

AMENDED IN ASSEMBLY MARCH 18, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2821**

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**Introduced by Assembly Member Chiu**  
**(Principal coauthor: Assembly Member Atkins)**

February 19, 2016

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~~An act to amend Section 14000.03 of the Welfare and Institutions Code, relating to Medi-Cal. An act to add Chapter 6.9 (commencing with Section 50678) to Part 2 of Division 31 of the Health and Safety Code, relating to housing.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2821, as amended, Chiu. ~~Medi-Cal: cooperative arrangements. Whole Person Care Housing Program.~~

Existing law establishes various housing programs directed by the Department of Housing and Community Development (HCD), including special housing programs to provide housing assistance for persons with developmental and physical disabilities and persons with mental health disorders. Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, Services (DHCS), under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. ~~Existing federal law requires the state's plan for medical assistance under Medi-Cal to provide for entering into cooperative arrangements with the state agencies responsible for administering or supervising the administration of health services and vocational rehabilitation services in the state. Existing law requires, upon additional funds being appropriated and budgeted for the support of services within the scope of work of a~~

~~cooperative arrangement, that the amount of the encumbrance in the agreement be amended, by operation of law, to reflect the newly appropriated and budgeted funds.~~

~~This bill would make technical, nonsubstantive changes to these provisions.~~

*This bill would require HCD, in coordination with DHCS, to, on or before July 1, 2017, design and create the Whole Person Care Housing Program, and on or before January 1, 2018, and every year thereafter, subject to appropriation by the Legislature, award grants to eligible counties or regions participating in a Whole Person Care pilot program, a program under the Medi-Cal program that provides specified entities with the option to receive support to integrate care for a particularly vulnerable group of Medi-Cal beneficiaries, including individuals who are experiencing or are at risk of homelessness. The bill would provide that a county or a region is eligible for a grant under the program if the county or region's lead entity meets specified requirements, including that the lead entity is participating in a Whole Person Care pilot program or has previously participated in a Whole Person Care pilot program, or is a county with Medi-Cal managed care plans participating in the Health Home Program and demonstrates specified collaboration.*

*The bill would require a county or region awarded a grant to use the funds for specified purposes, including long-term rental assistance and interim housing. The bill would provide that a county resident is eligible to receive assistance pursuant to a grant awarded under the Whole Person Care Housing Program if he or she meets specified requirements, including that the person is homeless and is a Medi-Cal beneficiary. The bill would provide that the program is subject to an initial appropriation by the Legislature, and that thereafter grants under the program are subject to annual appropriations by the Legislature, as specified.*

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. The Legislature finds and declares all of the
- 2     following:
- 3     (a) Homeless beneficiaries incur disproportionate Medi-Cal
- 4     costs, particularly people experiencing chronic homelessness and

1 people who cycle between homelessness, emergency departments,  
2 inpatient care, and nursing home stays. Supportive housing, which  
3 is affordable housing with intensive services, allows people  
4 experiencing significant barriers to housing stability to improve  
5 their health and decrease their Medicaid costs. National studies  
6 comparing formerly homeless Medicaid beneficiaries living in  
7 supportive housing with homeless beneficiaries receiving usual  
8 care demonstrate Medicaid cost savings of almost \$9,000 per year  
9 after the costs of services.

10 (b) In the proposal to renew California’s Section 1115 Medicaid  
11 Waiver, “Medi-Cal 2020: Key Concepts for Renewal,” the State  
12 Department of Health Care Services (DHCS) stated, “Research  
13 suggests that individuals experiencing homelessness, particularly  
14 those individuals with multiple chronic conditions, often struggle  
15 to receive appropriate health care services and are  
16 disproportionately likely to be high utilizers of the health care  
17 safety net.” DHCS proposed using Medi-Cal to fund the tools  
18 communities need to help homeless beneficiaries gain access to  
19 and maintain housing stability, including the costs of interim  
20 housing, recuperative/respite care, and long-term rental subsidies.

21 (c) The final Medi-Cal 2020 Waiver allows participating entities,  
22 including counties, to create Whole Person Care pilots to address  
23 the health, behavioral health, and social services needs of high  
24 users of multiple systems. Participating entities will be able to use  
25 Whole Person Care pilots to target homeless residents, form  
26 collaborations between local agencies and health plans to address  
27 services needs of homeless beneficiaries, pool waiver and other  
28 sources of financing to pay for services promoting housing stability,  
29 and collect data on residents’ outcomes.

30 (d) Though the federal Centers for Medicare and Medicaid  
31 Services disallowed federal financial participation in the costs of  
32 housing interventions, the final Section 1115 Medicaid Waiver  
33 special terms and conditions, referred to as the “Medi-Cal 2020  
34 Waiver,” allow for state contributions to Whole Person Care  
35 “county housing pools” to fund long-term costs of housing in order  
36 to achieve the goals of the Waiver proposal.

