



L.A. County Department of Public Health

AGENDA Children's Health Consultant Advisory Committee (CHCAC) Retreat

Tuesday, March 18, 2025, 9:30 A.M. 1055 West 7th Street, Conference Room 100, 1st Floor Los Angeles, CA 90017

Members of the Committee, staff and the public can attend the meeting in person at the address listed above. Public comment can be made in person at the meeting. A form will be available at the meeting to submit public comment.

The purpose of public comment is an opportunity for members of the public to inform the governing body about their views. The Committee appreciates hearing the input as it considers the business on the Agenda. All public comments submitted will be read for up to 3 minutes during the meeting. The process for public comment is evolving and may change at future meetings. We thank you for your patience.

If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act (ADA) please contact L.A. Care Board Services staff prior to the meeting for assistance by text to 213 628-6420 or by email to <u>BoardServices@lacare.org</u>.

WE	ELCOME	Tara Ficek, MPH Chairperson
1.	Approve today's meeting Agenda	Chairperson
2.	Public Comment	Chairperson
3.	Approve the January 21, 2025, Meeting Minutes P.3	Chairperson
4.	Chairperson's Report	Chairperson
5.	Introduction: L.A. Care's Chief Executive OfficerThreats to Medi-Cal	Martha Santana-Chin Chief Executive Officer
6.	Federal Landscape: Policy and Funding Shifts P.13	Cherie Compartore Senior Director, Government Affairs Erika Witt Policy Analyst First 5 LA
7.	Local Context: Immunizations	Muntu Davis, <i>MD, MPH</i> <i>County Health Officer</i>

8. Closing Statements

ADJOURNMENT

The Children's Health Consultants Advisory Committee (CHCAC) Meeting is scheduled on <u>Tuesday, May 20, 2025 at 8:30 a.m.</u>

Committee

Board of Governors Children's Health Consultants Advisory Committee (CHCAC) Meeting Agenda March 18, 2025

The order of items appearing on the agenda may change during the meeting.

ACTION MAY NOT BE TAKEN ON ANY MATTER RAISED DURING THE PUBLIC COMMENT PERIODS UNTIL THE MATTER IS SPECIFICALLY LISTED ON A FUTURE AGENDA, according to California Govt Code Section 54954.2 (a)(3) and Section 54954.3. AGENDA and PRINTED MEETING MATERIALS ARE AVAILABLE FOR INSPECTION 72 HOURS BEFORE THE MEETING:

- 1. At L.A. CARE'S Website: <u>http://www.lacare.org/about-us/public-meetings/board-meetings</u>
- 2. L.A. Care's Reception Area, Lobby, at 1055 W. 7th Street, Los Angeles, CA 90017, or

3. by email request to <u>BoardServices@lacare.org</u>

Any documents distributed to a majority of the Committee Members regarding any agenda item for an open session after the agenda and meeting materials have been posted will be available for public inspection by email request to <u>BoardServices@lacare.org</u>

An audio recording of the meeting is made to assist in writing the minutes and is retained for 30 days. Meetings are accessible to people with disabilities. Individuals who may require any

accommodations (alternative formats – i.e., large print, audio, translation of meeting materials, interpretation, etc.) to participate in this meeting and wish to request an alternative format for the agenda, meeting notice, and meeting packet may contact L.A. Care's Board Services Department at (213) 628 6420. Notification <u>at least one week before the meeting</u> will enable us to make reasonable arrangements to ensure accessibility to the meetings and to the related materials.

