

Systems Interactions: Medi-Cal Managed Care and other Health Care Delivery for Children on Medi-Cal

Medi-Cal insurance covers a wide array of services for children, including doctor and dentist appointments, prescription drugs, vision care, mental health care, and more. In addition, under federal law, Medi-Cal must ensure that children receive a comprehensive set of preventive, diagnostic, and medically necessary treatment services called “Early and Periodic Screening, Diagnostic, & Treatment” (EPSDT).¹

To make full use of the EPSDT Medi-Cal benefit, families may have to access various systems in addition to the child’s managed care plan. This brief describes these other delivery systems, and their relationship with Medi-Cal managed care.

MEDI-CAL MANAGED CARE CARVE OUTS

Although most Medi-Cal services are provided by managed care plans, a few services are “carved out” of the plans’ responsibilities, meaning they are administered and accessed outside the plans. For children these include:

Dental Services: Denti-Cal provides dental care to Medi-Cal members on a fee-for service basis, except in Los Angeles and Sacramento Counties, where dental managed care plans are available.²

WHAT IS MEDICALLY NECESSARY?

The definition of medically necessary is defined by federal and state law. For individuals younger than 21 years old, a service is “medically necessary” or a “medical necessity” when it will “correct or ameliorate” defects and physical and mental illnesses or conditions. The definition of medically necessary for children is broader than it is for adults, acknowledging the wider set of prevention-focused services allowable for children under EPSDT. This means children should be able to receive services to maintain or improve their health — physical or mental — and not just to correct a problem.

California Children's Services (CCS): The CCS program provides services and case management to children with specific medical conditions, including cystic fibrosis, cerebral palsy, and cancer.³ The traditional CCS program operates as a carve out of managed care in 37 counties. In the remaining 21 counties, CCS services have been incorporated into Medi-Cal managed care plans through the Whole Child Model program.⁴

Specialty Mental Health Services:

Mental health service delivery is split between Medi-Cal managed care plans and the Specialty Mental Health Services Program delivered by county mental health plans. For children, there is overlap in the services covered by each system. Generally, Medi-Cal managed care plans cover a limited set of services, and the county mental health plan should provide any medically necessary service that is not covered by the plan, for a child with a mental health diagnosis.

Both Medi-Cal managed care plans and county mental health plans must provide mental health services for children in accordance with EPSDT. This means that children may receive services from either system as long as they are medically necessary, regardless of severity. In the past, California children have only been able to access mental health benefits if they have a diagnosable condition. Advocates argue that this is not aligned with the prevention intention of EPSDT, nor the definition of medical necessity under federal law.^{5,6}

California has made some strides recently by adding a family therapy benefit for children to Medi-Cal. Under this benefit, children can receive mental health services without a diagnosis, but with specified risk factors like trauma exposure. This is a major breakthrough for children and families and opens the door for Medi-Cal to fund additional care models that treat the parent and child together. (For more information see this [Pediatrics Supporting Parents \(PSP\) analysis](#) on the Medi-Cal family therapy guidance and dyadic care models).

MILD-TO-MODERATE?

Children's mental health service delivery is constructed atop an adult-centric model, and adult eligibility criteria are sometimes inappropriately applied to children. Adults receive care from their Medi-Cal managed care plan for mild-to-moderate mental health concerns and from the county mental health plan for more severe concerns. This is why people sometimes call managed care mental health services the *mild-to-moderate benefit*. However, this name does not reflect how the system works for kids. Children can receive medically necessary services from either system regardless of severity. Because of this, some people prefer the term *non-specialty mental health services* to describe the Medi-Cal managed care mental health benefit.

PART C EARLY INTERVENTIONS SERVICES

Infants and toddlers ages birth to three are entitled to receive early intervention services under the Individuals with Disabilities Education Act (IDEA), Part C. These services, called Early Start in California, are administered separately from the Medi-Cal benefit. The vast majority of Early Start services in California are delivered by a network of 21 community-based Regional Centers. To be eligible for Early Start, infants and toddlers must have a

developmental delay of at least 33% in one or more areas, or be at high risk of having a substantial developmental disability.⁷

Regional Centers, like managed care plans, can provide speech, occupational, behavioral, and physical therapies for children, and have their own network of contracted providers. In general, the Regional Center service eligibility threshold is lower than it is for Medi-Cal managed care. However, if a child's need for a service is deemed "medically necessary," Medi-Cal must pay for it.⁸ The split of services, payment, and provider networks between Regional Centers and managed care plans can cause confusion for families and delays in care. (For an example see this [family story](#)).

Children may receive services from the Regional Center and the managed care plan at the same time for different services they need. Furthermore, Regional Centers may work with families to help them access services through Medi-Cal and provide intervention while they wait to start services through the plan, although practices on this differ across the 21 Regional Centers.

