2025-2026 State Budget Funding for
Multi-Year Continuous Medi-Cal Enrollment (MYCE) for Children

SUMMARY

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.

BACKGROUND

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 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

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

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 uninsurance 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.

Half of California's Children Under Age 6 are Covered by Medi-Cal

0- to 6-Year-Old Population and Medi-Cal Enrollees by California County (2024)

County	# of Children 0-6 Enrolled in Medi-Cal [i]	Est # of Children 0-6 [ii]	% of Children 0-6 Eligible for Medi-Cal	# 0-6 At Risk of Churn in Year [iii]
All	1,401,010	2,530,217	55%	126,091
Alameda	39,595	102,024	39%	3,564
Alpine	*	52	*	n/a
Amador	971	1,939	50%	87
Butte	8,264	12,703	65%	744
Calaveras	1,362	2,332	58%	123
Colusa	1,230	1,635	75%	111
Contra Costa	30,915	70,470	44%	2,782
Del Norte	1,259	1,443	87%	113
El Dorado	3,845	9,584	40%	346
Fresno	62,497	83,038	75%	5,625
Glenn	1,560	2,106	74%	140
Humboldt	5,333	7,670	70%	480
Imperial	10,805	14,789	73%	972
Inyo	563	928	61%	51
Kern	58,112	74,849	78%	5,230
Kings	8,416	12,818	66%	757
Lake	3,409	4,349	78%	307
Lassen	1,067	1,420	75%	96
Los Angeles	336,157	576,655	58%	30,254
Madera	9,975	12,773	78%	898
Marin	4,855	13,246	37%	437
Mariposa	578	877	66%	52
Mendocino	4,139	5,391	77%	373
Merced	18,617	23,337	80%	1,676
Modoc	-	-	-	n/a

Mono	354	650	54%	32
Monterey	24,001	33,825	71%	2,160
Napa	3,466	7,203	48%	312
Nevada	2,677	4,855	55%	241
Orange	83,238	188,974	44%	7,491
Placer	8,175	23,087	35%	736
Plumas	568	816	70%	51
Riverside	105,044	164,342	64%	9,454
Sacramento	65,830	111,007	59%	5,925
San Benito	2,555	4,782	53%	230
San Bernardino	105,446	160,499	66%	9,490
San Diego	96,653	226,609	43%	8,699
San Francisco	14,622	45,328	32%	1,316
San Joaquin	37,902	59,564	64%	3,411
San Luis Obispo	7,202	14,767	49%	648
San Mateo	14,073	45,255	31%	1,267
Santa Barbara	22,382	33,386	67%	2,014
Santa Clara	38,414	115,938	33%	3,457
Santa Cruz	7,180	13,583	53%	646
Shasta	7,452	11,262	66%	671
Sierra	39	110	36%	4
Siskiyou	1,695	2,052	83%	153
Solano	15,046	29,553	51%	1,354
Sonoma	13,519	26,791	50%	1,217
Stanislaus	28,594	42,298	68%	2,573
Sutter	5,354	7,204	74%	482
Tehama	3,532	4,688	75%	318
Trinity	543	644	84%	49
Tulare	33,171	40,408	82%	2,985
Tuolumne	1,447	2,747	53%	130
Ventura	26,859	52,180	51%	2,417
Yolo	5,892	12,078	49%	530
Yuba	4,562	6,974	65%	411

[i] **CalHHS Open Data Portal.** Number of individuals under age 21 (0-20) enrolled in Medi-Cal by county and reporting period. The data are from the Medi-Cal Eligibility Data System (MEDS). Subset by children 0,1,2,3,4,5 years old. Monthly (01/2024-09/2024) Medi-Cal data for children aged 0-6 years old was totaled for each county, then averaged to get the average annual number of children aged 0-6 years on Medi-Cal, by county, for 2024.

[ii] **California Department of Finance.** Demographic Research Unit. Report P-2B: Population Projections by Individual Year of Age, California Counties, 2024. These 2024 projections incorporate the latest historical population, birth, death, and migration data available as of March 7, 2025.

[iii] Approximately nine percent of children birth to age five in California experience Medi-Cal coverage churn during a year.

Data suppression:

* Missing data for children ages 0-5

- not reportable due to data irregularities