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BOARD OF GOVERNORS Children's Health Consultant Advisory Committee Meeting Minutes – January 21, 2025

1055 W. Seventh Street, Los Angeles, CA 90017

<u>Members</u>

Tara Ficek, *MPH, Chair** Sameer Amin, *MD* Maria Chandler, *MD, MBA* Rebecca Dudovitz, *MD, MS* Toni Frederick, *PhD** Gwendolyn Ross Jordan* Lynda Knox, *PhD** Alex Li, *MD* Smita Malhotra, *MD* Mona Patel, *MD*

Hilda Perez Maryjane Puffer, *BSN, MPH* Diana Ramos, *MD** Ankit Shah, *MD* Lina Shah, *MD**



Management

Felix Aguilar-Hernandez, MD, Medical Director Marina Acosta, Manager, Health Equity Laura Gunn, Quality Improvement Project Manager Tamara Ataiwi, RN, Quality Management Nurse Specialist Brandi Swann, Quality Improvement Specialist

*Absent **Present, but not quorum

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
CALL TO ORDER	Member Maria Chandler, <i>MD</i>, attended under the Emergency Circumstances Clause. She advised that she is caring for an ill family member and noted that there is no one 18 years of age or older in the room with her.Member Alex Li, <i>MD</i>, <i>Chief Health Equity Officer</i>, called the meeting to order at 8:34 A.M.	
APPROVAL OF MEETING AGENDA	The Agenda for today's meeting was approved as submitted.	Approved Unanimously. 9 AYES (Amin, Chandler, Dudovitz, Li, Malhotra, Patel, Perez, Puffer, and Shah)
PUBLIC COMMENT	No public comment was submitted.	

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
APPROVAL OF THE MEETING MINUTES	The October 15, 2024, meeting minutes were approved as submitted.	Approved Unanimously. 9 AYES
CHIEF HEALTH EQUITY OFFICER	Alex Li, <i>MD</i> , <i>Chief Health Equity Officer</i> , gave the following report: Dr. Li reported that the new year began with tragedy due to the devastating fires across Los Angeles County. He expressed a sense of hope, sharing that one of the highlights of his morning commute was witnessing school buses and crossing guards assisting children as they crossed the street. He noted that while this moment brought him joy, he acknowledged that others stuck in traffic might not share the same sentiment. He encouraged everyone to exercise patience and grace in such situations, emphasizing that small, positive observations could serve as reminders of community resilience during challenging times. Dr. Li provided internal updates regarding leadership transitions at LA Care. He stated that as of January 5, John Baackes officially retired, and on January 6, Martha Santana-Chin has been actively engaged in meeting with various stakeholders, including senior leadership, public and private sector partners, and both county and city officials. Dr. Li described her leadership approach as calm and organized, particularly in light of the ongoing crisis caused by the fires. He emphasized that she has prioritized ensuring both business continuity and a strong community support plan, allowing the organization to respond effectively to the needs of those affected. Dr. Li noted the significant impact of the fires on LA Care staff and the broader community. He reported that the organization did not experience operational shutdowns, but a number of employees faced direct hardships. He said that nine staff members lost their homes, and more than 200 individuals were forced to evacuate. Despite these challenges, Dr. Li expressed his admiration for the resilience and dedication of LA. Care employees, noting that many continued working remotely from family homes, community resource centers, or friends' residences. He found it remarkable that even those who had lost their homes remained committed to their work, demonstrating an unwavering sense of d	

