Center for Health Care Strategies

How California's Medi-Cal Program Aims to Advance Health Equity for Pregnant People

By Diana Crumley, Center for Health Care Strategies

Medicaid programs collectively are the largest insurer of births in the U.S., covering 42 percent of all births. California's Medicaid program, Medi-Cal, pays for more than 50 percent of births in California. That's nearly five percent of all births in the U.S., and over 11 percent of all Medicaid births nationally. With new budget initiatives, a California Momnibus Act, and a new Medicaid transformation initiative called California Advancing and Innovating Medi-Cal (CalAIM), California is seeking to advance more whole-person care for pregnant and birthing people, and to ensure and expand access to reproductive health care, including abortion services. Many of these initiatives align with recent federal goals relating to maternal health, released in June 2022.

This Center for Health Care Strategies (CHCS) *Medicaid Policy Cheat Sheet* explores what these new initiatives mean for maternity and reproductive health care in California, and why other states may want to pay attention. For a more in-depth analysis on the impact of Medi-Cal initiatives on maternity care, **download a related resource**.

More Californians will be eligible for full-scope Medi-Cal services, and for longer periods postpartum.

Federal law requires postpartum coverage for 60 days. But disenrolling people from Medicaid too early can mean missed opportunities to treat postpartum depression and other complications related to maternal mortality and infant health. This is particularly true for Black individuals, who are three times more likely than white individuals to experience pregnancy-related deaths.

Thirty-seven states have explored how to expand postpartum Medicaid coverage, and 20 states, including D.C., have already used the flexibility under the American Rescue Plan Act of 2021 to request this expansion via a state plan amendment. California is one of these states. As of April 2022, pregnant individuals in California will now have 12 months of postpartum coverage for the full breadth of Medi-Cal services, regardless of income changes, citizenship, or immigration status. This expansion particularly impacts undocumented residents, who previously received a more limited set of services on the basis of pregnancy, and lost access to health coverage after 60 days postpartum (unless they received a mental health diagnosis).

In 2024, California will offer Medi-Cal to all income-eligible residents, regardless of immigration status. This policy will build upon the postpartum expansion, and substantially shrink the population that only becomes eligible for Medi-Cal because of pregnancy. This coverage will help individuals access preventive care *before* pregnancy, and could lead to reduced racial disparities in birth outcomes and overall maternal mortality.

Doula and community health worker services will be covered.

Over the last year, Medi-Cal has been finalizing a state plan amendment (SPA) for its doula and community health worker (CHW) services benefits, and establishing descriptions of these benefits for review and approval by the Centers for Medicare & Medicaid Services (CMS). Currently, the CHW SPA is under review, with a proposed effective date of July 2022, and the doula SPA should be submitted soon, with a proposed effective date of January 2023.

Made possible with support from the California Health Care Foundation.

The state classified these services as preventive services under federal law, which allows non-licensed practitioners to provide Medicaid services, as long as services are recommended by licensed practitioners.

The California Department of Health Care Services (DHCS) has partnered with its Doula and Community Health Worker stakeholder workgroups to define these benefits, specify provider qualifications, and create payment models. As DHCS learned, these decisions can be fraught, and should be carefully made in partnership with representatives of communities that have been marginalized. A rushed approach could result in less than a living wage for members of this workforce, jeopardize long-term availability of these services, and exclude providers who deliver culturally appropriate care and support to communities that have been marginalized.

For the doula benefit in particular, the state moved back its initial implementation date to allow for more robust stakeholder engagement. Notably, advocacy groups proposed and secured additional funding for implementation of the doula benefit (from $450 to $1,154 per birth), as well as continued state resources to convene a workgroup until the end of 2023. States exploring a Medicaid doula benefit may learn from this experience, and seek robust engagement and partnership with community-based doulas and birthing persons to inform service description, payment, and implementation approaches. For more, see a recent CHCS webinar, *Maternity Care Workforce Expansion: Creating New Opportunities for Doulas*.

More will be done to target and close maternal health disparities.

