



December 15, 2020

RE: Protect Children’s Health – Do Not Allow the Suspension of Proposition 56 Payments

Dear Governor Newsom and Members of the Legislature,

We, the undersigned, ask that California’s leaders refuse any action that would result in the suspension of Proposition 56 budget allocations that are critical to supporting health care in Medi-Cal. While budget constraints are real, suspending targeted payments from Proposition 56 would have a significant impact on access to health care and health outcomes for kids and communities. **We call upon California leaders to maintain the Proposition 56 Medi-Cal payments in the FY 2021-22 budget, as the COVID 19 public health emergency has created an even greater need to invest in better access to health services and supports for children, youth, and other community members.**

When voters approved the California Healthcare, Research and Prevention Tobacco Tax Act (Proposition 56), in 2016, it was with the understanding that those on Medi-Cal had poor access to services resulting from low reimbursement rates and provider participation. Without Proposition 56 funding, this remains true. Proposition 56 is dedicated to supporting health care services in Medi-Cal and increasing the number of medical and dental providers participating in Medi-Cal. Specifically, the revenue is used by the Department of Health Care Services (DHCS) to draw down federal matching funds for Medi-Cal health care expenditures through a variety of payments to Medi-Cal providers. Roughly \$1 billion in Proposition 56-funded payments (and matched by federal funds) are allocated to supporting various child-serving Medi-Cal providers in the FY 2020-21 budget however, depending on economic conditions, nearly all of these payments will likely be suspended on July 1, 2021.

The targeted Proposition 56 investments were meant to address Medi-Cal access issues that persisted well before the COVID-19 public health emergency. Those access issues – poor well-child visit utilization, low screening rates, lack of trauma screenings or trainings, long wait times for specialist appointments, and inadequate provider participation in Medi-Cal – continue and may have even worsened by the public health emergency. For example, immunization rates for children under 19 fell

by roughly 50% in April 2020, and all available information shows that rates have NOT yet fully rebounded and vaccination dosages are not caught up. Pediatricians warn of a secondary public health pandemic if children don't receive timely vaccines for things like measles and whooping cough. Proposition 56-funded payments to physicians for well-child visits, where immunizations often occur, are an important lever for ensuring children's preventive care and should not be diverted when children's preventive care continues to lag.

Proposition 56 also allowed for the creation of the CalHealthCares Loan Repayment Program, which strengthens the child-serving workforce across the state by forgiving loans for physicians and dentists that commit to serving a caseload of low-income patients. CalHealthCares has already awarded funds to over 400 physicians and 60 dentists, including 80 pediatricians, 50 pediatric specialists, 11 pediatric dentists, and over 100 family physicians throughout the state, which has increased access to care for thousands of Medi-Cal patients. The loan repayment program is a critical recruitment and retention tool for pediatricians, family physicians, and dental practices serving our state's most vulnerable children, and should remain in effect for all recent graduates who commit to serving Medi-Cal patients.

Further, the lengthy and worsening pandemic continues to exact an enormous toll on the mental health and well-being of children and youth. Shelter-in-place orders due to COVID-19 continue to kindle widespread alarm, anxiety, and depression. School closures, disconnection from friends and peers, and an abrupt stop to community resources put additional strain on an already tenuous hold on mental wellness for many young people. In fact, children struggled with their mental health prior to COVID-19. Between 2015 and 2017, an estimated 16 percent of California's 9th and 11th graders considered attempting suicide in the previous year, and the CDC estimated 31.5 percent of high school students nationwide "experience persistent feelings of sadness or hopelessness." Support during these stressful events could ordinarily be found through formal channels like mental health services at schools, and less formal channels like faith-based organizations, community centers, and connections with family and friends. However, the public health emergency of COVID-19 has compounded the experience of community trauma with children and youth experiencing isolation and an inability to access resources and supports. The Proposition 56-funded ACEs Aware initiative is of utmost importance to help reverse the effects of toxic stress currently experienced by children and families. This year, California kids have experienced wildfires, the COVID-19 public health emergency, and racial unrest. Now is not the time to reduce investments explicitly designed to help children and families recover from traumatic events.

Sincerely,

**American Academy of Pediatrics – California
Assistance League San Bernardino
Blue Shield of California
California Academy of Family Physicians
California Association of Dental Hygienists
California Children's Hospital Association
California Dental Association
California Medical Association
California Pan-Ethnic Health Network
California School-Based Health Alliance
California Health+ Advocates
Children Now
Children's Defense Fund-CA
Children's Specialty Care Coalition
Children's Regional Integrated Service System
Community Clinic Association of LA County**

**Council for a Strong America
Early Childhood OC
Hathaway-Sycamores Child and Family Services
Health Net
Health Plan of San Mateo
LA Care Health Plan
Latino Coalition for a Healthy CA
March of Dimes
Maternal and Child Health Access
National Health Law Program
Oral Health Collaborative Consortium
Planned Parenthood Affiliates of California
Regional Asthma Management and Prevention
Sacramento District Dental Society
San Luis Obispo County Oral Health Program
Strategic Concepts in Organizing and Policy Education
The Children's Partnership
United Ways of California**

cc: Richard Figueroa, Deputy Cabinet Secretary, Governor's Office
Tam Ma, Deputy Legislative Secretary, Governor's Office
Keely Bosler, Director, Department of Finance
Dr. Mark Ghaly, Secretary, California Health and Human Services Agency
Kris Perry, Senior Advisor to the Governor & Deputy Secretary, CHHS Agency
Will Lightbourne, Director, Department of Health Care Services
Jacey Cooper, State Medicaid Director and Chief Deputy Director, Department of Health Care Services
Dr. Nadine Burke Harris, California Surgeon General
Marjorie Swartz, Principal Consultant, Senate President Pro Tempore
Scott Ogus, Consultant, Senate Budget and Fiscal Review Committee
Kimberly Chen, Principal Consultant, Senate Health Committee
Agnes Lee, Policy Consultant, Assembly Speaker's
Andrea Margolis, Consultant, Assembly Committee on Budget
Scott Bain, Principal Consultant, Assembly Health Committee
Members of the Medi-Cal Children's Health Advisory Panel