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	advocating for the preservation and expansion of evidence-based healthcare benefits to ensure that vulnerable populations continue receiving necessary medical support. Dr. Li emphasized that Ms. Santana-Chin and her allies are prepared to take a leadership role in these efforts and will work diligently to protect healthcare access for all members. Dr. Li provided an update on upcoming organizational plans. He announced that the team is preparing for a retreat, noting that many members expressed appreciation for in-person meetings. He stated that while virtual meetings have been effective, the leadership team recognizes the value of in-person interactions and has decided to hold at least one in-person meeting per year to strengthen relationships and collaboration among colleagues. The CHCAC retreat will take place on March 18 at 9:30 A.M.	
CHIEF MEDICAL OFFICER REPORT	Sameer Amin, MD, Chief Medical Officer, gave a Chief Medical Officer update.	
	Dr. Amin (He/Him) reported that he wanted to provide a few brief updates related to children's health initiatives at LA Care, beginning with the School Behavioral Health Incentive Program (SBHIP). He stated that LA Care collaborated with Health Net, the Department of Mental Health (DMH), and the Los Angeles County Office of Education (LACOE) to expand behavioral health services for children and youth in schools. The SBHIP program officially ended on December 30, 2024, and he provided an overview of its impact. Dr. Amin reported that 52 local education agencies (LEAs), covering 760 schools, actively referred students for behavioral health services through Hazel Health. He shared that the program successfully served over 4,110 students, facilitated more than 25,000 telehealth visits, and delivered 41,000 clinical service hours. Additionally, the initiative created 160 dedicated spaces across seven selected LEAs for behavioral health services, including individual and group counseling. LACOE staff supervised 76 interns in 13 selected LEAs, further expanding mental health support in schools. He also noted that 19 peer-to-peer programs were implemented within these LEAs, helping students support one another in managing their mental well-being. Dr. Amin stated that the project was highly successful, and the teams working on the ground made a meaningful difference in students' lives. He said that while SBHIP had ended, behavioral health services would continue to be available through the Children and Youth Behavioral health linitiative Fee Schedule as part of Medi-Cal benefits. However, he acknowledged that ongoing challenges remain and that L.A. Care's behavioral health team is actively collaborating with state officials to address these issues. He expressed optimism that services would continue and improve to meet students' needs.	

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	 Shifting to quality improvement efforts, Dr. Amin reported that LA Care was in the midst of its Q4 and Q1 quality metric push, a crucial period in which the organization works to close care gaps before the end of the year. He explained that although quality improvement is a year-round effort, the final months require a concentrated push to ensure that all children receive necessary preventive care. He was pleased to report that L.A. Care had seen significant improvements in its quality metrics this year. Dr. Amin highlighted two key areas of focus: dental care and childhood immunizations. He reported that the clinical initiatives team distributed topical fluoride varnish kits to Transform L.A. clinics earlier in the month, working with 15 interested clinics to improve children's dental health. He anticipated that this initiative would have a meaningful impact on preventive dental care. Regarding childhood immunization efforts, Dr. Amin explained that L.A. Care is focused on CIS-10, a quality measure tracking the completion of ten essential childhood vaccinations. He stated that CIS-10 is not only a covered metric for Covered California but also part of the Quality Transformation Initiative, which emphasizes high-priority health measures. Despite these efforts, he acknowledged that increasing vaccination rates remains a challenge, as vaccine hesitancy has risen across California and nationally. Dr. Amin detailed the strategies L.A. Care has implemented to improve vaccination rates, including: Daily team huddles and an all-hands-on-deck approach to closing immunization gaps. Provider and clinic staff incentives to encourage vaccinations. Member incentives, which larger rewards than in previous years, to motivate parents to vaccinate their children. Nursing outreach, where L.A. Care nurses personally reach out to provider offices and members to schedule vaccinations. Enhanced immunization lists, providing targeted outreach to	
	ensuring continued support for immunization initiatives.	

