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Press Statement

May Revision: Multi-Year Continuous Medi-Cal Coverage for Young Children Not Funded *Tens of Thousands of CA Children's Medi-Cal Coverage Not Preserved*

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A coalition of organizations – including Children Now, First 5 Association of California, March of Dimes, Maternal and Child Health Access, National Health Law Program, The Children's Partnership, and Western Center on Law and Poverty – express frustration that the May revision of the 2024-2025 state budget does not include funding to preserve Medi-Cal coverage for our youngest Californians through implementation of the state's multi-year continuous enrollment (MYCE) for Medi-Cal children ages 0 to 5. ***We urge the legislature to fund the preservation of children's Medi-Cal coverage.***

Through the 2022-2023 budget, California was one of the first states in the country to adopt a multi-year continuous Medi-Cal enrollment (MYCE) protection for young children. This means that children under age five can keep their Medi-Cal coverage without any annual redeterminations, which can cause loss of coverage often due to administrative hurdles. To preserve Medi-Cal coverage for young children beginning January 2025, the intended start date, California needs to fund this policy in the 2024-2025 final budget so the CA Department of Health Care Services can take the necessary steps for implementation. Doing so now means that the state does not risk submitting the federal request under a new administration unlikely to approve it. This is the window of opportunity to protect young children's Medi-Cal coverage.

Funding this policy will prevent more children from unnecessarily losing health coverage in the coming years and ensure California does not get left behind as similar policies are being implemented in other states, including Oregon, Washington, Minnesota, New Mexico, North Carolina, Arizona, Hawaii, and Pennsylvania. From June 2023 through February 2024, over 80,500 children ages birth through six were discontinued in Medi-Cal coverage as California unwinds COVID-19-related continuous coverage protections. The vast majority of these children remain eligible for Medi-Cal and are discontinued for procedural reasons, demonstrating how vulnerable children are to gaps in coverage.

Providing continuous Medi-Cal coverage is an important first step in achieving health equity for young children in California. Three-fourths of children covered by Medi-Cal are children of color. Medi-Cal is the primary source of coverage for Latine and Black children in California.

Communities of color are experiencing the impacts of the pandemic disproportionately and Latine enrollees are more likely to lose their Medi-Cal coverage during the annual renewals. By removing coverage and access barriers, Medi-Cal can play a unique and critical role in addressing the structural racism that health disparities reveal and that COVID has exacerbated.

Continuous coverage during the public health emergency has proven to be extremely effective, even in challenging times. The uninsured rate for California children dropped from 3.6 percent to 3.2 percent—an 11 percent drop. Continuous coverage not only protected children from becoming uninsured, it reduced the uninsurance rate during a pandemic. Gaps in coverage lead to missed essential health care, including vaccinations and early identification of developmental delays and interventions. By contrast, protecting Medi-Cal coverage in the first 5 years of life, when 90 percent of brain development occurs, can set a child on a course for healthy development.

We appreciate that the state budget shortfall requires state policymakers to curtail new investments and focus on preserving the investments already made. Multi-year continuous Medi-Cal coverage does just that: preserving children's Medi-Cal is not only an existing state obligation to Medi-Cal children but also protects young children's healthy development and preserves existing state investments in children's mental health and the administration's strategic priorities in early childhood development. Children cannot benefit from these existing investments if they lose their Medi-Cal coverage.

*Given the Legislature's objective to preserve existing obligations and investments, **our coalition and the broader group of supporters are strongly urging the legislature to commit to preserve children's Medi-Cal coverage by funding the multi-year continuous coverage policy.*** Our organizations look forward to continued engagement with state partners on the timely implementation of this important policy.

For questions please contact:

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