

# **TRANSITIONAL RENT CONCEPT PAPER**

**Key Elements of Proposed Service Design in the  
Medi-Cal Managed Care Delivery System**

**August 2024**

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## I. VISION

California is transforming Medi-Cal to improve health care quality, access, and outcomes for Medi-Cal members (“members”). The drivers of this transformation are a series of Department of Health Care Services (DHCS) initiatives in the managed care and behavioral health delivery systems, many of which have launched and others which will go live January 1, 2025. These include but are not limited to the initiatives under the California Advancing and Innovating Medi-Cal (CalAIM) Section 1115 demonstration, approved by the Centers for Medicare & Medicaid Services (CMS) in 2021, and the California Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Section 1115 demonstration, which is pending approval by CMS. Together, these demonstrations will increase access to and improve mental health services and whole-person care for members statewide.<sup>1</sup> Central to this transformation is a recognition that a member’s health and well-being is driven not just by clinical factors, but also by social factors such as access to safe and stable housing.

To further strengthen its ability to address the health needs of members, **DHCS is seeking to provide coverage of rent/temporary housing to members who are experiencing or at risk of homelessness and meet certain additional eligibility criteria.** Through an application for an amendment to the CalAIM Section 1115 demonstration, California has sought authority from CMS to cover up to six months of rent/temporary housing, which is the maximum currently allowed under CMS’ 2023 Framework of Coverage of Health-Related Social Needs (HRSN) Services.<sup>2</sup> The proposed new service will be available to members who meet clinical risk factors; are experiencing or at risk of homelessness; *and* have either recently undergone a critical life transition (such as exiting an institutional or carceral setting or child welfare), or who meet other specified eligibility criteria, as described further below.<sup>3</sup> The proposed new service will be available to an eligible individual once per demonstration period.

**California seeks to begin providing coverage of rent/temporary housing as a Medi-Cal service—to be known as “Transitional Rent”—on January 1, 2025.**

Transitional Rent will be available to members through the Medi-Cal Managed Care (MCMC) delivery system as a new, fifteenth Community Support. **Coverage of Transitional Rent will be optional for Medi-Cal managed care health plans (MCPs) beginning on January 1, 2025, and required for MCPs on January 1, 2026.**

Transitional Rent will be the first Community Support that becomes mandatory for MCPs to cover.

California's vision is that Transitional Rent will help prevent and address the adverse health outcomes that result from homelessness. The disparities in health outcomes between individuals who are housed and those experiencing homelessness are stark. Non-elderly individuals experiencing homelessness have 3.5 times the mortality risk of those who are housed and a 40-year old person experiencing homelessness faces a similar mortality risk to a housed person nearly 20 years older.<sup>4</sup> Individuals experiencing homelessness also have significantly higher rates of chronic conditions and behavioral health needs than the housed population, along with higher rates of acute and emergent health services utilization.<sup>5</sup> With coverage of Transitional Rent, DHCS seeks to help members experiencing or at risk of homelessness realize the significant improvements in health that have been shown to result from stable housing.<sup>6</sup>

Transitional Rent will not provide permanent housing or long-term housing stability on its own, as it is limited to six months. Rather, Transitional Rent is designed to provide a time-limited *opportunity* to help a member exit homelessness, establish a bridge to permanent housing, and thereby realize the improvements in physical and behavioral health and functioning that have been shown to result from long-term housing stability.

While some members will be able to transition to unsubsidized housing arrangements prior to the expiration of six months, for many members the goal will be to transition to permanent rental assistance or permanent supportive housing on or before the completion of six months of Transitional Rent. For many members with significant behavioral health needs, permanent housing or permanent rental subsidies following the receipt of Transitional Rent should be provided by counties with funding from the Behavioral Health Services Act (BHSA). Establishing a bridge to permanent housing for members receiving Transitional Rent will require unprecedented levels of coordination between MCPs, county behavioral health delivery systems, and existing housing systems. As called out in the sections that follow, DHCS is particularly interested in ensuring that Transitional Rent can span to BHSA housing, for those that will qualify for both.

**In this concept paper, DHCS describes and seeks comment on its vision for Transitional Rent and the service requirements and policies that California proposes to implement to support the realization of this vision.** Importantly, all the concepts and service design requirements described in this concept paper are subject to revision based on feedback from stakeholders and from CMS, further policy deliberation within DHCS and with other State government partners, and fiscal considerations.