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	Despite these efforts, Dr. Amin acknowledged that some parents remain firmly opposed to vaccinating their children. He stated that while LA Care has done extensive education and outreach, certain families have refused vaccination regardless of incentives or guidance. He emphasized that addressing vaccine hesitancy requires a broader healthcare ecosystem approach, and LA Care is actively working with the state to find solutions. Dr. Amin also reported that LA Care has contracted with Quality Health Partners Inc (QHP) to host mobile clinic events focused on well-child visits, social determinants of health screenings, topical fluoride application, and lead screening. He explained that engaging families early in their child's healthcare journey could increase vaccination rates and overall preventive care utilization. He reported that QHP has conducted 687 appointments for LA Care members, including 593 telehealth visits and 91 in-person visits. He also shared that a second mobile clinic event took place on December 7, 2024, at the South LA Community Resource Center, which was highly successful. Dr. Amin stated that significant efforts are underway to ensure that children receive the preventive care they need. He noted that while challenges remain, he is incredibly proud of the work being done in school-based behavioral health and quality improvement initiatives.	
FOUR L.A. COUNTY CHILDREN'S HEALTH POLICY BRIEFS & NEXT STEPS	 Alex Li, <i>MD, Chief Health Equity Officer, Committee Member</i>, and Mona Patel, <i>MD, Committee Member</i>, gave a presentation about the Four L.A. County Children's Health Policy Briefs & Next Steps (a copy of the presentation can be obtained from Board Services). Key Focus Areas & Recommendations Vaccine Catch-Up and Misinformation Background: National and local declines in timely vaccination rates due to the pandemic. Between 2019-2020, infant vaccinations dropped by 62%, while vaccinations for children/youth fell by 96%. Disparities exist, with lower vaccine coverage among Black/African-American children compared to White and Asian children. Mistrust of healthcare systems and misinformation remain challenges. Key Recommendations: Strengthen community education efforts to dispel vaccine myths. Partner with trusted community leaders to increase vaccine confidence. Develop an accessible repository of vaccine safety information, tailored to diverse language and literacy levels. Enhance data-sharing and vaccine registry systems for improved coordination. 	

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	 2. Children and Families' Resiliency Background: A behavioral health crisis is affecting children and youth, exacerbated by the pandemic, school violence, and natural disasters. 27.5% of LA County teens report needing mental health support, with highest rates in South LA and Metro LA. Nearly half of students in LA express concerns about their mental health. Suicide is the 3rd leading cause of death among teenagers and young adults in LA County. Key Recommendations: Establish a dedicated school-based working group to improve mental health services. Secure long-term funding for school-based prevention programs. Strengthen cross-sector collaboration to streamline behavioral health support. Enable Community-Based Organizations (CBOs) to contract directly with health insurers for services. 	
	 3. Child Welfare Background: LA County's Department of Children and Family Services (DCFS) is the largest child welfare system in the U.S., supporting ~25,000 children annually. About 50% of children under DCFS are in foster care, with nearly one-third under age 5. ~75% of foster youth are covered by Medi-Cal, with 80% in fee-for-service Medi-Cal. Child welfare policies and funding structures are rapidly evolving. Key Recommendations: Conduct ongoing reviews of Medi-Cal service quality for child welfare populations. Develop learning collaboratives and pilot programs to test new Medi-Cal benefits. Strengthen local agencies' capacity to participate in Medi-Cal-funded services. Plan long-term funding strategies to improve health outcomes for foster children. 	
	 4. Children and Youth with Complex Medical Needs Transitioning to Adulthood (CYSHCN) Background: Each year, ~3,000 youth in LA County's California Children's Services program transition to adult healthcare at age 21. 	



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	 Transitioning from pediatric to adult healthcare presents challenges due to differing care models and provider capabilities. Decision-making responsibilities shift from caregivers to the young adult. Coordination among healthcare providers, schools, and regional centers is inconsistent. Data sharing remains a major barrier. Key Recommendations: Expand access to specialized adult care networks, such as certified "Centers of Excellence." Improve payment models for transitioning youth. Strengthen case management infrastructure. Enhance communication and data exchange between child and adult healthcare systems. Next Steps & Implementation Plan January 22, 2025: First social media video launch – Vaccines February 19, 2025: Third social media video launch – Child Welfare March 5, 2025: Fourth social media video launch – Transition to Adulthood Stakeholder Engagement Planning meetings with co-chairs began in December 2024. Workgroup meetings will start in February 2025 to align and implement recommendations 	
SCHOOL RESPONSES, CONCERNS, & NEEDS WITH L.A. WILDFIRES	 Smita Malhotra, MD, Committee Member, gave a presentation about School Responses, Concerns, & Needs with L.A. Wildfires (a copy of the presentation can be obtained from Board Services). Member Malhotra reported that the recent wildfires had a devastating impact on the Los 	
	Angeles Unified School District (LAUSD), the second-largest school district in the nation. She stated that while schools remained open for half a day on January 8, they were fully closed on January 9 and 10 due to the fires. She emphasized that the decision to keep schools open on January 8 was not made lightly, as 80% of LAUSD students come from families living in poverty, where access to nutrition and healthcare is limited. Many of these	

