Children’s Health Programs in California

Recent Years’ Budget and Policy Changes

Since 2007-08, health programs serving children in California have experienced many changes due to both the Great Recession and federal health care reform. Early in this period, state budget cuts limited access to health services and increased families’ out-of-pocket costs. In more recent years, health care reform both expanded access to and simplified eligibility for public health care coverage. This timeline details many of the key budget and policy choices made since 2007-08.

2007

• JULY
  Great Recession begins in California
  Policymakers restructure health services
  Senate Bill 162 of 2006 (Ortiz) goes into effect, dividing the Department of Health Services into the Department of Health Care Services (DHCS) and the California Department of Public Health (CDPH).

2008

• 2008-09 STATE BUDGET
  Increases individuals’ costs and limits benefits for the Healthy Families Program (HFP)
  Policymakers increase premium contributions, cap dental benefits, and cut provider payment rates.
  Decreases support for California Department of Public Health (CDPH)
  A cut in General Fund support for CDPH results in the elimination of two teen pregnancy prevention programs.
  Reduces Medi-Cal provider payments
  Policymakers approve a 1% or 5% rate reduction for certain providers.

2009

• FEBRUARY
  HFP premiums increase
  As part of the 2008-09 budget, families with incomes above 150% of the federal poverty line must contribute $2 to $3 more per child per month—an increase of 13% to 30%.
  Federal reauthorization of CHIP
  President Obama signs the Children’s Health Insurance Program (CHIP) Reauthorization Act, which expands eligibility, boosts funding, and simplifies enrollment.

• 2009-10 STATE BUDGET
  Reduces General Fund support for CDPH
  State policymakers eliminate General Fund support for Maternal, Child, and Adolescent Health programs, immunization programs, Black Infant Health, and the California Children’s Dental Disease Prevention Program.
  Cuts General Fund support for the HFP by more than 40%
  Legislators cut $128.6 million in funding, and Governor Schwarzenegger vetoes an additional $50 million.

• JULY
  HFP enrollment is frozen
  Managed Risk Medical Insurance Board (MRMIB) halts enrollment for two months, resulting in a waiting list of nearly 90,000 children by mid-September.

• SEPTEMBER/OCTOBER
  Policymakers take action to fund health care coverage for children
  Governor signs Assembly Bill 1422 (Bass), which staves off additional cuts to children’s health care programs by generating new revenue from a tax on Medi-Cal managed care plans.

2010

• FEBRUARY
  Great Recession ends in California

• MARCH
  Health care reform becomes law
  President Obama signs the Patient Protection and Affordable Care Act (ACA).
  CHIP funding extended
  As part of the ACA, federal funding for CHIP is extended through September 2015.

• SEPTEMBER
  Health care reform increases children’s access to coverage
  Effective September 23, a new ACA rule prohibits certain health insurance plans from excluding children with pre-existing conditions.
  Bill further protects certain children’s access to health care coverage
  Governor Schwarzenegger signs Assembly Bill 2244 (Feuer), prohibiting health insurance companies from selling new individual plans in the state if they stop selling child-only plans, effective January 1, 2011.

• 2010-11 STATE BUDGET
  Eliminates funding for vaccinations
  Policymakers cut General Fund support for CDPH’s local immunization services.

• NOVEMBER
  Federal government approves California’s Medi-Cal waiver
  The waiver allows the state to test different health care models for children with special health care needs.

2011

• 2011-12 STATE BUDGET
  Reduces Medi-Cal provider payments
  Building on the 2008 rate cuts, policymakers approve a rate reduction of up to 10%. Litigation delays implementation for two years.
  Again cuts CDPH programs
  State policymakers redirect federal funds earmarked for maternal and child health programs to offset General Fund costs and also eliminate funding for Community Challenge Grants.

• OCTOBER
  Bill expands the County Health Initiative Matching Fund Program
  Governor Schwarzenegger signs Senate Bill 36 (Simiatian) to expand coverage for children with family incomes at or below 400% of the federal poverty line.

2012

• 2012-13 STATE BUDGET
  Eliminates the HFP
  Policymakers approve a plan to gradually shift children covered under the HFP to Medi-Cal during 2013.

2013

• JANUARY
  Children’s coverage under Medi-Cal expands
  Medi-Cal begins covering children with family incomes at or below 266% of the federal poverty line—up from 250% in 2013—are eligible for Medi-Cal as a result of a new and simpler eligibility determination process.

• 2014-15 STATE BUDGET
  Eliminates MRMIB
  The Access for Infants and Mothers and County Health Initiative Matching Fund programs are shifted from MRMIB to DHCS.
  Restores funding for black newborns and their mothers
  Black Infant Health receives renewed funding after General Fund support was eliminated in 2009-10.
  Expands access to health care coverage for pregnant women
  Pending federal approval, low-income pregnant women receive comprehensive health care coverage with no out-of-pocket costs through Medi-Cal.

• SEPTEMBER
  State expands Medi-Cal benefits
  Effective September 15, children with autism spectrum disorder become eligible for behavioral health therapy.

This publication was made possible by a grant from the Lucile Packard Foundation for Children’s Health.