



Problem

Each month, tens of thousands of low-income Californians are being cut off from their Medi-Cal benefits, even when they are likely still eligible for Medi-Cal. The overwhelming majority (92%) of Medi-Cal disenrollments are for procedural or ‘paperwork’ reasons, meaning they are disenrolled by no fault of their own. Of these, children and youth account for roughly one-third of all disenrollments in California. This is well above the national average of 71%, ranking California as the fourth worst state in the nation in terms of procedural termination rates.

Procedural disenrollments in Medi-Cal result in eligible people cycling on and off the program, an issue commonly referred to as “churning.” Churning means that eligible Californians are experiencing gaps in healthcare coverage, which can lead to postponing visits to the doctor or delaying a prescription refill due to costs. Not only does the disenrollment and reenrollment process present yet another administrative hurdle for low-income Californians, it also costs the already overburdened state and county social services agencies time and money to process.

Background

Case examples of real-life procedural disenrollments include people missing their Medi-Cal renewal notice due to their county of residence not having their updated contact information, inadequate language assistance, difficulty gathering required documentation, and submitting a timely renewal application that was not marked as received, among others. In addition to procedural disenrollments, another common situation that causes Medi-Cal coverage to lapse is being bumped out of the income eligibility threshold after receiving a small increase in pay one month.

Exacerbating the issue, county social service agencies frequently experience staffing shortages, resulting in low-income Californians facing additional challenges keeping and re-enrolling in coverage. These include long wait times and difficulty getting through via phone to speak with an eligibility staff member to renew their Medi-Cal.

California adopted many federal flexibilities during the public health emergency to remove unnecessary barriers and burdens in the renewal process for both enrollees and staff, allowing millions of Californians to maintain access to lifesaving healthcare while saving administrative time and costs. However, with the end of the public health emergency, renewals have resumed in California as of June 2023, and the federal flexibilities are scheduled to sunset in December 2024. In the first six months of the unwinding period, more than one million Californians have lost their Medi-Cal coverage.

Solution

This bill would:

- Allow people to keep their Medi-Cal coverage for a full 12 months, regardless of changes in their income.
- Direct California to seek federal approval, when necessary, to make permanent the federal Medi-Cal flexibilities to reduce and remedy procedural terminations, simplify income verification requirements, increase automatic Medi-Cal renewals, and improve program outreach and customer service.

Adopting these changes would reduce the barriers associated with Medi-Cal renewals and protect the most vulnerable Californians from losing their coverage.