37 (e) In most communities in California, a lack of housing  
38 affordable to people experiencing homelessness is one of the  
39 greatest barriers to exiting homelessness. Housing resources would  
40 allow Whole Person Care counties choosing to target homeless

1 *people with the resources to achieve the goals of the Whole Person*  
2 *Care Waiver provisions, during the course of the pilot and after*  
3 *the pilot ends.*

4 *SEC. 2. Chapter 6.9 (commencing with Section 50678) is added*  
5 *to Part 2 of Division 31 of the Health and Safety Code, to read:*

6  
7 *CHAPTER 6.9. WHOLE PERSON CARE HOUSING PROGRAM*  
8

9 *50678. For purposes of this chapter, all of the following*  
10 *definitions shall apply:*

11 *(a) "Homeless" has the same meaning as Section 578.3 of Title*  
12 *24 of the Code of Federal Regulations.*

13 *(b) "Interim housing" means a safe place for a participant to*  
14 *live temporarily while the participant is waiting to move into an*  
15 *apartment affordable to the participant. "Interim housing" may*  
16 *include recuperative or respite care and shall not be funded for*  
17 *longer than a period of nine months.*

18 *(c) "Long-term rental assistance" means a rental subsidy*  
19 *provided to a housing provider to assist a tenant to pay the*  
20 *difference between 30 percent of the tenant's income and the costs*  
21 *of operating the assisted apartment.*

22 *(d) "Supportive housing" has the same meaning as Section*  
23 *50675.14.*

24 *(e) "Whole Person Care pilot program" has the same meaning*  
25 *as described in Sections 110-126 of the Medi-Cal 2020 Waiver*  
26 *Special Terms and Conditions, finalized on December 30, 2015.*

27 *50678.1. The Department of Housing and Community*  
28 *Development (HCD), in coordination with the State Department*  
29 *of Health Care Services (DHCS), shall do all of the following:*

30 *(a) On or before July 1, 2017, design and create the Whole*  
31 *Person Care Housing Program.*

32 *(b) On or before July 1, 2017, draft guidelines for stakeholder*  
33 *comment to fund grants to pay for long-term housing costs under*  
34 *the Whole Person Care Housing Program.*

35 *(c) On or before January 1, 2018, and every year thereafter,*  
36 *subject to appropriation by the Legislature, award grants to*  
37 *eligible counties and regions participating in a Whole Person Care*  
38 *pilot program.*

39 *(d) Collect data midyear and annually from counties and regions*  
40 *receiving grants awarded pursuant to this chapter.*

1 (e) (1) By March 31, 2019, and by every year thereafter in  
2 which the Whole Person Care Housing Program receives funding,  
3 report data collected to the Assembly Committee on Budget, the  
4 Senate Committee on Budget and Fiscal Review, the Assembly  
5 Committee on Housing and Community Development, and the  
6 Senate Committee on Transportation and Housing.

7 (2) A report to be submitted pursuant to paragraph (1) shall be  
8 submitted in compliance with Section 9795 of the Government  
9 Code.

10 50678.2. A county or a region that includes more than one  
11 county shall be eligible for a Whole Person Care Housing Program  
12 grant if the county or region's lead entity meets all of the following  
13 requirements:

14 (a) Meets one of the following descriptions:

15 (1) Is a lead entity participating in a Whole Person Care pilot  
16 program under the Medi-Cal 2020 Waiver.

17 (2) Is a lead entity that had previously participated in a Whole  
18 Person Care pilot program that has expired.

19 (3) Is a county with Medi-Cal managed care plans participating  
20 in the Health Home Program and demonstrates collaboration  
21 required in subdivision (b).

22 (b) Has formed collaborative relationships with at least one  
23 health plan, county health and behavioral health agencies, at least  
24 one housing authority, and established relevant continuums of  
25 care, as described in Section 115 of the Medi-Cal 2020 Waiver  
26 Special Terms and Conditions, along with nonprofit housing and  
27 homeless service providers, to enable the county or region to carry  
28 out the provisions of this program.

29 (c) For residents participating in the Whole Person Care  
30 Housing Program, has identified a source of funding for care  
31 management and other services identified in the Centers for  
32 Medicare and Medicaid Services Informational Bulletin regarding  
33 Housing-Related Activities and Services for People with  
34 Disabilities, issued June 2015, and identified in the Medi-Cal  
35 Waiver 2020 Special Terms and Conditions. Funding shall include  
36 one or more of the following:

37 (1) County general funds.

