

AMENDED IN ASSEMBLY MAY 31, 2016

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 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~~, *September 1, 2017*, and every year thereafter, subject to appropriation by the Legislature, award grants *on*

a competitive basis to eligible counties or and 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. homelessness, or counties and regions with Medi-Cal managed care plans administering the Health Home Program. 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 agency meets specified requirements, including that the lead-entity agency is participating in a Whole Person Care pilot program or has previously participated in a Whole Person Care pilot program, pilot, or is a county with Medi-Cal managed care plan or plans participating in the Health Home Program and demonstrates specified collaboration. Program.

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~~ *homeless*, is a ~~Medi-Cal beneficiary. beneficiary, and is eligible for Supplemental Security Income, and is eligible to receive services under the Whole Person Care pilot or the Health Home Program.~~ 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

1 comparing formerly homeless Medicaid beneficiaries living in
2 supportive housing with homeless beneficiaries receiving usual
3 care demonstrate Medicaid cost savings of almost \$9,000 per year
4 after the costs of services.

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

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

26 (d) Though the federal Centers for Medicare and Medicaid
27 Services disallowed federal financial participation in the costs of
28 housing interventions, the final Section 1115 Medicaid Waiver
29 special terms and conditions, referred to as the “Medi-Cal 2020
30 Waiver,” allow for state contributions to Whole Person Care
31 “county housing pools” to fund long-term costs of housing ~~in order~~
32 to achieve the goals of the Waiver proposal. *The final Waiver*
33 *special terms and conditions also permit tracking costs saved by*
34 *moving beneficiaries from homelessness to housing and then using*
35 *these costs savings to pay for some costs of housing and providing*
36 *services to additional participants.*

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 equip~~ Whole Person Care counties choosing to target

1 homeless people with the resources to achieve the goals of the
2 Whole Person Care Waiver provisions, during the course of the
3 pilot and after 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. MEDI-CAL 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 in Section 578.3 of
12 Title 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 ~~a permanent apartment affordable to the participant.~~ *participant*
16 *with rental assistance, and where the participant is not required*
17 *to pay more than 30 percent of his or her income toward the cost*
18 *of the interim housing.* “Interim housing” may include recuperative
19 or respite care and shall not be funded for longer than a period of
20 nine months.

21 (c) “Long-term rental assistance” means a rental subsidy
22 provided to a housing ~~provider~~ *provider, including a landlord*
23 *renting in the private market or developers or a developer creating*
24 *affordable housing,* to assist a tenant to pay the difference between
25 30 percent of the tenant’s income and the costs of operating the
26 assisted apartment.

27 (d) “Permanent housing” *means an apartment where the*
28 *landlord does not limit length of stay in the apartment, the landlord*
29 *does not restrict the movements of the tenant, and the tenant has*
30 *a lease and is subject to the rights and responsibilities of tenancy,*
31 *pursuant to Chapter 2 (commencing with Section 1940) of Title 5*
32 *of Part 4 of Division 3 of the Civil Code.*

33 ~~(d)~~

34 (e) “Supportive housing” has the same meaning as in Section
35 50675.14.

36 ~~(e)~~

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

1 50678.1. The Department of Housing and Community
2 Development (HCD), in coordination with the State Department
3 of Health Care Services (DHCS), shall do all of the following:

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

6 (b) On or before July 1, 2017, draft guidelines for stakeholder
7 comment to fund *competitive* grants to pay for *interim and*
8 ~~long-term housing costs~~ *rental assistance* under the Medi-Cal
9 Housing Program. *The guidelines shall detail competitive scoring*
10 *criteria that includes, but is not limited to, scoring that awards*
11 *points based upon all of the following:*

12 (1) *Capacity to administer interim and long-term rental*
13 *assistance.*

14 (2) *Identified partnerships with affordable and supportive*
15 *housing providers.*

16 (3) *Partnerships with Medi-Cal managed care plans and the*
17 *percentage of county Medi-Cal beneficiaries that those partnering*
18 *health plans cover.*

