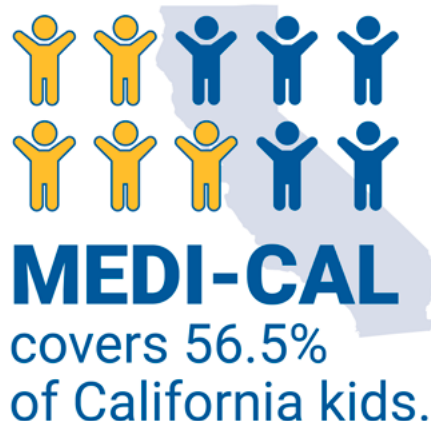


How Medi-Cal Continuous Coverage Protects California Kids

Overview

- ▶ In response to the COVID-19 pandemic, in March 2020 Congress enacted the [Families First Coronavirus Response Act](#) (FFCA), which required state Medicaid programs to keep all enrollees continuously enrolled in exchange for enhanced federal funding for the duration of the COVID-19 public health emergency. This means that over 15 million Californians — including 5.7 million children — with Medi-Cal (California's Medicaid program) have been shielded from losing their health coverage.
- ▶ In December 2022, Congress passed its year-end omnibus spending bill, which delinked this Medicaid continuous coverage requirement from the COVID-19 public health emergency and announced the process of redetermining Medi-Cal eligibility would begin April 1, 2023.



This brief outlines how the FFCA continuous coverage provision has protected California children from gaps in coverage and outlines the importance of why continuous coverage protections should continue beyond the PHE as the process of redetermining Medi-Cal eligibility begins.

Gaps in Children's Medi-Cal Coverage

Keeping Medi-Cal Coverage is a Challenging Process for Families.

- ▶ Prior to the pandemic, Medi-Cal enrollees were required to renew their coverage every year and report changes in eligibility (such as income) throughout the year. California provides 12 months of continuous Medi-Cal coverage for children, which means that most changes within the year will not result in children losing coverage (unless they leave the state or age out). At annual renewal, county Medi-Cal offices must first check other available data sources to determine if the enrollee remains eligible — called an “ex parte” review — before reaching out to the enrollee for updated eligibility information.
- ▶ Despite these important streamlining and coverage protections, maintaining Medi-Cal coverage for children can be cumbersome for families and requires diligence. In focus groups organized with local partners, parents of color reported that they often have to work hard to keep their child enrolled in Medi-Cal, and sometimes even small clerical errors, such as the misspelling of a name, could require multiple calls to the program to protect a child's coverage — many times with no solution provided by Medi-Cal staff.

Focus Group Story: Parents put excessive effort into keeping their children covered

One parent's son's name did not conform to the Medi-Cal system causing extensive issues for her son's coverage. Her son's name included an apostrophe which the Medi-Cal data system could not comprehend. To fix this issue the Medi-Cal staff removed the apostrophe in his name from within the system. This ultimately caused the Social Security Administration to flag a discrepancy in identification. Although it was an error on Medi-Cal's part this parent had to do all the labor to correct it. It took nearly two years for this parent to get her child's documents corrected.

Medi-Cal children face gaps in coverage.

- ▶ Prior to the federal PHE, [Medi-Cal data](#) indicates that **7.5% of children have churned off and back onto Medi-Cal coverage within the year — amounting to just under 400,000 California Medi-Cal children experiencing a gap in their coverage.**
- ▶ Medi-Cal's churning rate for children (within the year) of 7.5% was higher than the [national average](#) of 6% among the 24 states that provide 12 months of continuous coverage. By comparison, the average churning rate among states that do not offer the policy was 8.5%.
- ▶ Some children may have longer gaps: About 11%, or just under 600,000 children, of Medi-Cal children lost their Medi-Cal coverage at some point and then returned.

People of color are more likely to lose coverage, even though they remain eligible.

- ▶ People of color are at increased risk of losing Medicaid coverage or experiencing a gap in coverage due to barriers completing the renewal process, administrative hurdles, or housing insecurity. A [federal analysis of gaps in Medicaid coverage](#) also found that Black and Latinx enrollees were slightly more likely to face churning in Medicaid, namely losing their coverage and having to re-enroll within a 12-month period.
- ▶ Another [federal analysis](#) on the unwinding of the federal continuous coverage protection found that children and Latinx populations losing Medicaid coverage are more likely to still qualify despite procedural disenrollments. Three-fourths of Medicaid children and 64% of all Latinx enrollees losing coverage are projected to be disenrolled due to procedural reasons. In other words, children and Latinx enrollees are unnecessarily losing coverage because they are more likely to remain eligible. Removing barriers like the administrative red tape of proving their eligibility means less chances to lose coverage.

