

AMENDED IN ASSEMBLY APRIL 26, 2016

AMENDED IN ASSEMBLY MARCH 29, 2016

AMENDED IN ASSEMBLY MARCH 18, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2821

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

February 19, 2016

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 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 (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~~ *program* provisions.

This bill would require HCD, in coordination with DHCS, to, on or before July 1, 2017, design and create the Medi-Cal 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 Medi-Cal 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: 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
- 5 people who cycle between homelessness, emergency departments,
- 6 inpatient care, and nursing home stays. Supportive housing, which
- 7 is affordable housing with intensive services, allows people
- 8 experiencing significant barriers to housing stability to improve
- 9 their health and decrease their Medicaid costs. National studies
- 10 comparing formerly homeless Medicaid beneficiaries living in
- 11 supportive housing with homeless beneficiaries receiving usual
- 12 care demonstrate Medicaid cost savings of almost \$9,000 per year
- 13 after the costs of services.
- 14 (b) In the proposal to renew California's Section 1115 Medicaid
- 15 Waiver, "Medi-Cal 2020: Key Concepts for Renewal," the State
- 16 Department of Health Care Services (DHCS) stated, "Research
- 17 suggests that individuals experiencing homelessness, particularly

1 those individuals with multiple chronic conditions, often struggle
2 to receive appropriate health care services and are
3 disproportionately likely to be high utilizers of the health care
4 safety net.” DHCS proposed using Medi-Cal to fund the tools
5 communities need to help homeless beneficiaries gain access to
6 and maintain housing stability, including the costs of interim
7 housing, recuperative/respite care, and long-term rental subsidies.

8 (c) The final Medi-Cal 2020 Waiver allows participating entities,
9 including counties, to create Whole Person Care pilots to address
10 the health, behavioral ~~health~~ *health*, and social services needs of
11 high users of multiple systems. Participating entities will be able
12 to use Whole Person Care pilots to target homeless residents, form
13 collaborations between local agencies and health plans to address
14 ~~services~~ *service* needs of homeless beneficiaries, pool waiver and
15 other sources of financing to pay for services promoting housing
16 stability, and collect data on residents’ outcomes.

17 (d) Though the federal Centers for Medicare and Medicaid
18 Services disallowed federal financial participation in the costs of
19 housing interventions, the final Section 1115 Medicaid Waiver
20 special terms and conditions, referred to as the “Medi-Cal 2020
21 Waiver,” allow for state contributions to Whole Person Care
22 “county housing pools” to fund long-term costs of housing in order
23 to achieve the goals of the Waiver proposal.

24 (e) In most communities in California, a lack of housing
25 affordable to people experiencing homelessness is one of the
26 greatest barriers to exiting homelessness. Housing resources would
27 allow Whole Person Care counties choosing to target homeless
28 people with the resources to achieve the goals of the Whole Person
29 Care Waiver provisions, during the course of the pilot and after
30 the pilot ends.

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

33
34 CHAPTER 6.9. MEDI-CAL HOUSING PROGRAM
35

36 50678. For purposes of this chapter, all of the following
37 definitions shall apply:

38 (a) “Homeless” has the same meaning as *in* Section 578.3 of
39 Title 24 of the Code of Federal Regulations.

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

(c) “Long-term rental assistance” means a rental subsidy provided to a housing provider to assist a tenant to pay the difference between 30 percent of the tenant’s income and the costs of operating the assisted apartment.

(d) “Supportive housing” has the same meaning as *in* Section 50675.14.

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

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

(a) On or before July 1, 2017, design and create the Medi-Cal Housing Program.

(b) On or before July 1, 2017, draft guidelines for stakeholder comment to fund grants to pay for long-term housing costs under the Medi-Cal Housing Program.

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

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

(e) (1) By March 31, 2019, and ~~by~~ every year thereafter in which the Medi-Cal Housing Program receives funding, report data collected to the Assembly Committee on Budget, the Senate Committee on Budget and Fiscal Review, *the Assembly and Senate committees on health*, the Assembly Committee on Housing and Community Development, and the Senate Committee on Transportation and Housing.

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

50678.2. A county or a region that includes more than one county shall be eligible for a Medi-Cal Housing Program grant if

1 the county or region's lead entity meets all of the following
2 requirements:

3 (a) Meets one of the following descriptions:

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

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

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

11 (b) Has formed collaborative relationships with at least one
12 health plan, county health and behavioral health agencies, at least
13 one housing authority, and established relevant continuums of
14 care, as described in Section 115 of the Medi-Cal 2020 Waiver
15 Special Terms and Conditions, along with nonprofit housing and
16 homeless service providers, to enable the county or region to carry
17 out the provisions of this program.

18 (c) For residents participating in the Medi-Cal Housing Program,
19 has identified a source of funding for care management and other
20 services identified in the Centers for Medicare and Medicaid
21 Services Informational Bulletin regarding Housing-Related
22 Activities and Services for People with Disabilities, issued June
23 2015, and identified in the Medi-Cal Waiver 2020 Special Terms
24 and Conditions. Funding shall include one or more of the
25 following:

26 (1) County general funds.

27 (2) Whole Person Care pilot housing pool and care management
28 programs.

29 (3) The Health Home Program.

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

32 (e) Agrees to collect and report data, as described in Section
33 50678.3, to the Department of Housing and Community
34 Development and the State Department of Health Care Services.

35 50678.3. (a) A county or region awarded grant funds under
36 this chapter shall form agreements with health plans to collect
37 Medi-Cal data regarding members' overall health costs.

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

1 (1) A comparison of health care costs of residents receiving
2 long-term rental assistance under the Medi-Cal Housing Program
3 to health care costs of homeless residents not receiving long-term
4 rental assistance.

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

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

10 50678.4. A county or region shall use grants awarded pursuant
11 to this chapter for one or more of the following, which may be
12 administered through a housing pool, as defined in the Medi-Cal
13 2020 Waiver Special Terms and Conditions:

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

16 (b) Interim housing.

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

19 50678.5. A county resident is eligible to receive assistance
20 pursuant to a grant awarded under the Medi-Cal Housing Program
21 if he or she meets all of the following requirements:

22 (a) Is homeless upon initial eligibility.

23 (b) Is a Medi-Cal beneficiary.

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

26 50678.6. The Medi-Cal Housing Program is subject to an initial
27 appropriation by the Legislature. After the initial appropriation,
28 the funding of grants under the program is subject to annual
29 appropriations by the Legislature based on decreased costs of care,
30 as reported by participating counties, of moving eligible
31 participants into supportive housing.

32 50678.7. HCD shall use no more than 5 percent of the funds
33 appropriated for the Medi-Cal Housing Program for purposes of
34 administering the program.