PART B SPECIAL EDUCATION SERVICES

Children ages three and older can receive special education services under IDEA Part B through their local education agency or school district. To be eligible for these services, children must have an "established medical disability" including autism, speech or language impairments, or orthopedic impairments.⁹ Special education services provided by schools and Medi-Cal managed care plans are not well coordinated. If a parent requests services from the health plan beyond what the school district provides, the plan must evaluate what is currently being provided and then cover additional therapies necessary for a child to function outside of school, at home, and in the community.

MANAGED CARE PLANS' ROLE IN COORDINATING SERVICES

The Medi-Cal managed care plan is responsible for care coordination among its own providers and across the child-serving systems that families navigate. According to the Department of Health Care Services, plans must ensure children receive comprehensive medical case management services, including coordination of care for all medically necessary EPSDT services delivered both within and outside a plan's provider network. Plans are also responsible for the coordination of carved-out and linked services, and referral to appropriate community resources, regardless of whether the plan is responsible for paying for the service.¹⁰ There is currently no oversight of this responsibility, however, and many families feel they are the primary care coordinators for their child, and/or seek outside help from systems like Help Me Grow.¹¹

Beyond this existing care coordination benefit, the Department of Health Care Services has proposed adding enhanced case management (ECM) as a Medi-Cal benefit for certain target populations including children with complex medical needs. This is part of a multiyear initiative to reform Medi-Cal called California Advancing and Innovating Medi-Cal (CalAIM). ECM would be delivered by community-based providers and address clinical and non-clinical needs of high-need Medi-Cal managed care beneficiaries.¹²

In addition to CalAIM efforts, the Department will be re-procuring contracts with managed care plans over the next few years. First 5 Association and other child advocates have urged that these contracts increase oversight of plan's existing and future case management responsibilities to ensure all families have more support navigating the complex service delivery landscape for their children.¹³

For more on this topic, see **the related resources** on the First 5 Center for Children's Policy website, including an interactive **flowchart** that describes the systems that families navigate when trying to obtain services for their children.

NOTES

1. Department of Health Care Services. (2020, June 19). *Early and Periodic Screening, Diagnostic, and Treatment Services*. <https://www.dhcs.ca.gov/services/Pages/EPSTD.aspx>
2. Chapman, A. & Tatar, M. (2019, February). *The Medi-Cal Program An Overview*. California Health Care Foundation. <https://www.chcf.org/wp-content/uploads/2019/03/MediCalExplainedProgramOverview.pdf>
3. Department of Health Care Services. (2020, June 16). *Program Overview*. <https://www.dhcs.ca.gov/services/ccs/Pages/ProgramOverview.aspx>
4. Department of Health Care Services (2020, June 22). *California Children's Services Whole Child Model*. <https://www.dhcs.ca.gov/services/ccs/Pages/CCSWholeChildModel.aspx>
5. Lewis, K. & Velcoff Hulst, R. (2021, January). *Meeting the Moment: Understanding EPSDT and Improving Implementation in California to Address Growing Mental Health Needs*. California Children's Trust. https://cachildrenstrust.org/wp-content/uploads/2021/01/Meeting-the-Moment_FINAL.pdf
6. National Health Law Program. (2020, January). *An Advocate's Guide to Medi-Cal Services Chapter III: Mental Health Services*. <https://healthlaw.org/wp-content/uploads/2020/02/NHeLP-MediServicesGuide-Complete-Ch3.pdf>
7. Department of Developmental Services. (2020, February 12). *What is Early Start?* <https://www.dds.ca.gov/services/early-start/what-is-early-start/>
8. Cal. Code Regs. tit. 17, § 52109
9. Disability Rights California. (n.d.). *What are the eligibility criteria for children with disabilities who are three to five years old?* <https://serr.disabilityrightsca.org/serr-manual/chapter-13-information-on-preschool-education-services/13-4-what-are-the-eligibility-criteria-for-children-with-disabilities-who-are-three-to-five-years-old/>
10. Department of Health Care Services. (2019, August 14). *ALL PLAN LETTER 19-010*. <https://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2019/APL19-010.pdf>
11. Crow, S., Parma, A., & Rosen, N. (2020, May). *California's Early Identification and Intervention System and the Role of Help Me Grow*. First 5 Center for Children's Policy. <https://first5center.org/publications/californias-early-identification-and-intervention-system-and-the-role-of-help-me-grow>
12. Department of Health Care Services. (2021, April 6). *California Advancing and Innovating Medi-Cal*. <https://www.dhcs.ca.gov/provgovpart/Pages/CalAIM.aspx>
13. Crow, S. (2020, October 1). *California Has an Opportunity to Improve How Medi-Cal Serves Young Children*. First 5 Center for Children's Policy. <https://first5center.org/blog/california-has-an-opportunity-to-improve-how-medi-cal-serves-young-children>