Under California's 2022 Comprehensive Quality Strategy, the state outlined "50 x 25 Bold Goals" to close maternity care disparities for Black and Native American people, and to improve maternal depression screening — each by 50 percent. Concurrently, the Department of Managed Health Care will suggest benchmark standards for health equity and quality for all health plans in California, and is now considering potential Birthing Persons Focus Area Measures and Health Equity Focus Area Measures.

In addition, the state's new Population Health Management (PHM) Program — which will roll out in 2023 — will include managed care programs to address maternal health outcomes that support "quality improvement and health disparity reduction efforts with their network providers and address systemic discrimination in maternity care, particularly for Black birthing persons." The program will complement new 2024 managed care contract requirements to develop a Health Equity and Quality Transformation Program, and offer related equity-focused interventions that address health-related social needs and incorporate CHWs and doulas.

In July 2023, a statewide PHM Service that centralizes health, social needs, and demographic data will help health plan and provider efforts to improve maternal outcomes, and stratify populations based on risk. Notably, a newly formed Scientific Advisory Committee will evaluate the risk stratification algorithm with equity in mind. The PHM Service is part of California's broader strategy for better data sharing across health care entities, government agencies, and social service programs, as part of its Data Exchange Framework.

New payment programs will also be connected to these efforts. For example, Equity and Practice Transformation Provider Payments ($700 million) will be available to managed care plans or providers that advance equity and improve quality measures in maternity care, among other areas.

Reproductive health and abortion providers will receive more funding.

In the wake of the U.S. Supreme Court opinion overturning *Roe v. Wade*, California expects increased demand and pressure on reproductive health care and abortion providers, particularly as people traveling from other states seek abortion services in California. In response, the Governor signed a $200 million reproductive health care package, with some targeted Medi-Cal initiatives.

Medi-Cal currently covers abortion for any reason, using state-only funds. In its most recent budget, California allocated $30 million over two years to provide supplemental payments to non-hospital community clinics that offer abortion services to individuals enrolled in Medi-Cal, and will enable more Medi-Cal providers to provide abortion services via telehealth by removing requirements for in-person follow up visits and ultrasounds, when not clinically indicated. These Medi-Cal initiatives are in addition to funding for other state agency programs to strengthen the reproductive health workforce and clinical capacity in the state, and to expand culturally appropriate outreach and education on reproductive health.

Managed care plans will pay for services that address health-related social needs.

CalAIM seeks to make care more seamless, accessible, equitable, and whole-person. Under this umbrella, the state has introduced specialized initiatives and services for people experiencing homelessness and transitioning from incarceration, and for people with serious mental illness and substance use disorder. Although not specific to birthing people, these goals can be particularly important for pregnant individuals with complex needs. For example, pregnancy increases the risk of becoming homeless, and 80 percent of women in jails have children, with 58,000 pregnant individuals admitted to jails and prisons annually.

Specifically, CalAIM introduces two initiatives:

- **Enhanced Care Management (ECM)**. Pregnant people in California who are experiencing homelessness, serious mental illness or substance use disorder, and transitioning from incarceration are now — or will soon be — eligible for a new required managed care benefit, ECM. In partnership with managed care plans, federally qualified health centers, primary care providers, county behavioral health providers, and community-based organizations can now bill for, or receive value-based payments that reflect, care management activities relating to social and behavioral health needs, including referral to Community Supports.
- **Community Supports**. Managed care plans can now optionally provide 14 new services that address health-related social needs. For example, plans can provide housing navigation services to pregnant people experiencing homelessness, and medically supportive food and meals to people with high-risk perinatal conditions. Because the state classifies these services as in lieu of services (either formally, or functionally through an 1115 demonstration waiver), California can now consider the cost and utilization of these services to develop managed care rates. This rate-setting change supports the sustainability of new partnerships with community-based organizations that provide these services.

Need more details?

CHCS created an **in-depth analysis** exploring the implications of CalAIM on maternity care in California.

ABOUT THE CENTER FOR HEALTH CARE STRATEGIES

The Center for Health Care Strategies (CHCS) is a policy design and implementation partner devoted to improving outcomes for people enrolled in Medicaid. We support partners across sectors and disciplines to make more effective, efficient, and equitable care possible for millions of people across the nation. For more information, visit **www.chcs.org**.