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Department of Health Care Services

Millions of Children in Medi-Cal Are Not Receiving Preventive Health Services

Background

Overseen by the Department of Health Care Services (DHCS), the California Medi-Cal Assistance Program (Medi-Cal) provides a safety net of health care services—including vital preventive services—to eligible children. The State provides Medi-Cal benefits through two delivery systems: fee-for-service and managed care. In managed care, DHCS pays a managed care plan a monthly capitation payment (premium) for each beneficiary enrolled and the plan contracts with providers to deliver services. Managed care covers 90 percent of the 5.5 million children enrolled in Medi-Cal.

Key Findings

- An average of 2.4 million children in Medi-Cal per year did not receive all required preventive services during fiscal years 2013–14 through 2017–18—California’s utilization rate for preventive services has remained below 50 percent and ranked 40th for all states.
- Although DHCS has focused on childhood immunizations, it has not met its 80 percent vaccination goal for the past five years with rates ranging from 70 to 75 percent.
- Many families do not have adequate access to health care providers due, in part, to low Medi-Cal reimbursement rates (some of the lowest in the nation).
- While DHCS can impose financial sanctions or penalties when plans do not meet established performance levels, plans rarely face such penalties.
- Although it delegates many of its responsibilities for serving children in Medi-Cal to managed care plans, DHCS does not provide effective guidance and oversight.
 - » Information to plans, providers, and beneficiaries about the services DHCS expects children to receive is inadequate—its contracts with plans are unclear and inconsistent and materials it provides beneficiaries are confusing, inaccurate, or incomplete.
 - » It relies on plans to perform outreach to families of children who have not used preventive services, but does not follow up to ensure plans have done so.
 - » It relies on provider information that could be inaccurate and may hinder access to care.
- Although the State’s diverse cultures—a broad spectrum of ethnicities and languages—have dramatically different utilization rates, DHCS has not done enough to mitigate disparities.

Key Recommendations

To improve the health of children in Medi-Cal, the Legislature should direct DHCS to do the following:

- Ensure plans assist members in locating out-of-network providers when travel times and distances to in-network providers are unreasonable.
- Implement a pay-for-performance program to ensure that plans are more consistently providing preventive services to children in Medi-Cal.

DHCS should do the following:

- Establish performance measures for all relevant age groups and require plans to report the utilization rates on those measures.
- Modify its processes for ensuring that health plans and providers adequately deliver children’s preventive services and for validating the accuracy of plans’ provider directories.
- Ensure that plans are effectively mitigating child health disparities related to cultural and linguistic needs by ensuring plans address significant findings from required reports.