Agenda Item III.
Departmental Updates

Department of Health Care Services (DHCS)

Enhanced Care Management, In Lieu of Services, Justice-involved Reentry, and Behavioral Health Reform

Over the last several years there has been an increasing Medi-Cal focus on homelessness due to:

1. The clear connection between housing and health outcomes for members with complex medical and behavioral health conditions;
2. The Affordable Care Act (ACA) Medicaid expansion of childless adults; and
3. The shortage and cost of housing in California.

Previously, DHCS briefed the Council on two of our programs that coordinate health care, social services, and housing case management services for our most vulnerable Medi-Cal members, which are the Health Home Program (HHP) and the Whole Person Care (WPC) Pilots. As part of our new California Advancing and Innovating Medi-Cal (CalAIM) initiative, DHCS will transition, expand, and standardize successful strategies from these two pilot programs. In 2021, HHP and WPC will end and Enhanced Care Management (ECM) and In Lieu of Services (ILOS) will begin.

The ECM benefit will replace the intensive coordination of health care and social services that is provided in the current HHP and WPC pilots. Like HHP and WPC, ECM services extend beyond the standard Medi-Cal care coordination and disease management activities and have a focus on whole person wellbeing and in-person services. Rather than being restricted to a telephone or provider office setting, ECM has the flexibility to meet members where they are in the community, such as mobile street teams for homeless members. Mandatory target populations include frequent utilizers of health care services, members with complex medical and behavioral health needs, individuals experiencing homelessness, jail reentry transitions for members who need care coordination upon release, and a few other target populations.

ILOS include specific services that are transitioned from HHP and WPC. ILOS services are designed to work in conjunction with ECM care coordination. Several of these services can assist members experiencing homelessness, such as:

- Housing Transition/Navigation Services, Housing Deposits, and Housing Tenancy and Sustaining Services. These services help people who are experiencing chronic

homelessness to find subsidized, supportive housing, pay for initial deposits and necessary health-related modifications, and receive the ongoing coaching and support to maintain their housing. These services are the most comprehensive housing-specific assistance that can be approved under federal Medicaid rules. Per federal rules, Medicaid may not fund rent, but these ILOS services are intended to be coordinated with non-Medicaid rent subsidy and development funding, such as the Governor's 2020-21 budget proposal for a $750 Million California Access to Housing and Services fund that will be administered by the California Department of Social Services.

- Short-Term Post-Hospitalization Housing.
- Recuperative Care (Medical Respite).
- Day Habilitation Programs.
- Environmental Accessibility Adaptations (Home Modifications).
- Sobering Centers.

There is also a clear connection between chronic homelessness, the justice-involved reentry population, and behavioral health needs. The CalAIM initiative includes proposed improvements for jail reentry and behavioral health services:

1. Jail Reentry: There will be new requirements for counties to screen people for Medi-Cal eligibility prior to release from jail and provide a warm handoff for the transition from jail behavioral health services to county-operated Medi-Cal services in the community. The goal is to eliminate lapses in eligibility, continue ongoing services and quick connection to new services like ECM/ILOS, improve health outcomes, and reduce homelessness.

2. Payment Reform: DHCS will shift Medi-Cal county-operated behavioral health services from a cost-based payment to rate-based and value-based structures that incentivize outcomes and quality and have the potential to increase reimbursement.

3. Medical Necessity Reform: The current medical necessity criteria for Medi-Cal specialty mental health and substance use disorder services are outdated and lack clarity. DHCS will adjust these criteria in several specific ways to:
   - Remove significant administrative barriers to ensure beneficiary behavioral health needs are being addressed and guided to the most appropriate delivery system, and
   - Provide appropriate reimbursement to counties for specialty mental health, other medically necessary mental health services, and substance use disorder services.

4. Administrative Integration: Approximately 50% of individuals who have a serious mental illness have a co-occurring substance use disorder and those individuals benefit from integrated treatment. Currently Medi-Cal substance use disorder and specialty mental health services are provided through two separate county-operated delivery systems. DHCS will integrate specialty mental health and substance use disorder services into a

single county-operated health plan in each county or region. This will improve outcomes for beneficiaries through coordinated treatment and improve administrative efficiency.

To be effective for members experiencing homeless, the services described above often need to be coordinated with other non-Medicaid services, such as rental subsidies. DHCS will continue to work with federal, state, and local partners on opportunities for coordination for shared clients. This coordination, ECM, ILOS, and improving reentry and behavioral health services are examples of how DHCS is maximizing what can be done through the Medicaid program to assist with California's housing crisis and to make a healthier California for all.

Department of Corrections and Rehabilitation (CDCR)

CDCR has been working diligently to support *Housing First* compliance as part of achieving CDCR's overarching goals, the following are on-going efforts:

- Consultation with HCFC and the Department of Social Services to review various technical assistance supports, both for administrative and contract staff to build skills and knowledge on best practices,
- Key leadership and staff with subject matter expertise are working to support policy and program changes through a cross-divisional workgroup with regular meetings and opportunities to raise awareness and skill build, and
- Reviewing existing data and data collection capacity and policies to increase understanding of who among CDCR's population in the community are homeless or housing insecure, and how are they using or not using available services and supports.

