



# NO To Medicaid Budget Cuts

## IDA Urges Congress to Reject Funding Reductions

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### Executive Summary

Early Intervention (EI) services through California's Early Start program are essential for promoting healthy development in children ages zero to three with disabilities or developmental delays.<sup>1</sup> Through speech-language, occupational, and physical therapy, EI improves long-term outcomes in school readiness and health while also reducing future costs to state education and healthcare systems.

**Medi-Cal, California's version of Medicaid**, insures nearly half of California's children,<sup>2</sup> covering prenatal to early childhood EI services and supporting children with special needs in accordance with the Individuals with Disabilities Education Act (IDEA).<sup>3</sup> The proposed, up to \$880 billion, federal Medicaid budget cuts would significantly reduce California's ability to sustain Early Start.<sup>4,5</sup> IDA urges Congress to **vote NO** to these cuts to protect California's youngest and most vulnerable residents.<sup>6</sup> Investing in early intervention is not just fiscally responsible, it is morally imperative for California's future.

### The Importance of Medi-Cal

Early Intervention provides essential support for children aged 0 to 3 with developmental delays or disabilities.<sup>7</sup> Part C of the Individuals with Disabilities Education Act ensures access to free, individualized education and support services for children with disabilities,<sup>8</sup> such as:

- Speech-language therapy → speaking and communicating
- Audiology services → hearing
- Occupational therapy → completing daily tasks
- Physical therapy → movement

#### After EI:<sup>14</sup>

- **40%** of children made significant improvements in motor and communication domains.
- **21.7%** improved in cognition and **22.8%** in adaptive skills.

### Early Start Participation and Medi-Cal Coverage

**55,614**

Average number of children enrolled in Early Start services in 2024.<sup>13</sup>

**6,896**

Number of Early Start children supported by Medi-Cal.<sup>18</sup>

### Medi-Cal Supports EI and Serves as a Vital Lifeline for California's Children. It covers:<sup>2</sup>

**43%**

of California's children, aiding primarily low-income families and nearly all children in foster care.

**28%**

of California children with special healthcare needs, including those requiring medical, behavioral, and other health services, into later childhood and adulthood.

**40%**

of all births in California, including essential services like prenatal, maternity, and postpartum care.

### Necessity of Federal Funding

Medi-Cal is the primary public insurer of EI services.

#### Reduced funding would lead to:<sup>9, 10</sup>

- Fewer children receiving critical EI care at the most essential stage of brain development, risking lifelong cognitive, emotional, and behavioral challenges.
- California's entire health system suffering, with cuts impacting:
  - Pediatric care
  - Mental health services
  - Support for children and adults with disabilities
    - These services are often the first to be reduced or eliminated when budgets are slashed.

#### Without Medi-Cal → states will lose essential funding for:<sup>11</sup>

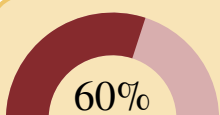
- Vital services for low-income families.
- Reducing health disparities.
- Supporting working families who rely on access to care and early intervention.

### The Impact of Early Start Services

In California, Early Start serves as the state's Part C program under IDEA. EI services improve<sup>14</sup>

- Parent-child interactions
- Family stability
- School readiness
- Significant developmental gains in motor, communication, and adaptive skills

EI is developmentally impactful and fiscally responsible, helping to reduce future costs in special education, social services, and healthcare. **Medi-Cal is an investment in children's futures:** those enrolled are more likely to miss fewer school days, graduate from high school, experience better overall health, and earn higher wages later in life.<sup>12</sup> EI reduces the need for special education services once children enter kindergarten. **Early Start funding yields a significant return on investment**, demonstrating the long-term fiscal benefits of early intervention services.



Medi-Cal accounts for **60%** of all federal funding sent to the state.<sup>2</sup>

**= \$96.7 billion each year**

# Threats Posed by Proposed Funding Reductions

**Congressional proposals to slash up to \$880 billion in Medicaid federal funding would severely impact California's most vulnerable children and Early Start services.**

## Impact on Early Start Families and Why It's an Issue:

- Necessary developmental and optional services, such as speech and physical therapies, may be reduced or eliminated.
- Access to Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) may be restricted, a benefit that provides essential preventative, medical and treatment services for children at their earliest stages of need.<sup>15</sup>

## Impact on long-term health outcomes:

- With fewer intervention services available, children with disabilities and chronic illnesses will be put at a higher risk of lifelong consequences.
- Over time, worsened health outcomes will lead to increased healthcare costs.

**With so much to lose, it is essential that Medicaid funding is not cut.**

## IDA Action Steps

Contact Your Congressional Representatives and Senators by Email

### How to find your representative's contact information:

1. Visit [govtrack.us](https://govtrack.us) or [house.gov](https://house.gov)
2. Enter your home address or zip code
3. Select your corresponding representative's website
4. Select "Contact" and send a message

### What to highlight in your message:

- As a constituent, **you are urging congress to vote NO on Medicaid funding cuts.**
- Medi-Cal funding ensures continued support for California's Early Intervention services.
- You are deeply concerned with how Medicaid budget proposals threaten EI and furthermore how families receive healthcare.
- **Share your story:** How has Medicaid helped your family?

### It is imperative that your representatives hear from their constituents

**Providers:** Share this document with the families receiving your services, and encourage them to send an email.

**Families:** Share this document with your friends and colleagues.

### Sample message:

Dear [Representative/Senator],

I urge you to oppose any cuts to Medicaid. These cuts would devastate families who rely on Medicaid for early intervention, therapies, and developmental support. For decades, leaders from both parties have protected Medicaid because it works. It gives babies and toddlers—especially those with delays and disabilities—a real chance to grow, thrive, and reach their potential. It has been a lifeline for families. As someone who cares deeply about children and families, I ask you to stand firm against these harmful cuts. The long-term cost of walking away now is too great for families and our communities.

Thank you,  
[Your Name]

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