

Medi-Cal Basics for Early Childhood Leaders

Medi-Cal is California's Medicaid health care program. It provides free or low-cost health insurance to low-income and other vulnerable populations. States have to follow certain national Medicaid rules, but they have flexibility in how they run their programs. Medi-Cal is paid for by a combination of federal, state, and county money.

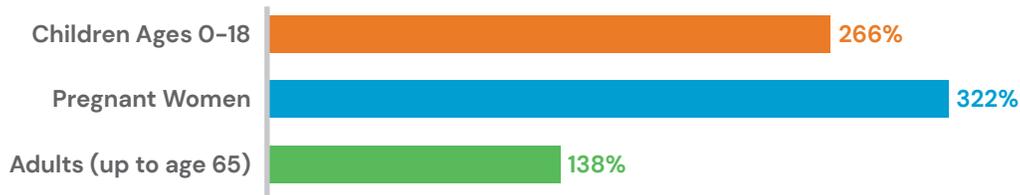
Medi-Cal is complicated. There is a lot to understand about how Medi-Cal works at the state and county levels, how funding is allocated, and how families are served. Because so many young children qualify for Medi-Cal and receive their health and development services in that system, it is important for early childhood leaders to understand the basics. That way, we can work with Medi-Cal providers, health plans, and state leaders to ensure the system does the best it can to serve children during the most important years of brain development. This primer provides an overview of some of the critical components of Medi-Cal for young children, and links to resources where you can learn more. Remember that you do not have to be an expert in Medi-Cal to be an advocate for children's health services!

Who is eligible? How does a family enroll?

53% OF CHILDREN AGES 0 TO 5 ARE ENROLLED IN MEDI-CAL IN CALIFORNIA, THREE-QUARTERS OF WHOM ARE CHILDREN OF COLOR. ALL CHILDREN WHO QUALIFY CAN RECEIVE MEDI-CAL SERVICES REGARDLESS OF IMMIGRATION STATUS.

Medi-Cal eligibility is determined primarily by age and income. Medi-Cal uses the federal poverty level (FPL) to determine income eligibility. (For example, the federal poverty level for a family of three is income of \$21,720). Individuals apply for Medi-Cal at their county social services department, like they do for CalFresh or CalWORKs, or through **Covered California**.

2020 MEDI-CAL INCOME ELIGIBILITY LIMITS (% OF THE FEDERAL POVERTY LEVEL (FPL))



GRAPHIC SOURCE: Kaiser Family Foundation: Medicaid/CHIP Eligibility Limits

90% OF CHILDREN AGES 0 TO 5 IN MEDI-CAL ARE ENROLLED IN A MANAGED CARE PLAN.

Once enrolled, then what? A family enrolled in Medi-Cal receives health care through one of two systems.

» **Managed care.** Most new beneficiaries will enroll in a managed care plan (MCP), like Aetna, Blue Shield, Kaiser and others. Just like someone with insurance provided by an employer, Medi-Cal beneficiaries choose a primary care provider from a list of those who work with their managed care plan. 90% of young children enrolled in Medi-Cal receive their health care through a managed care plan.

» **Fee-for-service (FFS).** Some Medi-Cal beneficiaries do not enroll in a managed care plan. They can see any medical provider who accepts Medi-Cal. Over half of children in foster care are not enrolled in managed care and get their services in the FFS system.

For more information about the child Medi-Cal population in your county, see [this resource](#).

Most Medi-Cal beneficiaries do not face co-pays or other out-of-pocket expenses because the program is designed to serve people with very low income.

MEDI-CAL COVERAGE



51% of births funded by Medi-Cal



53% of children under age five enrolled in Medi-Cal

GRAPHIC SOURCE:

Births Financed by Medicaid: Kaiser Family Foundation

of individuals enrolled in Medi-Cal. Filtered by ages 0,1,2,3,4 & 07-2019: CHHS Open Data Portal

of children under age five in California: Census Bureau

Important services for children in Medi-Cal

FEDERAL LAW ENTITLES CHILDREN TO *COMPREHENSIVE AND PREVENTIVE* HEALTH CARE SERVICES.

Medi-Cal insurance covers doctor and dentist appointments, prescription drugs, vision care, and mental health care, just like private insurance does. However, federal law requires that children receive a comprehensive set of screening and services, which may be broader than coverage available to children with private insurance. This benefit, called the “**Early and Periodic Screening, Diagnostic, & Treatment**” (EPSDT) mandates that children receive periodic screenings to determine health care needs, and any medically necessary treatment services. “Medically necessary” means children should be able to receive services to maintain or improve their health — physical or mental — and not just to correct a problem.¹ For example, developmental screening is included under EPSDT, as are services that improve a child’s development as indicated by that screen.

Although most Medi-Cal services are provided by managed care plans, there are a few services that are “carved out” of the plan’s responsibility, meaning they are administered and accessed outside the plan. 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
- » **Specialty Mental Health Services:** Mental health service delivery is split between Medi-Cal managed care plans and County Mental Health Plans. For children, there is overlap in the services covered by each system.³
- » **California Children Services (CCS):** The CCS program provides services and case management to children with specific medical conditions, including cystic fibrosis, cerebral palsy, and cancer.⁴ 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.⁵

CALIFORNIA HAS HISTORICALLY LOW RATES OF PEDIATRIC HEALTH CARE ACCESS.

