



## EXECUTIVE SUMMARY

# Strengthening the Social and Emotional Health of California's Young Children: Medi-Cal Strategies and Options for Creating an Advanced Child Health Delivery System

Jocelyn Guyer Alice Lam Madeleine Toups Manatt Health  
Donna Cohen Ross DCR Initiatives

## A Pivotal Moment

California's longstanding efforts to promote child development and kindergarten readiness have paved the way for focusing greater attention on the role Medi-Cal, the State's Medicaid program, can play in realizing the full strength of these initiatives. As a state with a large and diverse population, California's reach and potential influence are unparalleled: Medi-Cal covers five million children, two-thirds of whom are Black and Brown children. In addition, 64 percent of the children who rely on Medi-Cal are under the age of five, a time when young brains are developing at a rapid pace and the support of a secure, nurturing relationship between the child and caregiver is essential for healthy social and emotional development.

The Newsom Administration is leading at a pivotal moment: California's families, communities and policymakers are reeling from the tumultuous events of the past year. The State and the entire nation continue to confront the COVID-19 pandemic and its serious economic fallout, as well as the long overdue societal reckoning with systemic racism and racial injustice that came to the fore in 2020. These and other critical developments increase the importance of addressing the social and emotional health of young children in the weeks, months and years ahead.

# Opportunity for Action on Pediatric Primary Care Transformation

The pediatric primary care setting is a key place to support children’s social and emotional development and focus on delivering preventive care, a major objective of Medi-Cal’s benefit for children—Early and Periodic Screening, Diagnostic and Treatment or EPSDT. Pediatric primary care visits—or well-child checkups—are universally well-attended, with 12 visits recommended by the American Academy of Pediatrics in the first three years of a child’s life. Parents tend to place deep trust in their child’s pediatric care provider, relying on them for guidance and support on issues related to child health and development.

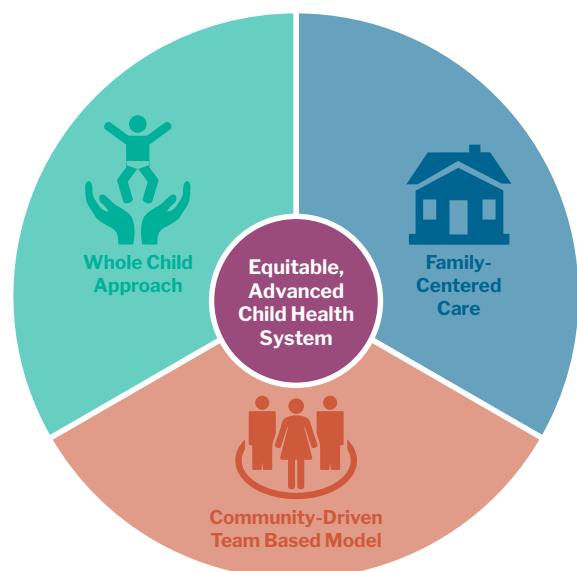
The State’s historical efforts to improve the well-being of young children have included establishing County First 5 Commissions to address the needs of children birth to age five and extending Medi-Cal coverage for all children, regardless of immigration status. California recently has been building upon and strengthening these past actions, including by boosting payments for child development screening and screening for Adverse Childhood Experiences (ACEs). More recently, the California Department of Health Care Services (DHCS, which oversees Medi-Cal policy and Medi-Cal Managed Care Plans) set an important precedent for parity of behavioral and physical health for children by clarifying at-risk children can receive family therapy without a diagnosis as part of preventive care.

Still, a March 2019 report by the California State Auditor found that millions of children in Medi-Cal are not receiving preventive services to which they are entitled and concerns persist about the quality of care they receive and their access to services. In addition, California divides responsibility for providing services across primary managed care plans and county-based behavioral health plans based on the severity of the child’s condition, a structure that is difficult for families to navigate and inconsistent with incentivizing investments in preventive care for children at-risk for significant behavioral health issues.

With DHCS preparing for a major reprocurement of Medi-Cal Managed Care and re-designing the California Advancing & Innovating Medi-Cal (CalAIM) initiative, it is an opportune time to review strategies and options for strengthening care for young children and their families, putting their needs on a firm footing.

## Vision and Opportunity: Towards an Equitable Advanced Child Health Delivery System

Medi-Cal policies and financing mechanisms can be leveraged to support the development of an **equitable advanced child health delivery system**, a model rooted in whole child, family-centered care that incorporates integrated care teams and community partners to deliver quality services to families with young children.



## Short-Term Strategies

### **Leverage Medi-Cal MCP re-procurement to strengthen accountability and quality**

- Use withholds or incentives to encourage MCPs to improve care for young children
- Establish a robust and timely child health dashboard that displays how well plans are doing, including progress on racial disparities
- Strengthen care coordination and facilitate connections to community resources for children (e.g., parenting supports, housing instability, food insecurity, ACEs)
- Incentivize or require use of community-driven team-based care

### **Strengthen and build on existing EPSDT policy**

- Reinforce compliance with existing EPSDT policies through strong MCP contract language and outreach and education to plans, providers and families
- Extend approach from 2019 DHCS family therapy guidance to support a broader preventive approach to behavioral health for young children
- Continue enhanced payments for ACEs and developmental screenings, and incorporate lessons learned from recent initiatives

### **Provide additional resources to DHCS and MCPs to focus on children**

- Require each MCP to establish a key position as the point of accountability for Medi-Cal children and children's health initiatives
- Establish a DHCS leadership position accountable for improving child health outcomes and equity, and ensuring an effective State-level advisory committee on children's health
- Facilitate effective uptake of new child and family-centered policies by supporting Medi-Cal MCPs and providers with information, training, and technical assistance, and by identifying available funding that can be leveraged to conduct such activities

## Long Term Strategies (2–5 years)

### **Increase investment in the pediatric care delivery system**

- Require a minimum share of capitation dollars to be dedicated to pediatric primary care

### **Continue to address access issues for children through rate increases and other means**

- Increase reimbursement rates
- Require MCPs to provide out-of-network access

### **Develop a value-based payment model that reflects a pediatric-specific approach**

### **Revisit the bifurcated behavioral health system**

### **Strengthen coverage options for children and their families**

- Implement continuous Medi-Cal coverage for up to five years for children
- Pursue 12-month continuous Medi-Cal coverage for adults
- Extend postpartum coverage for Medi-Cal eligible women

Cover photo credits (left to right): First 5 Alameda County, First 5 LA, ZERO TO THREE, and First 5 Ventura County

Commissioned by the David and Lucile Packard Foundation, J.B. and M.K. Pritzker Family Foundation, and Genentech Charitable Giving