

The Children's Partnership (TCP) advances child health equity through public policy, community engagement and research, to create a California where all children have the resources and opportunities they need to be healthy and thrive. Since 1993, TCP has championed policies that help create a California where all children have the resources and opportunities they need to be healthy and thrive.

April 11, 2023

The Honorable Gavin Newsom Governor, State of California 1021 O Street, Suite 9000 Sacramento, CA 95814

Re: Keeping the Health of Children and Families at the Forefront of the May Revision

Dear Governor Newsom:

Thank you for recognizing the complexity of families' lives, and avoiding current and future cuts to safety net programs that hinder children's health and well-being in your January budget proposal. We are cognizant of the state's fiscal challenges as well as challenges children and families continue to face, and are grateful for our state's equity-centered leadership. We write to provide budget priority recommendations that center the health of children and their families.

Historically, the health and well-being of children and families, in particular of children and families of color who disproportionately experience poverty in our state, are significantly affected by the state budget. We respectfully request that you center California's 7 million children of color in the May Revise through a Whole Child Health Equity agenda that ensures all safety net programs, including Cal-Fresh, CFAP, WIC, and tax credits, are kept intact; and includes the following priorities that support maternal and infant health, mental health and well-being; and increase access to, protect and strengthen California's safety net:

Support Maternal & Early Childhood Health

- 1. Provide \$2.4 million annually for extending Comprehensive Perinatal Services Program services for up to 12 months post-pregnancy.
- 2. Support infant and early childhood mental health with a \$100 million investment.
- 3. Expedite preparation for implementation of continuous Medi-Cal Coverage for children 0-5, including by submitting a federal waiver request.
- 4. Withdraw the proposed delay of community health worker workforce certification and training.
- 5. Renew the Managed Care Organization (MCO) Tax.

Increase Access to Safety Net Programs

- 6. Withdraw the proposed funding delay and expand the California Food Assistance Program to include children, youth and all ages regardless of immigration status.
- 7. Expand unemployment benefits to include all people, no matter their immigration status.

These priorities, explained in greater detail below, will help protect the health and well-being of children and families as they face challenges that will be magnified by the sunset of pandemic protections around health coverage, food, income, and housing.



Support Maternal and Early Childhood Health

Persistent inequities confronting <u>Black</u> and <u>Indigenous</u> communities around maternal and infant health in California are rooted in our country's and state's racism and its inextricable downstream effects on housing, transportation, economic opportunity, education, food, air quality, health care, and beyond. We urge you to help address these inequities by including the following investments in the health and well-being of birthing people, infants, and toddlers in the May Revise.

(1) Provide \$2.4 million annually for extending Comprehensive Perinatal Services Program services for up to 12 months post-pregnancy.

Providing a \$2.4 million augmentation annually to the Comprehensive Perinatal Services Program would increase access to mental health and health-related social services for postpartum people in Medi-Cal during the one-year post-pregnancy eligibility period, instead of solely the initial 60-day period. Comprehensive perinatal health workers screen for behavioral, mental and physical health issues, promote preventative healthcare, and support stronger parent-child bonds. This can include identifying and addressing postpartum depression, connecting parents to programs that address food and housing insecurity, and a host of other services. The warm handoff CPHWs make to support services can be lifesaving, especially given the fact that the vast majority of deaths by suicide due to postpartum depression occur in the late postpartum period (43-365 days after pregnancy ends).

(2) Support infant and early childhood mental health with a \$100 million investment.

A one-time \$100 million General Fund appropriation dedicated exclusively to infant and early childhood mental health services and provider training will help move our state closer to meeting its goal of reducing Adverse Childhood Experiences and toxic stress by half within one generation and to advance the governor's commitment to improving the mental health of our state's children and youth. As the state's first Surgeon General, Nadine Burke-Harris, laid the groundwork for, it is especially critical to address trauma, mental, and behavioral health concerns in early childhood when 90% of a child's brain development occurs before age 5. Intervening early will allow us to interrupt these Adverse Childhood Experiences and provide children and families the support they need before they have the opportunity to calcify into toxic stress. This funding would significantly move our state to greater mental health equity for California's infants and toddlers, especially those from communities of color that have been historically marginalized and hit hardest by the last three years.

(3) Expedite preparation for implementation of continuous Medi-Cal Coverage for children 0-5 including by submitting a federal waiver request.

Providing continuous Medi-Cal coverage removes enrollment barriers for families whereby annual renewal is automatic. 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. The federal Medicaid continuous coverage policy adopted under the Public Health Emergency has demonstrated the positive impact that continuity of care can have in stabilizing and narrowing gaps in children's coverage: churning rates for children (where they churn in and out of coverage) dropped



from 7.5% in 2019 to just under 1% during the federal continuous coverage protection, protecting 340,000 California children and youth from experiencing gaps in their health coverage within the year. In order to maintain these protections and keep children connected to health coverage and services, we request that the Department of Health Care Services immediately begin work on the preliminary requirements for implementing the continuous coverage of children 0-5 in Medi-Cal–such as submitting a federal waiver request– to meet the deadlines required for implementation in January 2025.

