



WESTERN CENTER
ON LAW & POVERTY



Governor Gavin Newsom
Office of the Governor
1021 O Street, Suite 9000
Sacramento, CA 95814

Dear Governor Newsom,

Our coalition – The Children’s Partnership, First 5 Association of California, American Academy of Pediatrics of California, Children Now, March of Dimes, Maternal and Children Health Access, National Health Law Program and Western Center on Law and Poverty – is writing to urge you to greenlight the implementation of the multi-year continuous Medi-Cal coverage protection for young children by including funding in your upcoming January budget proposal.

We were pleased to see California adopt continuous Medi-Cal coverage protection for young children ages 0 to 5 in the 2022-23 budget. Implementation of this policy as currently written, however, is conditional on the Department of Finance (DOF) determining sufficient funding for the policy in 2024. The Department of Health Care Services (DHCS) has a plan for implementation but needs DOF’s approval before it can execute this plan, including seeking federal waiver approval and directing county eligibility system updates. Thus, we urge you to include funding for this policy in your January budget and ask the DOF to explicitly greenlight implementation as soon as possible to ensure this policy will be in place on January 1, 2025, as approved in the 2022-23 Budget Act. Waiting until the Spring or Summer of 2024 to greenlight the continuous coverage protection will most likely delay implementation, leaving more eligible Medi-Cal children to lose coverage unnecessarily.

As you know, Medi-Cal is a primary source of health care coverage for children in California: Well over half of all children in the state are covered by Medi-Cal and almost three-fourths of these children are children of color. Ensuring stable access to Medi-Cal coverage during the first years of life is paramount to promoting healthy childhood development and health equity during the first years of life. Research also shows that Medicaid coverage in childhood, particularly among the youngest children, leads to better health in adulthood, higher educational attainment and greater financial security as adults.

During the COVID-19 public health emergency (PHE), stable access to Medi-Cal was guaranteed, and this protection prevented coverage gaps for the 1.2 million children ages 0 to 5 with Medi-Cal. Specifically, the percentage of young Medi-Cal children who experienced a gap in coverage [dropped from 9% to 2%](#). On a

broader scale, the uninsured rate during this time for all California children [dropped 11%](#). Continuous coverage not only protected children from becoming uninsured — it reduced the uninsurance rate...during a pandemic!

However, now that PHE protections have ended and California is conducting Medi-Cal redeterminations, children are once again facing gaps in coverage. Over 100,000 children were dropped from Medi-Cal in the first three months of renewals alone. Most frustratingly, it is federally projected that [three-fourths of children](#) losing coverage remain eligible, and, in California, [91% of disenrollments](#) are due to procedural reasons, not because there was a finding of ineligibility. This procedural disenrollment rate ranks California 6th worst in the nation.

Even a short gap in a child's coverage can mean missed opportunities for critical care, revealing the very real repercussions on child's health and families' well-being; for example:

A 20-month-old in Alameda was screened for autism spectrum disorder but when the parent brought the child to a regional center to be fully assessed and connect to treatment, the parent found out the 20-month-old's Medi-Cal coverage was terminated. The Medi-Cal renewal paperwork was confusing and thus was not completed in time. After re-applying, the child had to wait 6 months before coverage was restored. This gap in coverage resulted in precious time lost for possible early intervention for the 20-month-old.

In recent focus groups conducted by our coalition, we found that families are working hard to keep their insurance and a loss in coverage is stressful even for a short period of time—resulting in delayed or forgone care and large out of pocket costs. Most families we spoke to found out their child lost coverage when they were seeking care, creating “nightmare” situations when at an emergency room or seeking life-sustaining medication. These are the realities of families' experience with losing Medi-Cal coverage.

Two states - Washington and Oregon - have already successfully obtained federal approval for continuous coverage protection policies for young children and are implementing them. California can join their leadership by allowing implementation, including application for a federal waiver, to get underway. A timely implementation necessitates DOF greenlighting this policy's implementation immediately and ensuring the Administration supports funding in the budget to move this forward. The legislature has previously championed the timely implementation of this policy and would welcome your leadership and greenlight to DHCS to start implementing to meet the January start date.

Thank you for your time and consideration. We look forward to witnessing California's continued dedication to the health and prosperity of our youngest residents.

Sincerely,

The Children's Partnership
First 5 Association of California
American Academy of Pediatrics California
Children Now
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