## II. PROPOSED POLICY CHANGES TO ENHANCE ACCESS TO TRANSITIONAL RENT

In the CalAIM demonstration amendment application and in the BH-CONNECT demonstration application developed in 2023, DHCS proposed that coverage of Transitional Rent would be added in both the MCMC and the county behavioral health delivery systems. Under the 2023 proposals, coverage would be optional for MCPs, and mandatory for county behavioral health delivery systems opting into coverage of short-term psychiatric stays in Institutions for Mental Disease (IMDs) (i.e., otherwise optional for the county behavioral health delivery systems).

**DHCS has since modified its proposed design such that Transitional Rent will be provided on a statewide basis through the MCMC delivery system only.** Specifically, MCPs will be required to cover Transitional Rent for all eligible individuals. County behavioral health delivery systems will not be required or permitted to cover Transitional Rent as a Medi-Cal covered service. MCPs and county behavioral health delivery systems will be obligated to work together to ensure eligible individuals with significant behavioral health needs receive the Transitional Rent service. MCPs will be required to cover Transitional Rent on January 1, 2026, and will have the option to do so as early as 2025. This section discusses the benefits of this new proposed policy change, on which DHCS seeks comment.

### A. Benefits of the New Policy Approach to Transitional Rent

The new proposed design expands and clarifies access to Transitional Rent and, consistent with CalAIM, makes MCPs responsible for whole-person care for their members.

#### Statewide Access for Members

All MCPs throughout the State will be required to cover Transitional Rent and thus all MCP-enrolled members who meet the eligibility criteria, as described in Section III.B., will have access to this service. The move to mandatory coverage in 2026 also increases the number of members eligible for Transitional Rent, and thus the incentive for stakeholders with experience supporting individuals experiencing homelessness to become involved in the delivery of Transitional Rent.

## Clear Roles and Responsibilities

Members will have access to Transitional Rent through MCPs only. Making the benefit mandatory across all MCPs is clear and administratively easier to implement and communicate to members and stakeholders, including Community Supports providers in the housing space.

## Whole-Person Care by MCPs

CalAIM sought to implement a whole-person care approach through the MCMC delivery system, including addressing HRSN, such as housing, for Medi-Cal members. Through coverage of Transitional Rent, in combination with coverage of Housing Transition Navigation Services, Housing Tenancy and Sustaining Services, and Housing Deposits (“the Housing Trio” of Community Supports)—which all MCPs now cover—MCPs will be uniquely positioned to help members exit or avoid homelessness and move toward long-term housing stability.

## Limiting Duplication Risk

Providing coverage through the MCMC delivery system mitigates concerns about inadvertent duplication of services across the two delivery systems.

### **What Changed Since DHCS Proposed its Initial Design of Transitional Rent**

When California decided to pursue coverage of Transitional Rent in 2023, it was operating under the assumption that coverage would have to be optional and, thus, establishing coverage under the MCMC *and* county behavioral health delivery systems would increase the number of members with access to the service. Since then, CMS has made clear that states may establish housing supports, including rent/temporary housing, as mandatory statewide benefits, eliminating the need to cover Transitional Rent under both delivery systems to ensure adequate access. In addition, the BHSA,<sup>7</sup> also enacted after the initial design was established, precludes county behavioral health delivery systems from covering Transitional Rent for a member whose MCP covers the service, limiting the role the behavioral health system can play in coverage of Transitional Rent and further increasing the administrative complexity of paying for Transitional Rent through two separate delivery systems. The new approach is clearer, simpler, and provides for expanded access, making it a stronger foundation for coverage of Transitional Rent. For members with significant behavioral health needs, the BHSA funding dedicated to housing interventions will provide permanent rental subsidies and housing following MCP-covered Transitional Rent, providing seamless continuity, and supporting members in achieving long-term housing stability.

## **B. Ensuring Access to Transitional Rent for Members with Significant Behavioral Health Needs**

DHCS is committed to ensuring that the decision to use the MCMC delivery system to cover Transitional Rent does not create access barriers for eligible individuals with significant behavioral health needs. Individuals living with significant behavioral health needs often have a stronger connection to their county behavioral health delivery systems than their MCPs. In addition, Behavioral Health Transformation will open up new housing options for individuals with significant behavioral health needs, and Transitional Rent will need to create a glide path into these programs. As such, it is critical to ensure that county behavioral health delivery systems have the opportunity to work in full partnership with MCPs to connect these individuals to Transitional Rent and to ensure that the new service is fully integrated with specialty behavioral health services.

