

December 30, 2025

THIS LETTER SENT VIA EMAIL

Ms. Courtney Miller, Director
Division of Program Operations
Medicaid and CHIP Operations Group
Centers for Medicare & Medicaid Services
601 East 12th Street, Room 355
Kansas City, MO 64106

STATE PLAN AMENDMENT 25-0029: COVERAGE CHANGE FOR GLP-1 FOR
WEIGHT LOSS

Dear Ms. Miller:

The Department of Health Care Services (DHCS) is submitting State Plan Amendment (SPA) 25-0029 for your review and approval. This SPA proposes to exclude from coverage glucagon-like peptide-1 agonists (GLP-1) drugs used for weight loss from the Medi-Cal program. DHCS seeks an effective date of January 1, 2026, for this SPA.

Section 1927 of the Social Security Act (Title 42 of the United States Code Section 1396r-8 (d)(2)) allows limitations on coverage of certain drugs, including agents when used for anorexia, *weight loss*, or weight gain. Under California's Budget Act of 2025, in response to the rapid growth of Health and Human Services programs, the California Legislature authorized the use of General Fund solutions and statutory changes to align expenditures with available revenue. These measures, including the elimination of GLP-1 drugs for weight loss, aim to maintain a balanced budget and manage long-term costs. Pursuant to the California's Budget Act of 2025, DHCS seeks to update Attachments 3.1.A.1 and 3.1.B.1, page 2, to exclude coverage of GLP-1 drugs when used for weight loss. GLP-1 drugs used for other, federal Food and Drug Administration (FDA)-approved indications other than weight loss may be covered based upon individual case-by-case determinations of medical necessity. Additionally, other alternative medications, along with other medical services and supports, aimed at supporting weight loss or helping Medi-Cal members maintain a healthy weight will continue to be a Medi-Cal benefit if medically necessary.

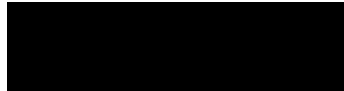
A public notice is not necessary because this SPA does not intend to modify any methods or standards for setting Medi-Cal payment rates. DHCS released a tribal notice on November 20, 2025 and an addendum on November 26, 2025.

The following documents are enclosed:

- CMS 179 Form
- Tribal Notice and Addendum
- Attachment 3.1.A.1, page 2 (redline and clean)
- Attachment 3.1.B.1, page 2 (redline and clean)

If you have any questions or need additional information, please contact Lori Bradley, Chief of Pharmacy Benefits Division, at (916) 345-8553 or by email at Lori.Bradley@dhcs.ca.gov.

Sincerely,



Tyler Sadwith
State Medicaid Director
Chief Deputy Director, Health Care Programs
California Department of Health Care Services

Enclosures

cc: Lindy Harrington
Assistant State Medicaid Director
Director's Office
Department of Health Care Services
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Department of Health Care Services
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**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 5 — 0 0 2 9

2. STATE

CA3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL
SECURITY ACT

XIX



XXI

TO: CENTER DIRECTOR

CENTERS FOR MEDICAID & CHIP SERVICES

DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

January 1, 2026

5. FEDERAL STATUTE/REGULATION CITATION

Social Security Act, Section 1927(d)(2)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 25-26 \$ (453,063)b. FFY 26-27 \$ (1,130,322)

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 3.1.A.1, page 2

Attachment 3.1.B.1, page 2

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)

Attachment 3.1.A.1, page 2

Attachment 3.1.B.1, page 2

9. SUBJECT OF AMENDMENT

This SPA proposes to exclude from coverage glucagon-like peptide-1 agonists (GLP-1) used for weight loss from the Medi-Cal program, effective January 1, 2026.

10. GOVERNOR'S REVIEW (Check One)



GOVERNOR'S OFFICE REPORTED NO COMMENT



COMMENTS OF GOVERNOR'S OFFICE ENCLOSED



NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL



OTHER, AS SPECIFIED:

Please note: The Governor's Office does not wish to review
the State Plan Amendment.

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME

Tyler Sadwith

13. TITLE

State Medicaid Director and Chief Deputy Director

14. DATE SUBMITTED

December 30, 2025

15. RETURN TO

Department of Health Care Services

Attn: Director's Office

P.O. Box 997413, MS 0000

Sacramento, CA 95899-7413

FOR CMS USE ONLY

16. DATE RECEIVED

17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Agency: California**MEDICAID PROGRAM: REQUIREMENTS RELATING TO PAYMENT FOR COVERED OUTPATIENT DRUGS FOR THE CATEGORICALLY NEEDY**

Citation(s)	Provision(s)
1927(d)(2) and 1935(d)(2)	<p>1. The Medicaid agency provides coverage for the following excluded or otherwise restricted drugs or classes of drugs, or their medical uses to all Medicaid recipients, including full benefit dual eligible beneficiaries under the Medicare Prescription Drug Benefit-Part D.</p> <p><input checked="" type="checkbox"/> <u>The following excluded drugs are covered:</u></p> <p><input checked="" type="checkbox"/> (a) agents when used for anorexia, weight loss, weight gain (see specific drugs categories below) All drugs in this category are potential benefits, subject to medical necessity. Glucagon-like peptide-1 agonists (GLP-1s) used for weight loss are excluded from coverage.</p> <p><input type="checkbox"/> (b) agents when used to promote fertility (see specific drug categories below)</p> <p><input type="checkbox"/> (c) agents when used for cosmetic purposes or hair growth (see specific categories below)</p> <p><input checked="" type="checkbox"/> (d) agents when used for symptomatic relief of cough and colds (see specific categories below) All drugs in this category are potential benefits, subject to medical necessity.</p> <p><input checked="" type="checkbox"/> (e) prescription vitamins and minerals products, except prenatal vitamins and fluoride</p> <p>Medi-Cal will cover select prescription vitamins and minerals pursuant to prior authorization or utilization restrictions. Combination vitamin and mineral products are <u>not</u> a benefit. Vitamins or minerals used for dietary supplements are <u>not</u> a benefit.</p>

TN No. 25-0029

Supersedes

TN No. 05-008

Approval Date: _____

Effective Date: January 1, 2026

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Agency: California**MEDICAID PROGRAM: REQUIREMENTS RELATING TO PAYMENT FOR
COVERED OUTPATIENT DRUGS FOR THE MEDICALLY NEEDY**

Citation(s)	Provision(s)
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