38 (2) Whole Person Care pilot housing pool and care management  
39 programs.

40 (3) The Health Home Program.

1     (d) Has designated a process for administering grant funds  
2     through agencies administering housing programs.

3     (e) Agrees to collect and report data, as described in Section  
4     50678.3, to the Department of Housing and Community  
5     Development and the State Department of Health Care Services.

6     50678.3. (a) A county or region awarded grant funds under  
7     this chapter shall form agreements with health plans to collect  
8     Medi-Cal data regarding members' overall health costs.

9     (b) A county or region awarded grant funds shall, at annual  
10    and midyear intervals, report all of the following data to HCD  
11    and DHCS:

12    (1) A comparison of health care costs of residents receiving  
13    long-term rental assistance under the Whole Person Care Housing  
14    Program to health care costs of homeless residents not receiving  
15    long-term rental assistance.

16    (2) The number of participants and the type of interventions  
17    offered through grant funds.

18    (3) The number of participants receiving long-term rental  
19    assistance living in supportive housing or other housing that does  
20    not limit length of stay.

21    50678.4. A county or region shall use grants awarded pursuant  
22    to this chapter for one or more of the following, which may be  
23    administered through a housing pool, as defined in the Medi-Cal  
24    2020 Waiver Special Terms and Conditions:

25    (a) Long-term rental assistance for periods up to five years, as  
26    determined by the eligible county.

27    (b) Interim housing.

28    (c) A county's administrative costs for up to 5 percent of the  
29    total grant awarded.

30    50678.5. A county resident is eligible to receive assistance  
31    pursuant to a grant awarded under the Whole Person Care  
32    Housing Program if he or she meets all of the following  
33    requirements:

34    (a) Is homeless upon initial eligibility.

35    (b) Is a Medi-Cal beneficiary.

36    (c) Is eligible for the services program identified by participating  
37    counties or regions.

38    50678.6. The Whole Person Care Housing Program is subject  
39    to an initial appropriation by the Legislature. After the initial  
40    appropriation, the funding of grants under the program is subject

1 *to annual appropriations by the Legislature based on decreased*  
2 *costs of care, as reported by participating counties, of moving*  
3 *eligible participants into supportive housing.*

4 *50678.7. HCD shall use no more than 5 percent of the funds*  
5 *appropriated for the Whole Person Care Housing Program for*  
6 *purposes of administering the program.*

7 ~~SECTION 1. Section 14000.03 of the Welfare and Institutions~~  
8 ~~Code is amended to read:~~

9 ~~14000.03. (a) The Legislature finds and declares that Section~~  
10 ~~1396a(a)(11)(A) of Title 42 of the United States Code provides~~  
11 ~~that California's state plan for medical assistance under the~~  
12 ~~Medicaid program shall "provide for entering into cooperative~~  
13 ~~arrangements with the State agencies responsible for administering~~  
14 ~~or supervising the administration of health services and vocational~~  
15 ~~rehabilitation services in the State looking toward maximum~~  
16 ~~utilization of such services in the provision of medical assistance~~  
17 ~~under the plan."~~

18 ~~(b) In furtherance of Section 1396a(a)(11)(A) of Title 42 of the~~  
19 ~~United States Code and Section 7560 of the Government Code, it~~  
20 ~~is the intent of the Legislature to maximize the amount of federal~~  
21 ~~and state funds continually available under agreements identified~~  
22 ~~in Section 1396a(a)(11)(A) of Title 42 of the United States Code~~  
23 ~~and entered into by the State Department of Health Care Services~~  
24 ~~by making later appropriated and budgeted funds immediately~~  
25 ~~encumbered and available for expenditure under agreements by~~  
26 ~~operation of law.~~

27 ~~(c) Notwithstanding any other provision of law, upon additional~~  
28 ~~funds being appropriated and budgeted for the support of the~~  
29 ~~services identified within the scope of work of an agreement of~~  
30 ~~the type identified in Section 1396a(a)(11)(A) of Title 42 of the~~  
31 ~~United States Code and previously entered into by the State~~  
32 ~~Department of Health Care Services, the amount of the~~  
33 ~~encumbrance in such an agreement shall be amended, by operation~~  
34 ~~of law, to reflect the newly appropriated and budgeted funds.~~

35 ~~(d) Notwithstanding any other provision of law, once an~~  
36 ~~agreement of the type identified in Section 1396a(a)(11)(A) of~~  
37 ~~Title 42 of the United States Code is entered into by the State~~  
38 ~~Department of Health Care Services, the agreement shall continue~~  
39 ~~in effect indefinitely and need not be amended unless the State~~

- 1 Department of Health Care Services changes the scope of work to
- 2 be provided under the agreement.

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