To support this aim, DHCS is considering the following actions and policies:

1. **Standardizing referral processes for Transitional Rent from the start of the program.** DHCS will shortly release statewide mandatory referral standards for Enhanced Care Management (ECM) and will release similar standards for certain existing Community Supports in the coming months. DHCS will prioritize comparable design work for Transitional Rent so that referral practices are as aligned as possible between MCPs, counties, and providers at launch.
2. **Setting policies that provide counties with a “right of first refusal” to be Transitional Rent providers** (i.e., requiring MCPs to offer Transitional Rent provider contracts to counties). Under CalAIM, DHCS has already established policies that encourage MCPs to contract with counties.
3. **Standardizing MCP contract provisions for Transitional Rent providers,** similar to standard terms and conditions previously released for ECM and Community Supports, which would streamline contracting between MCPs and local housing organizations and county behavioral health delivery systems.
4. **Requiring MCPs to allow county behavioral health delivery systems to directly authorize Transitional Rent for members under their care, for a temporary period.** DHCS is interested in eliminating the delay associated with the referral from the county behavioral health system to the MCP to the greatest extent possible, which will be particularly important for members with significant behavioral health needs and the unsheltered, who may be difficult to find or re-

engage in services once service authorization is obtained. This policy would enable county behavioral health departments to directly authorize Transitional Rent for eligible members that meet the access criteria for Specialty Mental Health Services (SMHS), Drug Medi-Cal (DMC) or Drug Medi-Cal Organized Delivery System (DMC-ODS) services, for a timeframe of up to 30 calendar days. County behavioral health delivery systems and MCPs will need to develop processes to ensure that notice of such authorizations are transmitted from the county behavioral health delivery system to the MCP in a timely manner so that the MCPs can quickly determine eligibility and process the request for authorization. Under this proposal, the county behavioral health delivery system would directly connect the member to a Transitional Rent provider with immediate effect and DHCS would require the cost of up to 30 days of services to be paid by the MCP *even in the event that the MCP subsequently determined that the member did not qualify for Transitional Rent*. This policy would operate similarly to forthcoming 30-day presumptive eligibility policy for ECM, the difference being that unlike under the ECM policy, the county behavioral health delivery system conducting the immediate authorization would not itself be providing Transitional Rent, but rather handing off to an organization that would provide the service. This policy is also similar to retrospective authorization policies and procedures that MCPs have implemented for time-sensitive Community Support services, such as Recuperative Care. If the MCP authorized the service, payment beyond the first 30 days would require that the county behavioral health delivery system or the direct service provider have a network provider agreement with the MCP to provide Transitional Rent or have taken action to obtain one, such as reaching out to the MCP to begin the credentialing process.

DHCS seeks feedback from counties, MCPs, and others on these options and potential alternatives.

### **III. TRANSITIONAL RENT SERVICE DESIGN**

In this section, DHCS details its proposed approach to Transitional Rent implementation.

#### **A. Roles and Responsibilities**

Provided below is a high-level overview of the roles and responsibilities of DHCS, MCPs, and the other individuals and organizations that will be involved in the implementation of Transitional Rent.