19 (4) *Comprehensive plans that connect housing resources made*
20 *available under the program with services made available through*
21 *the Whole Person Care pilot or the Health Home Program.*

22 (5) *Quality of services provided through the Whole Person Care*
23 *pilot or the Health Home Program in the applying county.*

24 (c) On or before ~~January 1, 2018~~, *September 1, 2017*, and every
25 year thereafter, subject to appropriation by the Legislature, award
26 grants *on a competitive basis* to eligible counties and regions
27 participating in a Whole Person Care pilot ~~program~~ *or counties*
28 *and regions with Medi-Cal managed care plans administering the*
29 *Health Home Program under Section 2703 of the federal Patient*
30 *Protection and Affordable Care Act.*

31 (d) Collect data midyear and annually from *the Medi-Cal*
32 *managed care plan partnering with participating counties and*
33 *regions receiving grants awarded pursuant to this chapter.*

34 (e) *No later than July 1, 2017, contract with an independent*
35 *evaluator to analyze data collected pursuant to Section 50678.4*
36 *to determine potential costs avoided or saved due to the Medi-Cal*
37 *Housing Program.*

38 (e)

39 (f) (1) By March 31, 2019, and every year thereafter in which
40 the Medi-Cal Housing Program receives funding, report data

1 collected to the Assembly Committee on Budget, the Senate
2 Committee on Budget and Fiscal Review, the Assembly and Senate
3 committees on health, the Assembly Committee on Housing and
4 Community Development, and the Senate Committee on
5 Transportation and Housing.

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

9 50678.2. A county or a region that includes more than one
10 county shall be eligible for a Medi-Cal Housing Program grant if
11 ~~the county or region's lead entity meets county or regional agency~~
12 ~~applying for grant funds meets the requirements of this section.~~
13 *Eligibility does not create an entitlement to grant funds and is*
14 *subject to availability of funds. The county or regional agency*
15 *applying shall meet all of the following requirements:*

16 (a) ~~Meets~~ *The agency satisfies one of the following descriptions:*
17 *following:*

18 (1) ~~Is a lead-entity agency participating in a Whole Person Care~~
19 ~~pilot program under the Medi-Cal 2020 Waiver.~~ *pilot.*

20 (2) ~~Is a lead-entity agency that had previously participated in~~
21 ~~a Whole Person Care pilot program that has expired.~~

22 (3) ~~Is a county with Medi-Cal managed care plan or plans~~
23 ~~participating in the Health Home Program and demonstrates~~
24 ~~collaboration required in subdivision (b).~~ *Program.*

25 (b) ~~Has~~ *As described under Section 115 of the Medi-Cal 2020*
26 *Special Waiver Terms and Conditions, the agency has formed*
27 *collaborative relationships with at least one health plan, plan whose*
28 *members will participate in the program, county health and*
29 *behavioral health agencies, at least one housing authority, and*
30 *established relevant continuums of care, as described in Section*
31 *115 of the Medi-Cal 2020 Waiver Special Terms and Conditions,*
32 *along with nonprofit housing and homeless service providers, to*
33 *enable the county or region to carry out the provisions of this*
34 *program.* ~~care.~~

35 (c) ~~For residents participating in the Medi-Cal Housing Program,~~
36 ~~has identified a source of funding for care management and other~~
37 ~~services~~ *Housing Transition Services and Tenancy Sustaining*
38 *Services, as identified in the Centers for Medicare and Medicaid*
39 ~~Services~~ *Services'* *Informational Bulletin regarding*
40 *Housing-Related Activities and Services for People with*

1 ~~Disabilities, issued June 2015, and identified in the Medi-Cal~~
2 ~~Waiver 2020 Special Terms and Conditions. 26, 2015. Funding~~
3 ~~for these services shall include one or more of the following:~~

4 (1) County general funds.
5 (2) Whole Person Care pilot housing pool and care management
6 programs.