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	students have better air quality inside their schools than at home, a concern frequently raised in public comments during board meetings. Member Malhotra stated that the Palisades Fire caused significant destruction, including the complete loss of Palisades Charter Elementary School and other charter elementary schools. Despite the school closures, LAUSD distributed thousands of meals and emergency supplies to affected families across the district. She further explained that 410 students from Park Palace Charter Elementary were relocated to Brentwood Science Magnet, and 312 students from other magnet elementary schools in West Los Angeles were also reassigned. The destruction of these two schools was particularly tragic, as they were entirely burned to the ground. She described the heartbreaking images of charred backpacks left behind, symbolizing the profound loss felt by students, staff, and families. Additionally, she reported that seven schools located in mandatory evacuation areas were also relocated. Member Malhotra said that the district's extensive recovery and cleanup efforts to ensure schools were safe for reopening. She stated that over 3,000 district employees and temporary staff worked tirelessly to clean and inspect campuses. Maintenance teams changed air filters, replacing them with higher-grade filters initially introduced during the COVID-19 pandemic. Classrooms and common areas were thoroughly cleaned, including power-washing sidewalks covered in ash and debris. She also noted that 3,000 standalone air purifiers were prepared for deployment in areas where air quality remained poor. In addition, she reported that KN95 masks were made available to all students and staff. Member Malhotra stressed that recovery would be a long and difficult process. She stated that many students and staff had experienced unprecedented destruction, losing not only their homes but also their schools, which had provided them with stability and structure. Even for those who had not lost their homes, she explained that	
	making them a crucial access point for health, equity, and safety interventions. She stressed	

that schools are not only essential for education but also serve as an ideal setting for behavioral and physical health services, particularly given the economic hardships faced by many LAUSD families. Member Malhotra said that 80% of LAUSD students come from low-income families, with many parents working multiple jobs and lacking access to healthcare. She stated that	KEN
recovery efforts must be concentrated within schools, where children spend most of their time. In terms of physical health concerns, she highlighted that LAUSD has a large population of students with diabetes and asthma, both of which are likely to worsen due to fire-related air quality issues. She reported that the district anticipates an increased need for respiratory care, leading to higher rates of school absenteeism. She expressed gratitude that Hazel Health had offered free telehealth services to LAUSD students for one month but emphasized that additional providers are needed to bring mobile medical care directly to the district. These services, she stated, would include physical exams, vaccinations, respiratory treatment, and general medical care. Member Malhotra spoke about the importance of shifting from a crisis-response model to a system of universal support focused on resilience and prevention. She stated that trauma-informed school practices must be reinforced, with staff trained to recognize trauma-related behaviors and implement trauma-sensitive teaching strategies. Additionally, she recommended increasing resilience-building activities to foster hope and agency among students. She also called for peer support programs that would allow older students to mentor younger ones, as well as initiatives to normalize and expand access to school counseling and mental health services. For the students and staff displaced by the loss of their schools, Member Malhotra reported that LAUSD deployed regional crisis teams composed of district personnel trained to provide psychological first aid, direct intervention, and immediate connection to resources. She stated that these teams also offered clear guidance to staff, parents, and students on mental health and wellness strategies. While these services were initially concentrated in the most severely affected areas, she emphasized that they are needed district-wide. She expressed appreciation for Hazel Health's telehealth mental health services, which allow stud	

AGENDA ITEM/ PRESENTER		
	need to care for their children. Member Malhotra stated that, with climate change, disasters like these will continue to occur, making it essential to build resilience within school communities. She urged healthcare providers and community partners to amplify LAUSD's messages regarding health and safety, reinforcing that schools remain the safest places for children. She assured that LAUSD is committed to working diligently to help its community recover from this catastrophic event. She ended her remarks by expressing her openness to collaboration and brainstorming with stakeholders on ways to enhance services for children, emphasizing the need for collective action in ensuring student well-being.	
ADJOURNMENT	The meeting was adjourned at 9:55 a.m.	