## Eligible Members

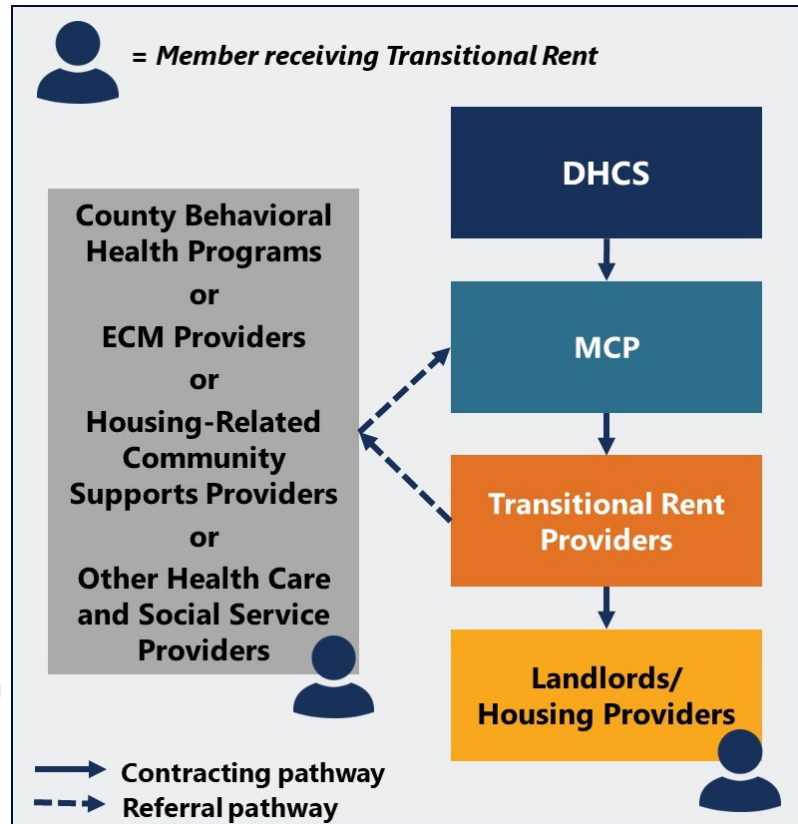
- » Receive up to six months of Transitional Rent and a connection to ECM, the Housing Trio, other Community Support services for which they qualify, and additional Medi-Cal and social services to support their health and long-term housing stability.

## DHCS

- » Establishes service design and oversees implementation of Transitional Rent.
- » Administers payments for Transitional Rent to participating MCPs.
- » Provides technical assistance to MCPs, county behavioral health delivery systems, housing providers, and other system partners to support implementation.
- » Conducts ongoing monitoring and evaluation.

## MCPs

- » Make the determination as whether Transitional Rent services will be covered beginning January 2025, July 2025, or effective January 2026 when it will be mandatory.
- » Contract with a network of providers for Transitional Rent.
- » Develop policies and procedures and conduct training to support administration of the service.
- » Begin conducting eligibility and service authorization determinations, including by:



- Identifying members who may be eligible for Transitional Rent through review of internal MCP data, e.g., Street Medicine place of service (POS) code 27, and Homeless Management Information System (HMIS) matching;
- Coordinating with ECM and Community Supports providers as well as network Community Health Workers to facilitate outreach;
- Establishing a referral pathway from county behavioral health delivery systems.
- » Connect members receiving Transitional Rent to ECM and the Housing Trio, as well as other Community Supports for which they qualify and appropriate covered Medi-Cal services and social services.
- » Coordinate closely with county behavioral health delivery systems, including on handoff to longer term BHSA funded rental assistance.
- » Share data to facilitate integrated whole-person care for the member in accordance with the CalAIM Data Sharing Authorization Guidance and any relevant Memoranda of Understanding (MOUs).<sup>8</sup>
- » Receive payment from DHCS and pay Transitional Rent providers.
- » Report data as required by DHCS.

## County Behavioral Health Delivery Systems

- » Connect individuals to their MCPs for coverage of Transitional Rent, as well as the Housing Trio, and coordinate closely with the MCP to ensure seamless coverage.
- » Outreach and engage individuals who are experiencing or at risk of homelessness and may be eligible for coverage of Transitional Rent.
- » Contract with MCPs to provide Transitional Rent and, as appropriate, subcontract with other county agencies or organizations (who may not be contracted with the MCP) to provide the Transitional Rent service.
- » Help members access ECM, the Housing Trio, and other needed services.
- » Share data to facilitate integrated whole-person care for the member in accordance with the CalAIM Data Sharing Authorization Guidance and any relevant MOUs.
- » Receive data from MCPs to facilitate the transition of members from Transitional Rent to permanent housing funded under the BHSA.
- » Work in close coordination and alignment with MCPs on the development of individualized plans for helping members with significant behavioral health needs transition from Transitional Rent to permanent housing or permanent rental subsidies, including those funded under the BHSA (see additional detail in Section III.D.).

### **Proposition 1 Provides Significant New Funding for the Development of New Housing for Individuals with Behavioral Health Needs**

AB 531, approved by voters under Proposition 1, allocates a \$6.38B general obligation bond to construct, acquire, and rehabilitate more than 4,350 permanent supportive housing units (2,350 set aside for veterans), along with 6,800 additional treatment beds, and 26,700 outpatient treatment slots.<sup>9</sup>

Importantly, these investments will significantly expand the supply of settings, both permanent supportive housing and residential treatment settings, which will be available to members who are experiencing or at risk of homelessness.

