health for transgender and gender diverse people, and in particular, transgender and gender diverse youth. Contrary to the claims in the proposed rule, gender-affirming care is the strongest protective factor for the mental health of transgender and gender diverse young people, decreasing rates of depression, anxiety, and suicidality.[4]

Denials of Care Leading to More Medicaid Spending

CMS's proposal fails to account for the downstream fiscal consequences of delayed or denied care. When gender-affirming care is inaccessible through Medicaid or CHIP, children are more likely to experience acute mental health crises, increased emergency department utilization, psychiatric hospitalizations, and long-term mental health needs. These outcomes result in higher, not lower, Medicaid expenditures over time.

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[2] https://jamanetwork.com/journals/jama/fullarticle/2805345#google_vignette
[3] https://www.kff.org/lgbtq/new-trump-administration-proposals-would-further-limit-gender-affirming-care-for-young-people-by-restricting-providers-and-reducing-coverage/
[4] https://pubmed.ncbi.nlm.nih.gov/35212746/

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Early, evidence-based intervention saves public dollars by preventing crisis-driven care and reducing the need for intensive, long-term services. By contrast, forcing children to forgo or delay medically indicated care shifts costs to emergency rooms, inpatient psychiatric facilities, and long-term behavioral health services, many of which are far more expensive than the outpatient care CMS seeks to prohibit.

Unworkable Exceptions Lead to Uncertainty for Providers

This proposal rule purports to allow limited exceptions, yet these exceptions are ill-defined and largely unworkable. CMS fails to specify who has the authority to approve exceptions, what standards would govern approval or denial, how clinical urgency would be assessed, or how long the process would take. This lack of clarity creates profound legal and operational uncertainty for providers, hospitals, and families. In practice, any exception process would impose additional administrative requirements layered on top of already complex clinical decision-making. Even short postponements in this care can intensify distress, worsen mental health symptoms, and increase the risk of acute crisis, including self-harm.

The proposed rule would also force clinicians and health systems to second-guess medically appropriate treatment decisions out of fear of noncompliance, audits, or loss of federal funding. Instead of relying on clinical judgment, evidence-based standards, and patient-centered care, providers would be required to weigh legal exposure and financial risk against patient need and ethical standards. This discourages clinicians from offering appropriate care, undermines the patient–provider relationship, and erodes trust in the health care system, particularly for families who already face barriers to care.

Conclusion

For these reasons, CHF urges CMS to withdraw this proposed rule. The rule undermines medical expertise, disrupts the patient-provider relationship, and places transgender and gender-diverse youth at serious risk. CMS should instead uphold Medicaid's and CHIP's core purpose: ensuring access to medically necessary, evidence-based care for children and families who rely on these programs.

If you have any questions, please contact Kyle Rojas Legleiter, The Colorado Health Foundation Senior Director of Policy, at klegleiter@coloradohealth.org or (303) 953-3618.

Sincerely,

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