Respectfully submitted by: Victor Rodriguez, *Board Specialist II, Board Services* Malou Balones, *Board Specialist III, Board Services* Linda Merkens, *Senior Manager, Board Services* APPROVED BY:

Tara Ficek, MPH, Chairperson _____

Date Signed:

Children's Health Consultant Advisory Committee (CHCAC) January 21, 2025, Page ${\bf 10}$ of ${\bf 10}$



Federal Policy Shifts and Implications for Pregnant People and Young Children

> Cherie Compartore Senior Director, Government Affairs L.A. Care Health Plan

> > Erika Witt Policy Analyst First 5 LA





Overview of Federal Funding in California



Federal Dollars Fund Several Key Programs and Jurisdictions that Serve Millions of Californians

Amount and Percentage of Federal Funds for Key California Programs and Local Governments

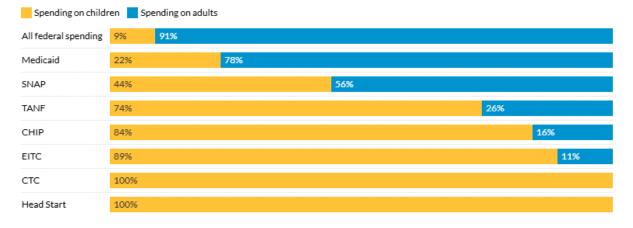
Issue Area	Fiscal Year	Federal Funds (\$ in Billions)	Federal Funds as a % of Total Funds	Scope of Impact*
California Statewide				
Overall State Budget	2025-26	\$170.6	34.6%	39,538,223 California residents
Safety Net Programs				
Medi-Cal	2025-26	\$112.1	62.1%	14,857,000 Medi-Cal participants
CalFresh	2024-25	\$12.6	99.0%	5,365,000 CalFresh participants
SSI/SSP	2024-25	\$7.5	70.5%	1,114,000 SSI/SSP participants
Child Care & Development Programs	2024-25	\$2.3	33.6%	286,000 enrolled children
CalWORKs	2024-25	\$2.0	64.0%	855,000 CalWORKs participants
Housing & Homelessness	2025-26	\$0.3	54.5%	1,028,262 low income housing units needed

Source: <u>California at Risk: Proposed Federal Funding Cuts Jeopardize Key</u> <u>Services - California Budget and Policy Center</u>



Programs Targeted in Policy Proposals Use Significant Shares of Their Funding on Children

Shares of program spending on children versus adults, 2023



URBAN·INSTITUTE

Source: Kids' Share 2024: Report on Federal Expenditures on Children through 2023 and Future Projections (Washington, DC: Urban Institute, 2024).
br /> Notes: CHIP = Children's Health Insurance Program; CTC = child tax credit; EITC = earned income tax credit; SNAP = Supplemental Nutrition Assistance Program; TANF = Temporary Assistance for Needy Families. Notes: CHIP = Children's Health Insurance Program; CTC = child tax credit; EITC = earned income tax credit; SNAP = Supplemental Nutrition Assistance Program; TANF = Temporary Assistance for Needy Families.

Source: <u>How Would Children Fare Under Proposed Cuts to Federal Spending?</u> Urban Institute



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What Federal Policy Shifts Have Already Occurred?

What Are Possible Policy Changes to Anticipate?