**Transitional Rent Providers** *(organizations serving people experiencing homelessness; may themselves be housing providers or contract with housing providers)*  
See Section III.D for information on a recommended Flexible Housing Subsidy Pool (“Flex Pool”) model. DHCS will be providing technical assistance to MCPs and county partners who are interested in utilizing a Flex Pool model..

- » Contract with MCPs to provide Transitional Rent.
- » Pay landlords/housing providers for furnishing housing to eligible members or contract with organizations that perform this function.
- » Receive payment from their contracted MCP for delivering the service.
- » Help members access ECM, the Housing Trio, and other needed services.
- » Share data to facilitate integrated whole-person care for the member in accordance with the CalAIM Data Sharing Authorization Guidance.
- » Share data with county behavioral health delivery systems to support the transition of members from Transitional Rent to permanent housing funded under the BHSA.

**Landlords/Housing Providers** *(private landlords or property owners and other housing providers)*

- » Receive payments from Transitional Rent providers for housing members who are receiving Transitional Rent.

### **ECM Providers, Housing Trio Providers, and Other Health Care and Social Service Providers**

- » Refer members to their MCP for Transitional Rent.
- » Receive referrals of members receiving Transitional Rent.
- » Seek to engage referred members in ECM, the Housing Trio, and other needed services. Note that in many cases, the Housing Trio provider may also be functioning as the member’s Transitional Rent provider. ECM providers in particular will play a lead role in helping address members’ needs, including providing connections to and coordinating all Medi-Cal covered services (including Transitional Rent and other Community Supports), as well as providing referrals to non-covered social services.

- » Share data with the MCP to facilitate integrated whole-person care for the member in accordance with the CalAIM Data Sharing Authorization Guidance.
- » Share data with county behavioral health delivery systems to support the transition of members from Transitional Rent to permanent housing funded under the BHSA.

## Continuums of Care (CoCs), Public Housing Agencies (PHAs), and BHSA Housing Intervention Programs

- » Work in partnership with MCPs to identify potentially eligible members for Transitional Rent.
- » Assist members in transitioning from Transitional Rent to permanent housing where possible, including through coordinated entry processes and connections to PHAs and BHSA-funded housing interventions.
- » Share data with MCPs, county behavioral health delivery systems, and other providers to support care coordination and a transition to permanent housing for members eligible for or receiving Transitional Rent.
- » May serve as Transitional Rent providers if they have the requisite capabilities to administer the Medi-Cal service.

**CoCs** are responsible for the implementation of a housing and service system within their geographic areas. They operate the HMIS; develop the system that provides an initial, comprehensive assessment of the needs of individuals and families for housing and services (Coordinated Entry); and administer U.S. Housing and Urban Development (HUD)-funded transitional housing assistance, rapid rehousing assistance, permanent supportive housing assistance, and other supportive services.

**PHAs** administer HUD-funded public housing and permanent housing vouchers, including but not limited to Housing Choice Vouchers.

Both CoCs and PHAs will be essential partners in implementation of Transitional Rent.

## B. Eligibility Criteria

In this section, DHCS provides further detail on proposed Transitional Rent eligibility criteria.

As proposed under the CalAIM demonstration amendment application, members will be eligible for Transitional Rent if they meet the following three criteria:



## **1** Clinical Risk Factors

CMS requires that states establish clinical risk factors as part of their eligibility criteria for Transitional Rent. For its coverage of this service, DHCS proposes that members meet one or more of the following clinical risk factors (which are subject to CMS approval):

- » Meet the access criteria for Specialty Mental Health Services (SMHS), Drug Medi-Cal (DMC) or Drug Medi-Cal Organized Delivery System (DMC-ODS) services; or
- » Have one or more serious chronic physical health conditions (individuals who are pregnant or postpartum up to 12 months will be considered to have met this definition) or physical, intellectual, or developmental disabilities.

Examples of serious chronic physical conditions include, but are not limited to hypertension, rheumatoid arthritis, diabetes, chronic kidney disease, anemia, chronic obstructive pulmonary disease, hyperlipidemia, and asthma.<sup>10</sup>

The MCP will be responsible for determining that the clinical risk factor requirement is satisfied before authorizing Transitional Rent.

DHCS seeks stakeholder feedback on practical implementation of the clinical risk factor requirement.