7 (3) The Health Home Program.
8 (d) *Agrees to contribute funding for interim and long-term rental*
9 *assistance through one or more of the following sources:*

10 (1) *County general funds.*
11 (2) *Housing pools created through a Whole Person Care pilot.*
12 (3) *A county or partnering housing authority's set-aside of*
13 *at least 15 percent turn-over federal Housing Choice Vouchers to*
14 *residents experiencing homelessness and who are eligible to*
15 *receive Whole Person Care pilot or Health Home Program*
16 *services.*

17 ~~(d)~~
18 (e) *Has designated a process for administering grant funds*
19 *through agencies administering housing programs.*

20 ~~(e)~~
21 (f) *Agrees to collect and report data, as described in Section*
22 *50678.3, to the Department of Housing and Community*
23 *Development and the State Department of Health Care Services.*

24 50678.3. (a) *A county or region awarded grant funds under*
25 *this chapter shall form agreements with partnering health plans*
26 *to collect Medi-Cal data regarding members' ~~overall health costs.~~*
27 *medical costs, to the extent that information is available, up to 12*
28 *months prior to each participant's move into permanent housing,*
29 *as well as medical costs after each participant's move in, pursuant*
30 *to the reporting requirements of this section.*

31 (b) *A county or region awarded grant funds or the county's or*
32 *region's partnering Medi-Cal managed care plan shall, at annual*
33 *and midyear intervals, report all of the following data to HCD and*
34 *DHCS:*

35 (1) *A comparison of ~~health care costs of residents~~ medical costs*
36 *of participants receiving long-term rental assistance under the*
37 *Medi-Cal Housing Program to ~~health care costs of homeless~~*
38 *residents not receiving long-term rental assistance. ~~medical costs~~*
39 *of the same participants 12 months prior to move in to permanent*

1 *housing, or for participants with less than 12 months of available*
2 *data prior to move in, any data available prior to move in.*

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

5 (3) The number of participants ~~receiving long-term rental~~
6 ~~assistance~~ living in supportive housing or other housing that does
7 ~~not limit length of stay.~~ *permanent housing.*

8 50678.4. A county or region shall use grants awarded pursuant
9 to this chapter for one or more of the following, which may be
10 administered through a housing pool, as defined in the ~~Medi-Cal~~
11 ~~2020 Waiver Special Terms and Conditions: Whole Person Care~~
12 ~~pilot.~~

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

15 (b) *A capitalized operating reserve for up to 15 years to pay for*
16 *operating costs of an apartment or apartments within a*
17 *development receiving public funding to provide supportive*
18 *housing to people experiencing homelessness.*

19 ~~(b)~~

20 (c) Interim housing.

21 ~~(e)~~

22 (d) A county's administrative costs for up to ~~5~~ 3 percent of the
23 total grant awarded.

24 50678.5. A county resident is eligible to receive assistance
25 pursuant to a grant awarded under the Medi-Cal Housing Program
26 if he or she meets all of the following requirements:

27 (a) Is homeless upon initial eligibility.

28 (b) Is a Medi-Cal beneficiary.

29 (c) *Is eligible for Supplemental Security Income.*

30 ~~(e)~~

31 (d) ~~Is eligible for the services program identified by participating~~
32 ~~counties or regions.~~ *to receive services under either the Whole*
33 *Person Care pilot or the Health Home Program, whichever is*
34 *operative in the participating county or region.*

35 (e) *Is assessed to be likely to improve his or her health*
36 *conditions with supportive housing.*

37 50678.6. The Medi-Cal Housing Program is subject to an initial
38 appropriation by the Legislature. After the initial appropriation,
39 the funding of grants under the program is subject to annual
40 appropriations by the Legislature based on decreased costs of care,

1 ~~as reported by participating counties, identified in the evaluation~~
2 ~~described in Section 50678.1,~~ of moving eligible participants into
3 supportive housing.

4 50678.7. HCD shall *reimburse DHCS for the costs of collecting*
5 *data and collaborating in the design of the program. HDC shall*
6 use no more than 5 percent of the funds appropriated for the
7 Medi-Cal Housing Program for purposes of administering the
8 program.

O