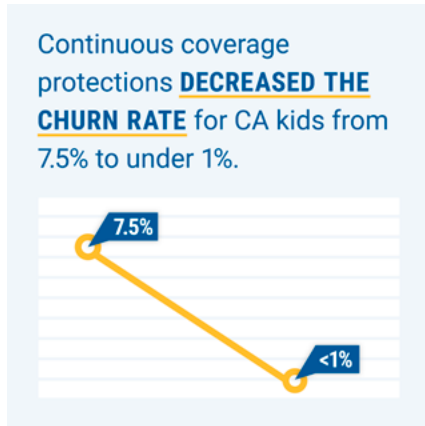
Children lose Medi-Cal mostly due to administrative hurdles, not ineligibility.

- ▶ California Department of Health Care Services (DHCS) staff found that about half of the cases in which children lose Medi-Cal coverage is attributed to a catchall category called "failure to respond." Families' "failure to respond" during the redetermination process is likely due to [housing insecurity](#) and administrative hurdles, such as not receiving renewal forms at current address, long call wait times, and difficulty responding to additional documentation requirements. In fact, children's loss of Medi-Cal coverage is rarely due to ineligibility. For example, [DHCS disenrollment data](#) shows that only 5% of Medi-Cal families' disenrollments are due to higher incomes. (Children's disenrollment due to income is likely even lower than that because children's income eligibility levels are far greater than others in Medi-Cal.)

Continuous Coverage Protections Benefit Children

Federal continuous coverage protections reduced children’s churning rate by 75%.

- ▶ The federal Medicaid continuous coverage policy adopted under the PHE has demonstrated the positive impact that continuity of care can have in stabilizing and narrowing gaps in children’s coverage.
- ▶ Medi-Cal data shows that churning rates for children dropped from 7.5% in 2019 to just under 1% during the federal continuous coverage protection.



Federal continuous coverage protected

340K

California children and youth from coverage gaps.

- ▶ The federal continuous coverage policy protected 340,000 California children and youth from experiencing gaps in their health coverage within the year.
- ▶ The rate of those children with gaps in coverage of any length was 11% in 2019 and dropped to 3% when the Medi-Cal coverage protection was in place, amounting to over 400,000 fewer California children having any amount of gap in coverage (Table 1).

TABLE 1.
Continuous Medi-Cal Coverage’s Positive Impact on Churning: Over 75% Drop in Churning for Children

Medi-Cal	Churning* before Continuous Coverage (2019)			Churning* during Continuous Coverage (2022)		
	Churning Rate (any period)	Churn Rate (w/i 12mo)	Total # Churning	Churning Rate (any period)	Churning Rate (w/i 12mo)	Total # Churning
All Children (0-20)	11%	7.5%	590K	3%	1%	165K
Young Children (0-5)	9%	7.2%	110K	2%	1%	24K

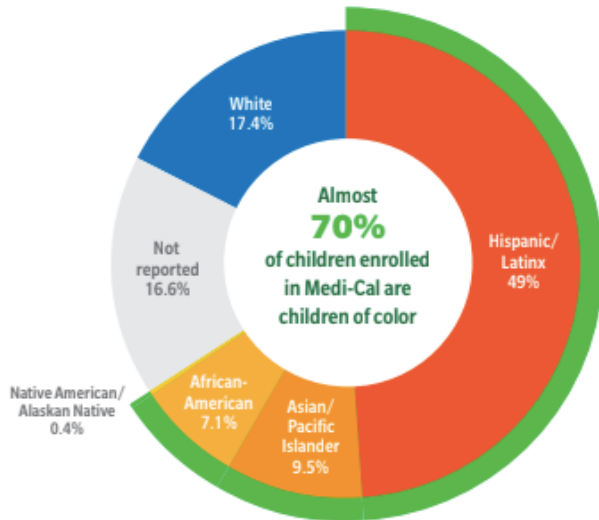
*For purposes of this chart, “churning” refers to any gap period of time from when a child loses Medi-Cal coverage and then re-enrolls, including periods both shorter and longer than 12 months. DHCS uses “churning” to refer to those losing coverage within a 12-month period and “re-enrollment” as the larger category of those losing coverage and re-enrolling, which may be over a longer period than 12 months.