## 2 Experiencing or At Risk of Homelessness

In addition to meeting the clinical risk factor requirement, to be eligible for Transitional Rent a member must also meet the HUD definition of homelessness or at risk of homelessness as defined in Section 91.5 of Title 24 of the Code of Federal Regulations (CFR),<sup>11</sup> with the following two California-specific modifications:<sup>12</sup>

- » If exiting an institution or a state prison, county jail, or youth correctional facility, individuals are considered homeless if they were homeless immediately prior to entering that institutional or carceral stay, regardless of the length of the institutionalization or incarceration; and
- » The timeframe for an individual or family who will imminently lose housing is extended from fourteen (14) days for individuals considered homeless and twenty-one (21) days for individuals considered at risk of homelessness under the current HUD definition to thirty (30) days for both groups of individuals.

These two modifications are in alignment with the definition of homelessness and at risk of homelessness already in use in the existing Community Supports service definitions authorized through CalAIM, as well as ECM. These are the same definitions that were submitted to CMS for approval in the CalAIM and BH CONNECT waivers in 2023. Like all elements of the eligibility criteria, they are contingent on forthcoming CMS approval.

## 3 Specified Transitioning Populations or Unsheltered or FSP

The third set of criteria an individual must meet to be eligible for Transitional Rent is to be (1) within a specified transitioning population—i.e., transitioning out of a specified health care, institutional, or housing setting or transitioning out of the child welfare system—as further defined below, (2) unsheltered, or (3) eligible for FSP.

### Populations Transitioning out of Specified Settings

DHCS proposes that populations transitioning out of the following health care, institutional, or housing settings be eligible for Transitional Rent, provided they also meet the first two eligibility requirements related to clinical risk and homelessness.

- » Out of an institutional care or a congregate residential setting, including, but not limited to:
  - An inpatient hospital stay;

- An inpatient or residential substance use disorder treatment;
  - An inpatient or residential mental health treatment facility; or
  - A nursing facility.
- » Out of a state prison, county jail, or youth correctional facility;
  - » **Out of a recuperative care facility or short-term post-hospitalization setting**, regardless of whether the member’s stay was covered through their MCP as a Community Support or funded by another source; or
  - » **Out of transitional housing, rapid rehousing, or a homeless shelter or other interim housing**, including domestic violence shelters or domestic violence housing, whether funded or administered by HUD, or at the State or local level, or some combination thereof.<sup>13</sup>

Individuals in the populations identified above are undergoing a transition in their lives impacting their access to health care and housing. Such disruption both increases the risk of adverse outcomes<sup>14</sup> and provides an opportunity to positively impact an individual’s engagement in health care and housing services.

For the populations identified above, DHCS is considering and seeks comment on the following policy: **authorization for Transitional Rent would be required to take place within six months of the transition event and the member would have until 12 months after the transition event to use the Transitional Rent.**

Consistent with existing contractual requirements,<sup>15</sup> MCPs would be expected to conduct outreach to members exiting health care or carceral institutions to help them connect to all needed services, including housing supports.

### **Transitioning out of the Child Welfare System**

Provided that they meet the first two criteria for eligibility related to clinical risk and homelessness, DHCS also proposes to include as eligible for Transitional Rent any member up to age 26 that has aged out of foster care, if they were in foster care on their 18th birthday or later either in California or another state.<sup>16</sup> This population is also known as Former Foster Youth.



DHCS proposes to make Former Foster Youth eligible up to age 26, in alignment with the ECM population of focus, because this population faces a significantly increased risk of experiencing homelessness, including as compared to other youth who transitioned out of the child welfare system before age 18.<sup>17</sup> Authorization for Transitional Rent would be required to take place before the member’s 26<sup>th</sup> birthday and member would have until 12 months after the transition event to use the Transitional Rent. Providing Former Foster Youth with Transitional Rent has the promise of combatting the negative impacts on health and well-being and the reduction in access to care that is associated with episodes of homelessness for this high-risk, high-need population.<sup>18</sup>

Members who were child welfare-involved but transitioned out of the child welfare system before they were 18 may qualify for Transitional Rent if they meet other “transitioning” definitions or are unsheltered or eligible for FSP as described below.

