

February 17, 2026

Administrator Mehmet Oz
Centers for Medicare & Medicaid Services
Department of Health and Human Services

Re: Medicaid Program; Prohibition on Federal Medicaid and Children's Health Insurance Program Funding for Sex- Rejecting Procedures Furnished to Children - file code CMS-2451-P

Dear Administrator Oz:

On behalf of the Medicaid Health Plans of America (MHPA), we appreciate the opportunity to comment on the Centers for Medicare & Medicaid Services' (CMS) proposed rule, **Medicaid Program; Prohibition on Federal Medicaid and Children's Health Insurance Program Funding for Sex- Rejecting Procedures Furnished to Children**. As partners to states delivering Medicaid benefits through the managed care delivery model, we support compliance with federal and state requirements and offer the following comments focused on operational feasibility, program integrity, and access to care.

MHPA is the only national trade association with a sole focus on Medicaid, representing more than 160 Medicaid managed care organizations (MCOs) serving nearly 51 million Medicaid enrollees in 40 states, the District of Columbia and Puerto Rico. MHPA's members include both for-profit and non-profit, national, regional, as well as single-state health plans that compete in the Medicaid market. Nearly three-quarters of all Medicaid enrollees receive health care through MCOs, and MHPA provides research and advocacy services that support policy solutions to enhance the delivery and coordination of comprehensive, cost- effective, and quality health care for Medicaid enrollees.

Implementation Timeline

We respectfully recommend that CMS consider extending the implementation timeline for the proposed changes related to the prohibited use of federal Medicaid and CHIP funds to cover specified "sex-rejecting procedures" for persons under age 18 years old for Medicaid purposes and persons under age 19 for CHIP purposes. The proposed policy changes would take effect upon publication of the final rule which could occur before the end of the year.

To implement the proposed policy changes, states and Medicaid MCOs require substantially more time than 8 or 9 months to amend state plans, revise Medicaid MCO contracts, and reconcile conflicts with state laws or policies. The proposed policy changes apply across multiple systems and functions, including, but not limited to, coverage policies and utilization management criteria and outreach and communications to health care providers and Medicaid enrollees. We also plan to coordinate closely with our state Medicaid partners regarding any state-specific implementation guidance that could include continued coverage through use of state-only funds.

We believe an extended roll-out of these proposed policies, should they be finalized, would allow time to operationalize these changes as well as minimize the risk of provider and enrollee confusion. Therefore, we encourage CMS to adopt an implementation timeframe of no less than 12 months following publication of the final rule, or alternatively align implementation with the start of the first state fiscal year occurring at least 12 months after the final rule's publication. This timeline would provide sufficient lead time for Medicaid health plans and our state partners to implement these policy changes.

Use of Standardized Medical (Diagnosis & Procedure) Codes

MHPA also seeks clarification regarding the role of diagnosis and procedure codes in implementing the proposed policy changes. The proposed rule defines the prohibited “sex-rejecting procedures” based on purpose and intent of the specific procedure; it does not reference a specific billing code or codes. Standardized diagnosis and procedure codes are central components for the administration of benefits, adjudication of claims, utilization review, and to support program integrity functions. Additionally, individual state efforts to define these parameters would most likely result in significant state variation.

Without clear guidance on which codes are affected and for which clinical indications, Medicaid MCOs face an increased risk of inconsistent coverage and claims adjudication, as well as a corresponding rise in appeals and grievances, related to determining whether a service falls within the scope of the proposed prohibition or an applicable exception. For example, the ambiguity of the exceptions related to services furnished “for purposes other than attempting to align a child’s physical appearance or body with an asserted identity that differs from the child’s sex” or the “treatment of complications caused by or exacerbated by the performance of sex-rejecting procedure(s)” could result in an increased risk of inappropriate denials of coverage. Similarly, a “medically verifiable disorder of sexual development” is undefined.

We encourage CMS to provide additional clarity related to the use of medical diagnosis codes for the implementation of its proposed coverage prohibitions for the specified “sex-rejecting procedures.” We believe additional guidance, either in the final rule or through subregulatory materials, would provide needed operational direction, reduce inappropriate coverage denials and access challenges, and facilitate consistent implementation across state Medicaid programs.

We thank CMS for considering our comments. Please feel free to reach out to me directly at sattanasio@mhpa.org with any questions or should you need any additional information.

Sincerely,

/s/

Shannon Attanasio
Senior Vice President, Government Relations, Policy and Advocacy