While CDCR only administers temporary community-based treatment and service programs upon reentry, some of these programs may include a housing component. To ensure *Housing First* compliance the following actions are complete or in progress:

1. (Completed and On-going) Trained parole agents on *Housing First* requirements to ensure that all community program participants are provided housing while under CDCR supervision and provided community resources and linkages for housing and employment after program.
2. (Completed) The Division of Rehabilitation (DRP) developed and implemented community-based provider modality rate sheets that require all sub-contracted services provided with CDCR funding must comply with all applicable *Housing First* requirements. Each provider must sign the agreement prior to providing services within CDCR.
3. (Completed) Included questions in DRP's Program Accountability (contractor) Review tool for DRP personnel to help ensure community-based providers are compliant with the *Housing First* legislation standards and expectations of the department.
4. (In-Progress) Revising all DRP contracts to include the new *Housing First* statute as they come up for renewal. New contracts will have *Housing First* statute language incorporated within the development stage.
5. (In-Progress) Working with contractors and subcontractors to deliver operational expectations and guidelines to support current *Housing First* compliance. This includes developing tools in the case management system to ensure compliance, along with modifying on-site accountability tools to include *Housing First* requirements. Examples include reviewing files to ascertain if

someone was discharged from the program involuntarily for usage, were they assisted in other supportive housing or were they appropriately advanced to a higher level of care (licensed treatment).

6. (In-Progress) Current and on-going outreach to local Continuum of Cares (CoCs) to better understand local processes, to increase collaboration, foster stronger partnerships between local parole administrators in the field and local housing service providers, and explore improved referral pathways from state entities (i.e. CDCR) to local Coordinated Entry Systems.
7. (In-Progress) Reviewing potential to integrate into newly developing statewide information systems.

CDCR submitted a full report on this progress to the legislature in March. The report also recommended the continuation of current statute that allows for *Recovery Housing* as defined in current law as a best practice permissible under California's implementation of *Housing First*. Doing so will allow individuals the choice of being in a substance-free environment.

Finally, CDCR through its leadership on the Council on Criminal Justice and Behavioral Health (CCJBH) is collaborating with the Council on State Government's Justice Center, through a grant from the Melville Charitable Trust, to study and develop solutions that address the unique needs of individuals experiencing homelessness with justice-involvement and behavioral health challenges. CCJBH is eager to partner with HCFC staff and members as well as key stakeholders to produce and widely vet policy recommendations that identify strategies to improve housing outcomes for this target population by the end of 2020.

Department of Housing and Community Development

No Place Like Home (NPLH)
In 2018, California voters approved Proposition 2, authorizing funding for NPLH program.

- HCD released a second competitive NOFA and amendments to the NPLH guidelines in September 2019 and applications were due January 8, 2020
- Awards expected in June 2020
- All counties, except Alpine County, intend to use Noncompetitive Allocation funds, and have submitted their County Noncompetitive Allocation Acceptance Form.

California Emergency Solutions and Housing (CESH)
The 2018-19 Budget allocates about 25% of the first year's SB 2 revenues to CoCs through CESH.

- In March 2019, HCD released the second CESH NOFA for approximately $29M. Applications were due on June 28, 2019, and HCD announced the awards list on October 18, 2019.

Housing for Healthy California (HHC)

- Amended program guidelines were released February.

- Round 1: Awards expected in March 2020
- Article I NOFA released February 28, 2020, Applications due June 25, 2020, Awards expected October 2020.

Veterans Housing and Homelessness Prevention (VHHP)
VHHP provides loans to developers to acquire, build, or rehabilitate permanent supportive housing and transitional housing for veterans experiencing chronic homelessness or risk of chronic homelessness, or are in need of affordable housing.

- HCD released a fifth NOFA November 8, 2019 for approximately $75 million. Applications were due February 13, 2020.
- Awards expected in May/June 2020

Emergency Solutions Grants (ESG)

- Applications were due May 30, 2019 but extended to July 31, 2019 for applicants impacted by a 2018 FEMA disaster including Butte, Los Angeles, Ventura, Shasta, San Diego, and Santa Barbara Counties.
- HCD announced awards on November 12, 2019, including approximately $6 million for the CoC Allocation and $5 million for the Balance of State Allocation.
- 2020 CoC NOFA released on 2/28/2020, Applications due May 28, 2020, Awards expected September 2020

Multifamily Housing Program/ Supportive Housing (SHMHP)
In 2018, voters approved Proposition 1, authorizing the Veterans and Affordable Housing Bond Act. MHP consists of bonds for new construction, acquisition/rehabilitation of permanent or transitional rental housing, and conversion of nonresidential structures to rental housing.

- Round One application due date was August 20, 2019 and awards were announced in December 2019.
- 18 out of 24 projects awarded were supportive housing and/or special needs projects
- Round Two NOFA and application were released January 2020 and applications were due March 2, 2020. Awards expected in June 2020.

Technical Assistance (TA) to Improve Delivery of Homelessness Programs
Since January 2019, HCD has provided three types of technical assistance to help counties and CoCs enhance, develop, and/or improve the delivery of homelessness programs and services.

- 83% of eligible jurisdictions have received some form of TA by either working directly with the county or working with the CoC that includes the county
- Housing First and Housing Stability TA has been extended from April 2020 to 2021

Excess/ Surplus State Sites
(Executive Order N-06-19)

In January 2019, Governor Newsom released an Executive Order to use excess state property for affordable housing development.

- This year, HCD will develop uniform standards to ensure local agencies comply with state law when disposing of surplus land.
- On January 22, 2020, HCD announced a developer was selected to build housing in Stockton and request for qualifications to developers for affordable housing in South Lake Tahoe.

(Executive Order N-23-20)

On January 8, 2020, Governor Newsom released an Executive Order to use excess state property for temporary homeless shelters and requires metrics to be developed by February 28, 2020.

- HCD is collaborating with other state departments to assess and identify potential sites by January 31, 2020. This includes providing information to the Department of Food & Agriculture relating to shelter facilities standards, PIT counts, locally-declared shelter crises, and prior experience identifying and utilizing excess properties.