Specified Transitioning Populations or Unsheltered or FSP	Eligibility Window
Populations transitioning out of specified settings	Service authorization within six months of the transition event and receipt of Transitional Rent within one year
Transitioning out of the child welfare system	Eligible up to age 26 if foster care involved on 18 <sup>th</sup> birthday or later
Experiencing unsheltered homelessness	No eligibility window
FSP eligible	No eligibility window

### Experiencing Unsheltered Homelessness

Unsheltered homelessness is defined by HUD as having a “primary nighttime residence that is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground.”<sup>19</sup>

Provided that they meet the clinical risk factor requirement, DHCS proposes that people who are experiencing unsheltered homelessness be eligible for Transitional Rent. This is because unsheltered individuals—even as compared to the larger population experiencing homelessness—face elevated risks of adverse health outcomes. Studies show that individuals experiencing unsheltered homelessness are much more likely than others to suffer from a combination of physical health conditions, mental health conditions, and SUDs,<sup>20</sup> with one study identifying the incidence of all three being up to

25 times higher even when compared to individuals experiencing homelessness who are residing in shelters or other temporary accommodations.<sup>21</sup> Mortality rates are also much higher in the population experiencing unsheltered homelessness than the housed population (one study found a three-fold increase),<sup>22</sup> in part due to lack of access to health care.<sup>23</sup>

### **Full Service Partnership (FSP) Eligible**

DHCS proposes that FSP-eligible members also be eligible for Transitional Rent, provided that they meet the eligibility criteria related to homelessness.

FSP is a comprehensive behavioral health program for individuals living with significant mental health and/or co-occurring substance use conditions that have demonstrated a need for intensive wraparound services, including individuals who are experiencing or at risk of homelessness, justice-involved, or at-risk of institutionalization. For the FSP-eligible population, housing stability may be particularly critical to successful engagement in health care services and improvement or maintenance in health and functioning.

Under the Mental Health Services Act and until July 1, 2026, the eligibility criteria for FSP are set forth in Cal. Code Regs. Tit. 9, § 3620.05 and require a significant mental health condition as described in Welfare & Institutions Code § 5600.3 and the presence of at least one qualifying risk factor (as identified in Cal. Code Regs. Tit. 9, § 3620.05), such as experiencing or a risk of homelessness. The BHSA made changes to the eligibility criteria for FSP which will take effect on July 1, 2026. Under the new criteria, set forth in Welfare & Institutions Code § 5887(d), to be eligible for FSP a person 25 and under must (1) meet the criteria for a mental health condition specified in Welfare & Institutions Code § 14184.402(d), notwithstanding the age limitations provided therein, or have an SUD as defined in Welfare & Institutions Code § 5891.5(c) and (2) be in one of the priority populations identified in Welfare & Institutions Code § 5892(d), which includes those who are experiencing or at risk of homelessness, among other groups. For those 26 and over, the eligibility requirements are the same as for those 25 and under except that the criteria for a qualifying mental health condition is set forth in Welfare & Institutions Code § 14184.402(c).

DHCS is considering how best to operationalize determination of eligibility for this group. DHCS acknowledges that MCPs may not be familiar with FSP eligibility criteria or have data feeds identifying FSP-eligible individuals. To support implementation of Transitional Rent by MCPs, DHCS proposes that individuals be considered “FSP-eligible” for purposes of Transitional Rent if they have received FSP services in the past 24

months or determined by the county to be FSP eligible. DHCS seeks stakeholder feedback on this proposal and how to effectuate its implementation by MCPs.

## **Proposed Limitations on Use of Six Months' Transitional Rent**

**Once per Demonstration:** CMS provides in its Framework on Coverage of HRSN Services that states may cover Transitional Rent no more than once per demonstration.<sup>24</sup> DHCS proposes to adopt this limitation, rather than a more restrictive limitation such as once per lifetime. For many members who receive Transitional Rent, it may take significant time to realize permanent housing stability and periods of stability may be followed by periods of experiencing homelessness. DHCS wishes to preserve the option to provide Transitional Rent to these members in future demonstrations to more fully support the aim of housing stability for all members, including those who may be hardest to house. DHCS seeks stakeholder feedback on this proposal.

**Continuous six months *not* required:** Members are also not limited to a single continuous episode of Transitional Rent. For example, a member who received two months of Transitional Rent and then was hospitalized could receive their remaining four months after discharge, provided that the second authorization for Transitional Rent took place within 12 months of the discharge or the member qualified for Transitional Rent on another basis, such as being FSP eligible. To avoid overcomplication, DHCS is not proposing to modify the proposed six month eligibility window for transitioning populations set out above for members who may use the Transitional Rent in more than one stretch, given the prevalence of multiple qualifying events and overlapping eligibility criteria in the population who will access Transitional Rent. DHCS seeks comment on this issue.