What to Expect at the Federal-Level

- **Executive Action:** Expect more executive orders that impact the state budget and have policy implications.
- **Budget Reconciliation:** Fast-track procedure will be used to advance tax cuts for the wealthy and spending cuts to Medicaid and other vital programs.
- **Appropriations Bills:** These fund "discretionary" federal programs like housing and education. Deep cuts are likely to be proposed. Requires 60 votes in US Senate.



Federal Budget Proposal

• Senate passed first budget resolution on February 21, 2025.

- \$340 billion on immigration enforcement, energy production, and the military.
- Directed Senate Finance Committee and the Health, Education, Labor, and Pensions Committee to each include policies to reduce federal spending by \$1 billion over the next ten years.
- House-passed budget resolution on February 25, 2025.
 - \$4.5 trillion in tax cuts.
 - \$100 billion in **new spending** on immigration enforcement and the military.
 - \$880 billion in cuts to Medicaid over the next ten years.
 - Raises the debt limit by \$4 trillion.



Impact to Other Programs & Supports for Children & Families

- Proposed Elimination of Department of Education (ED)
 - Administers Individuals with Disabilities Education Act (IDEA) for children with disabilities = redirected/reduced funding; reduced accountability/monitoring
- Supplemental Nutrition Assistance Program (SNAP; CalFresh)
 - Significant cuts to SNAP = reduction to CalFresh benefits, which are 100% federally funded
 - Proposed elimination of Broad-Based Categorical Eligibility (BBCE) = loss of automatic pathway to Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).
- Temporary Assistance for Needy Families (TANF; CalWORKs)
 - Possible cuts to block grants and additional work requirements.
 - TANF funds are used for the CalWORKs Home Visiting Program (HVP).



Reductions to Medicaid

- Requires the House Energy and Commerce Committee to find \$880 billion in cuts to federal programs
 - The chief programs under the committee's control are Medicare and Medicaid.
 - Some of the ways it can potentially be impacted by increasing barriers to accessing Medicaid and reducing the rate Government matches state Medicaid spending.

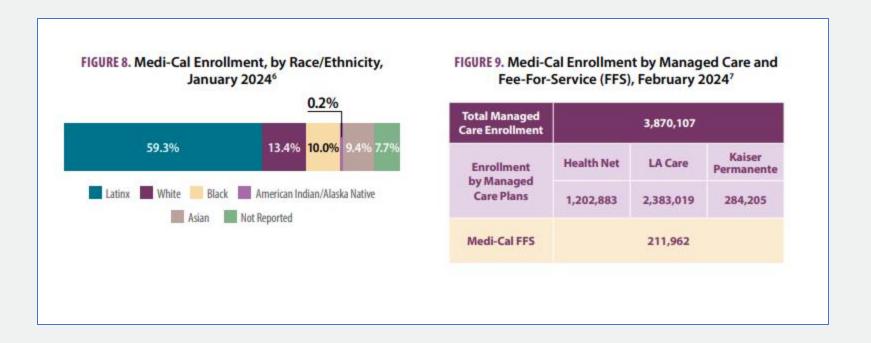


Medi-Cal by the Numbers - Children and Families

- In 2022, nearly 40% of Medi-Cal enrollees were children and their parents/caretakers.
- Approximately 50% of children in California are served by Medi-Cal and approximately 70% of those are children of color.
- Medi-Cal pays for 39% of all births in the state.



Medi-Cal Enrollment in Los Angeles County



Source: ITUP-2024-LA-County-FINAL.pdf

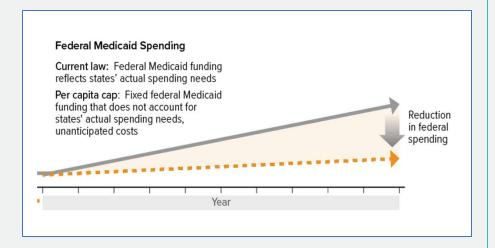




What are some of the proposals to reduce Medicaid spending?



