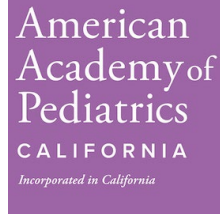




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March XX, 2025

The Honorable Jesse Gabriel
Chair, Assembly Budget Committee
1021 O Street, Suite 8230
Sacramento, CA 95814

Senator Scott Wiener
Chair, Senate Budget Committee
1021 O Street, Suite 8620
Sacramento, CA 94814-4900

RE: MULTI-YEAR CONTINUOUS MEDI-CAL ENROLLMENT FOR CHILDREN 0 THROUGH 5

Dear Chairs Gabriel and Wiener,

We are writing to express our shared commitment to supporting the inclusion of multi-year continuous Medi-Cal enrollment (MYCE) for young children in the 2025-2026 state budget.

Through the 2022-23 budget, California committed to implement a multi-year continuous Medi-Cal enrollment (MYCE) protection for young children so that they can keep their Medi-Cal coverage without any annual redeterminations, preventing the loss of coverage and care due to administrative hurdles. Unfortunately, this policy was never implemented with the passage of Proposition 35, the Managed Care Organization Tax initiative. In order to move forward with implementing this policy, the 2025-26 budget must fully fund multi-year continuous Medi-Cal eligibility for children ages 0 through 5 to prevent gaps in healthcare coverage for California's youngest low-income children, prioritizing a healthy start for one of the state's most vulnerable populations.

Approximately nine percent, or [100,000 children](#) up to age five in California experience Medi-Cal coverage churn during a year.¹ Cycling on and off health insurance coverage—or churning—is disruptive to health care continuity, and is especially problematic for young children. Children who are [uninsured for even short periods](#) have reduced access to care and report more unmet health care needs than those with continuous coverage.

When children lose coverage it is often caused by administrative hurdles, not eligibility. Before COVID-19 continuous Medi-Cal coverage protections, the Department of Health Care Services staff found that about half of the time, children lose Medi-Cal coverage due to “failure to respond.” Families’ “failure to respond” during the redetermination process may be driven by administrative hurdles (not receiving required forms to current address, difficulty responding to

¹ 2019 data which is pre-COVID-19 continuous Medi-Cal coverage protections.

additional documentation requirements, or housing insecurity). These children are losing coverage even though they [remain eligible](#).

Any period of lost coverage can be devastating for a family. In recent [focus groups](#), families expressed working hard to keep their insurance and how losing coverage is stressful even for a short period, resulting in delayed or forgone care and large out-of-pocket costs. Most focus group families found out their child lost coverage when they were seeking care, creating “nightmare” situations when at an emergency room or seeking life-sustaining medication.

Continuous coverage is the foundation of care continuity. The first years of a child’s life present a unique opportunity to set them up for healthy outcomes. Ninety percent of brain development occurs during the first five years, a time when the American Academy of Pediatrics recommends children receive [14 well-child visits](#) to administer critical preventive care like immunizations and track developmental milestones. Providing continuous coverage without administrative hurdles would improve care continuity for young children and largely mitigate coverage disruptions.

Continuous coverage is especially impactful for children of color. Almost three-fourths of Medi-Cal children are [children of color](#) and Medi-Cal is the primary source of coverage for California Latinx and Black children. 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 health crises, like COVID-19, have exacerbated. Therefore, Medi-Cal can play a pivotal role in advancing equity by ensuring that BIPOC children have a healthy start, beginning with ensuring their health coverage is stable and continuous. Long-standing, structurally racist policies and practices have created an environment where families of color experienced a significantly greater degree of volatility in employment, income, and housing. These economic and housing impacts [heighten the risk](#) of churn, especially when combined with the additional administrative hurdles families face in enrolling in and renewing Medi-Cal. Moreover, families of color are [more likely to face gaps in coverage](#) due to administrative hurdles.

Continuous coverage works. California adopted the federal option to provide 12 months of continuous eligibility in Medicaid for children in 2000, which allows infants and children up to age 18 to keep their coverage in between annual renewals, even if income changes in that interim period. This [12-month continuous coverage](#) reduces [gaps in coverage](#), increases access to preventive care, and reduces unmet medical needs. The COVID-19 continuous coverage policy also greatly reduced churn for children, from 7.5% down to 1.5%. In addition, the uninsured rate for California children dropped from 3.6% to 3.2%—an [11% drop](#). Continuous coverage not only protected children from becoming uninsured but also *reduced the uninsured rate during the COVID-19 pandemic*.

Securing funding and executing policy implementation steps ASAP will prevent more children from 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](#), [Massachusetts](#), [New Mexico](#), [North Carolina](#), [New York](#), [Arizona](#), [Hawaii](#), and [Pennsylvania](#)).

Furthermore, moving forward with multi-year continuous coverage not only protects young children’s healthy development, it also preserves existing state investments in children’s mental health and the administration’s strategic priorities in early childhood development; children cannot benefit from these investments if they lose their Medi-Cal coverage.

We believe California must take immediate action, and join 11 red and blue states, to prevent more children from unnecessarily losing health coverage in the coming years and remain a leader in advancing health equity. Continuous coverage is smart policy, by mitigating the inefficiency of re-enrollments while keeping young children covered when frequent well-child visits are most important to set children on a healthy start.

Thank you for your leadership and for considering this urgent matter. We look forward to working with you to advance solutions that ensure California's most vulnerable children have access to stable healthcare coverage.

Sincerely,

The Children's Partnership
First 5 Association of California
Maternal and Child Health Access
Children Now
March of Dimes
American Academy of Pediatrics California
Western Center on Law & Poverty
National Health Law Program