(4) Withdraw the proposed delay of community health worker workforce certification and training.

Delaying the community health worker workforce certification training investment will cause disruptions to California's broader efforts to achieve significant improvements in Medi-Cal clinical and health equity outcomes that the state has committed to achieving by 2025 through the Department of Health Care Services (DHCS) Comprehensive Quality Strategy (CQS). Published last year, the CQS outlines DHCS's "Bold Goals: 50x2025" initiatives with specific strategies meant to address health inequities impacting children and families enrolled in Medi-Cal that were highlighted by the California State Auditor in 2018 and 2022, including (1) closing racial and ethnic disparities in well-child visits and immunizations by 50%, (2) closing maternity care disparity for Black and Native American persons by 50%, (3) improving follow-up for mental health and substance use disorder by 50%, and (4) ensuring all health plans exceed the 50th percentile for all children's preventive care measures.

A key strategy noted in the CQS and by advocates to address these health inequities includes integrating community health workers into our state's Medi-Cal system through a historic new CHW Medi-Cal benefit launched in July 2022 where CHWs will be able to provide preventive services like outreach, navigation, education, and advocacy services that are critical to achieving those goals in the next two years by 2025. These are services that are especially critical for new parents and during early childhood. Delaying funding to increase the number of community health workers could disrupt the implementation of this benefit and efforts to incorporate community support benefits into Medi-Cal managed care.

(5) Renew the Managed Care Organization (MCO) Tax.

In light of California's current budgetary constraints, we strongly support your proposal to re-establish the MCO tax to assist in offsetting the costs of Medi-Cal General Fund spending and the proposals described in 1-4 above. California can use the MCO tax to claim additional federal Medicaid matching funds, which help offset the General Fund cost to provide payments to Medi-Cal managed care plans.

Increase Access to Safety Net Programs

As the COVID-19 pandemic has made clear, the health of each of us is deeply interconnected with that of every Californian. Nearly half (46%) or 4,082,000 of California's 9 million children are part of immigrant families. Yet many of these families are unfairly excluded from accessing public programs that support health and well-being due to immigration status. We urge the Governor to continue his commitment to a California for All and additionally include the following priorities in the May Revise that would remove arbitrary barriers, like immigration status, so that all children and families can access life-supporting resources.



(1) Withdraw the proposed funding delay and expand the California Food Assistance Program to include children, youth and all ages regardless of immigration status.

Access to affordable and nutritious food is imperative to a child's wellbeing, shaping a child's success in their health and their education. Yet, despite its enormous consequences on a child's ability to succeed in life, hundreds of thousands of children in our state remain food insecure. <u>Nearly 2 in 3 or 64% (66.000)</u> of undocumented children in our state face insecurity, among the highest rates across any child population. Yet, they are also unfairly left out of accessing the California Food Assistance Program and Cal-Fresh that would connect them to food, severely limiting their opportunity to have a healthy life and development. In order to effectively address increasing food insecurity, reduce poverty and homelessness, and support an equitable recovery from the impact of COVID-19, it is critical that California modernize CFAP and bring equity to our state's nutrition safety net. We urge you to withdraw the proposed delay to expanding the California Food Assistance Program (CFAP) for people 55+, regardless of immigration status, as well as allow children who are undocumented to access the program, in addition to people of all ages.

(2) Expand unemployment benefits to include all people, no matter their immigration status.

When the COVID-19 pandemic began and millions lost their jobs, unemployment insurance benefits served as an essential lifeline for Californians. However, based on outdated and racist policies, undocumented immigrant workers, who comprise 1 in 16 workers in California, were entirely excluded from unemployment benefits, despite being some of the most severely impacted by the COVID-19 pandemic, directly affecting millions of children of undocumented parents – immigrants make up a large part of the essential workforce but have higher uninsurance rates compared to non-immigrant essential workers, making them especially susceptible to contracting and dying of COVID-19.

Despite the fact that undocumented workers play a key role in California's economy, contributing an estimated \$3.7 billion in annual state and local tax revenues, they and their families continue facing severe economic instability. Undocumented workers are a critical pillar for California's economy, but the state continues to perpetuate an injustice by excluding them from unemployment benefits solely because of their status. Providing all residents and workers of California, no matter their immigration status, with unemployment benefits is an essential investment to create a resilient, equitable economy that works for everyone and that invests additional resources for the well-being of children in immigrant families.

We thank you for your consideration of these Whole Child investments that help ensure that California prioritizes the immediate and long-term health of our children, especially children of color, children from low-income backgrounds and children facing other barriers to robust and lasting health.

Sincerely,

Mayra alvarez

Mayra E. Alvarez President