Source: <https://www.dhcs.ca.gov/dataandstats/Documents/Medi-Cal-Enrollment-Data-June-2021.pdf> and <https://www.dhcs.ca.gov/dataandstats/Documents/Medi-Cal-Enrollment-August2022.pdf>

- ▶ The data makes clear that the federal continuous Medi-Cal coverage policy has greatly reduced the churning rate for young children, protecting about 85,000 children under 5 in California from having a gap in their coverage.

A continuous Medi-Cal coverage policy advances health equity by removing structural barriers to coverage.

Medi-Cal Enrolled Children by Race/Ethnicity January 2022



Source: www.dhcs.ca.gov/dataandstats/statistics/Documents/FastFacts-January2022.pdf

- ▶ As mentioned, Medi-Cal is the major source of coverage for California’s children, covering over half (57%) of all children in the state. Moreover, Medi-Cal is a primary source of coverage for children, youth and young adults of color, who account for over 70% of children, youth and young adults enrolled in Medi-Cal.
- ▶ Providing continuous Medi-Cal coverage is a health equity strategy because it removes enrollment barriers for families and allows Medicaid to function in a similarly streamlined manner to employer-based coverage, whereby annual renewal is automatic. As long as a family wants to keep their coverage and continues to live in the state, coverage would continue.

Stable coverage is critical for young children getting a healthy start in life.

- ▶ Gaps in coverage — even for short periods of time — can be particularly detrimental to young children when healthy childhood development necessitates timely and frequent well-child visits, screenings/assessments and immunizations. National pediatric standards [recommend](#) 15 well-child visits and screening/assessments as well as multiple immunizations in the first five years of life.
- ▶ Early childhood development is a critical time for young children, with 90% of brain development occurring between birth and age 5.
- ▶ Reducing health disparities begins with mitigating and addressing health conditions and health-related social needs as early as possible in childhood.
- ▶ The objective is to ensure that there are no barriers — such as gaps in coverage — to young children receiving all of their early childhood preventive care. Continuous coverage is a critical tool in improving Medi-Cal’s [dismally low preventive care rates](#).
- ▶ Yet even with processes in place to protect coverage — like the 12-months continuous coverage policy — about 100,000 young children experienced a gap in their Medi-Cal coverage prior to the federal continuous coverage protection.

California has an Opportunity to Keep Young Children Covered

The federal continuous Medi-Cal coverage protection is ending March 31, 2023.

- ▶ Starting April 1, Medi-Cal can begin to redetermine eligibility for all Medi-Cal enrollees over the next year, referred to as the “unwinding” of the federal continuous coverage protection. This will be a massive undertaking that could have a tremendous impact on coverage in California: Medi-Cal covers over 15 million Californians — one-third of the entire state population — which includes 5.7 million children, a number that represents more than half (57%) of all children in California.

California has a new coverage policy that could protect children from losing coverage.

- ▶ In 2022, California adopted a permanent policy of multiyear continuous coverage for young children from birth to age 5. Recognizing how important stable coverage is during this period of early childhood development, this policy allows young children enrolled in Medi-Cal to stay enrolled until age 5 without making their families jump through administrative hurdles to keep them enrolled.
- ▶ However, this policy is not slated to begin until 2025. This delay in implementation places thousands of children at risk of losing coverage unnecessarily.

California could lose the progress it has made in keeping children covered over the past few years.

- ▶ [DHCS estimates](#) that 2 to 3 million Californians will lose their Medi-Cal coverage during the unwinding.
- ▶ Roughly 800,000 to one million California children could lose their Medi-Cal coverage, extrapolating from DHCS’ assumption of overall Medi-Cal coverage loss.
- ▶ An estimated **600,000 to 750,000 of those Medi-Cal children would inappropriately lose coverage** because they would still remain eligible, extrapolating from [the previously mentioned federal analysis](#).

Expediting implementation of California’s multi-year continuous coverage policy will minimize the number of eligible children losing coverage.

- ▶ Oregon was the first state in the nation to seek and receive federal waiver approval to implement multiyear, continuous Medicaid coverage for young children up to age 6 and two-year continuous coverage for all other Medicaid enrollees. Washington and New Mexico have similar child-focused, multiyear continuous coverage proposals pending federal approval.
- ▶ California can prioritize this policy for expedited implementation. Doing so could help to reduce the large numbers of young children losing Medi-Cal coverage and improve their chances of accessing early childhood preventive care in a timely way.

We urge DHCS to implement the multiyear continuous Medi-Cal coverage for children ages 0-5 policy before the full impact of unwinding disenrollments are realized.