Block Grants or Per Capita Caps



- Block grants would place a total limit on federal government contributions.
- Per capita caps would place a per-person cap on federal funding.
- States would bear all financial risk for costs exceeding the federal cap.
- California would need to:
 - Cover the difference or reduce expenditures;
 - Reduce optional benefits, lower provider payments, or restrict eligibility for certain populations (CMS 2020).



Adjusting the Federal Medical Assistance Percentage (FMAP)

- According to the non-profit, Committee for a Responsible Federal Budget:
 - Reducing the FMAP floor from 50 percent to 45 percent (\$350 billion in federal savings over 10 years)
 - **Removing** the FMAP floor (\$600 billion in savings).
- California's FMAP, also known as the federal financial participation, is 50% for most services and populations, but enhanced for refugees, pregnant women, and children.



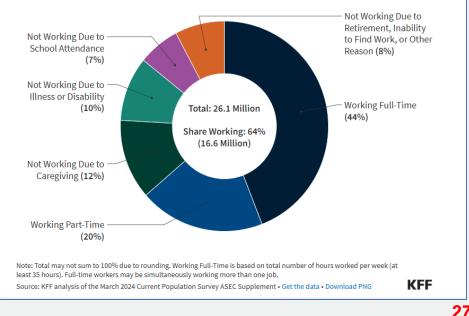
Work Requirements

- The House has also suggested it could include Medicaid work requirements.
- House previously passed the Limit, Save, Grow Act that would establish work requirements for able-bodied adults ages 19 through 55 (exempted certain populations from the work requirements, including pregnant women).
- Work requirements in SNAP and Medicaid have reduced benefits more than they have increased people's earnings.

Figure 1

Work Status & Barriers to Work Among Medicaid Adults, 2023

Includes Medicaid covered adults (age 19-64) who do not receive benefits from Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) and are not also covered by Medicare.







Existing Waivers Approved by CMS

- Section 1115 waivers generally are approved for an initial five-year period and can be renewed.
- CMS reserves the right to withdraw Section 1115 waiver or expenditure authorities
- Under long-standing policy and practice (although not required by statute), waivers must be "budget neutral" to the federal government.
- Attacks on DEI initiatives by the Trump Administration?
 - CalAIM Section 1115 demonstration and CalAIM Section 1915(b) waiver enable California to implement CalAIM initiatives.
 - CMS will need to approve updates or renewals to these waivers in 2026.

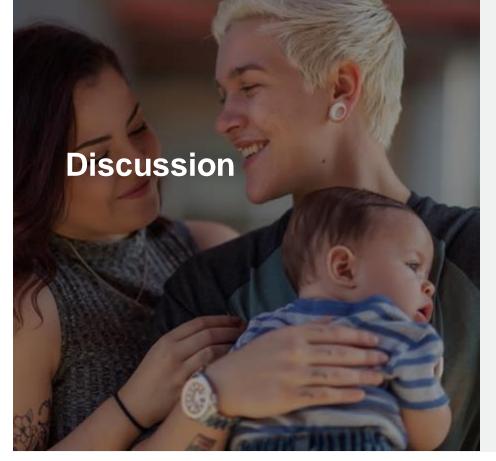


Implications for State Budget

Small Budget Surplus, Big Future Deficits

- CA faces **\$20B+ deficits** in future years.
- \$9.5B Medi-Cal expansion for undocumented residents fully state-funded (no federal support).
- **Federal policy changes** may limit MCO taxes, reducing Medi-Cal funding.
- Wildfire costs & uncertain federal aid add fiscal pressure.
- Fear-driven enrollment drops could mislead program adjustments.
- Medi-Cal Options:
 - Increase state funding
 - Reduce benefits/eligibility
 - Cut other budget priorities





- Are there any notable children and youth populations that may be especially vulnerable given the potential reductions?
- What opportunities are there to partner on advocacy efforts?
- Any questions?