A 2019 California State Auditor Report found that millions of children enrolled in Medi-Cal do not receive all of the preventive health services that they are entitled to.⁶ **In 2019 only 26% of children in Medi-Cal managed care received at least six of the eight recommended well-child visits in their first 15 months of life.** In addition, **only 25% of children in Medi-Cal managed care received a timely developmental screening.**⁷ Inequities in health care quality and racial discrimination in health care settings have led to disparities in pediatric preventive care access as well. For example, Black children are less likely to receive preventive screenings and services, such as immunizations, as compared to white children.⁸

Despite the EPSDT mandate, very few children in California receive mental health services in their first few years of life. This is due in part to the complexity of carved out specialty mental health services, and a lack of understanding of the EPSDT benefit.⁹ Furthermore, services that support children's social-emotional health and their relationship with caregivers, like pediatric dyadic care, have typically not been reimbursable in the Medi-Cal program. Instead, these programs, like HealthySteps and DULCE, have been primarily funded by First 5s and foundations.

Managed care plan role & responsibilities

MANAGED CARE PLANS (MCPS) ARE RESPONSIBLE FOR A BROAD ARRAY OF SUPPORTS FOR CHILDREN

Managed care plans are more than insurance companies that pay for claims. They are responsible for the overall care of their members, including coordination of services. Medi-Cal managed care plans are required to report on specific outcomes of their members to the state. The California Department of Health Care Services (DHCS) holds contracts with Medi-Cal managed care plans, which outline these requirements. For example, health plans are responsible for:

- » **Informing families about preventive screening and referrals services**, including the benefits of preventive care; screenings, referrals and services available under EPSDT; and where and how to obtain these services.
- » **Coordination of care** for all medically necessary EPSDT services delivered both within and outside the MCP's provider network.
- » **Coordination of carved-out services** and referral to appropriate community resources regardless of whether the MCP is responsible for paying for the service.¹⁰

MANAGED CARE PLANS ARE ORGANIZED DIFFERENTLY IN EVERY COUNTY

There are 24 Medi-Cal managed care plans operating in California. The state contracts with these managed care plans to provide services in each of the counties. Some of these are commercial plans that also serve the private insurance market, like Anthem, Blue Shield and Kaiser. Others are health plans set up by the county to serve Medi-Cal beneficiaries in that county, which are called “county-organized health systems.” In general, the state contracts with multiple health plans in each county to offer beneficiaries a choice of health plan, but there are some exceptions. The way managed care plans are organized, and the counties with each model, are listed below.^{11, 12}



- » **Two-Plan.** DHCS contracts with a county-organized health plan and a commercial plan. (*Alameda, Contra Costa, Fresno, Kern, Kings, Los Angeles, Madera, Riverside, San Bernardino, San Francisco, San Joaquin, Santa Clara, Stanislaus, Tulare*)
- » **County Organized Health Systems (COHS).** One managed care plan run by the county. (*Del Norte, Humboldt, Lake, Lassen, Marin, Mendocino, Merced, Modoc, Monterey, Napa, Orange, San Luis Obispo, San Mateo, Santa Barbara, Santa Cruz, Shasta, Siskiyou, Solano, Sonoma, Trinity, Ventura, Yolo*)
- » **Geographic Managed Care.** DHCS contracts with several commercial plans. (*Sacramento, San Diego*)
- » **Regional Model.** DHCS contracts with two commercial plans in rural counties serving two or more contiguous counties. (*Alpine, Amador, Butte, Calaveras, Colusa, El Dorado, Glenn, Inyo, Mariposa, Mono, Nevada, Placer, Plumas, Sierra, Sutter, Tehama, Tuolumne, Yuba*)
- » **Imperial County.** DHCS contracts with two commercial plans in Imperial County
- » **San Benito County.** Beneficiaries may choose between a commercial plan or FFS

For more information about your local health plans, including the names of health plans that serve your county, see [this resource](#).



What's needed

The earliest years of life present an urgent opportunity to set up healthy development given the rapid rate of brain development experienced during this time. With the recommended schedule of 12 well-child visits before a child's third birthday, pediatric care is a platform for positive, prevention-focused touchpoints for both the child and the family. The first years of life present a window of opportunity for all parents, who are learning how to bond with their child and provide the best environment possible.

Medi-Cal touches the lives of millions of young children and their families. It has the potential to mitigate the effects of toxic stress, build resilience in families and communities, and serve families in, culturally responsive, trauma-informed ways that set children up for healthy, happy lives. For Medi-Cal to realize this potential, California must establish greater accountability for child health outcomes and elevate a focus on children among the managed care plans and the State Medicaid agency, providing additional investment in young children and their families.^{13, 14} First 5s and early childhood leaders can be partners to health plans and state leaders to ensure California's youngest children are a top priority.

Notes

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3. 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
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10. Nau. (2019, August 14). *All Plan Letter 19-010: Requirements for Coverage of Early and Periodic Screening, Diagnostic, and Treatment Services for Medi-Cal Members Under the Age of 21*. State of California – Health and Human Services Agency, Department of Health Care Services. <https://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2019/APL19-010.pdf>
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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>
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