**Combination of Transitional Rent with Short-Term Post-Hospitalization Housing and Recuperative Care:** Short-Term Post-Hospitalization Housing and Recuperative Care are currently authorized under the CalAIM 1115 waiver. Members receiving Short-Term Post-Hospitalization Housing or Recuperative Care *may* subsequently receive Transitional Rent and vice versa, so long as the eligibility for each of the respective services is met at the time of service delivery.

**Combination with Housing Deposits:** Housing Deposits, which include payment of first and last month's rent and home set-up costs, and which will be critical in the bridge to permanency, *may* be provided in addition to Transitional Rent. Payment of the first and last month of rent under the Housing Deposits will not count toward the six-month limit for Transitional Rent.

## Medical Appropriateness

In addition to meeting the above eligibility criteria (including the clinical risk factors), Transitional Rent must be medically appropriate for the individual, as determined by a provider at the plan or network level using their professional judgment. This requires a finding that Transitional Rent is likely to reduce or prevent the need for acute care or other Medicaid services, including but not limited to inpatient hospitalizations, skilled nursing facility stays, or emergency department visits. This is the policy that applies to the existing Community Supports.<sup>25</sup>

While Transitional Rent will typically be medically appropriate for members who meet the eligibility criteria and the clinical risk factor requirement, it is possible that the specific setting proposed for a member would not be medically appropriate. For example, a Transitional Rent provider may recommend that a member be placed in an apartment unit that does not meet the member's physical needs or that does not provide onsite services where the member will need such services to live independently. In both cases, Transitional Rent—as proposed—would not be medically appropriate.

As part of the authorization process, MCPs must document their process for ensuring the medical appropriateness of Transitional Rent. MCPs will be required to lay out this and other elements of their authorization process in pre-implementation documents due to DHCS (known as "Model of Care" (MOC)).

## Standard Length of Authorization

Where the MCP has determined that Transitional Rent is medically appropriate for a member, DHCS proposes that an authorization for Transitional Rent remain in effect without need for re-assessment of medical appropriateness for the full six months of maximum eligibility. This would be a guardrail similar to that included in existing ECM requirements, to prevent undue requirements for reassessment by the MCP.

Like ECM, this standard authorization period does not mean that all members will require Transitional Rent for the full six months; however, a member may obtain access to a voucher or housing funded by HUD or another federal agency, in which case the member should be transitioned from Transitional Rent to the federally funded support. A member may move in with family, leave the state, or enter an institution. Also, in these circumstances, the member would no longer need Transitional Rent.

## Eligibility of Families Experiencing or At Risk of Homelessness

DHCS proposes that Transitional Rent be available to families who are together experiencing or are at risk of homelessness. DHCS proposes that where a child meets the eligibility criteria for Transitional Rent the family would be eligible, even if the parent or guardian would not independently qualify, provided that the parent or guardian lives with and has custody of the child. For example, in a family that is housed but at risk of homelessness, a child may be in a transitioning population (e.g., having recently been discharged from an inpatient setting) and meet the clinical risk factor requirement; in this case the parent would be able to receive Transitional Rent for the family even if the parent would not independently qualify. Emancipated minors would be eligible to receive Transitional Rent directly.<sup>26</sup>

In the reverse situation (parent is eligible but child is not), the housing provided should accommodate the whole family living together (including children), with a maximum coverage of up to two bedrooms.

## Housing First Requirement

Transitional Rent must be administered in accordance with Housing First requirements. This means that MCPs and counties may not condition authorization for or continued receipt of Transitional Rent on sobriety, engagement in or completion of services, or “housing readiness.”<sup>27</sup>

Consistent with HUD guidance, sober living and recovery homes are permitted settings and may be used in connection with Transitional Rent where they are the choice of the member.<sup>28</sup>

## Eviction Prevention

DHCS is interested in supporting the use of Transitional Rent to prevent eviction for eligible members who are housed but at risk of homelessness. DHCS also recognizes the importance of ensuring that individuals who receive back rent to prevent their eviction have the financial resources—whether through rental subsidies or other income—to pay their rent going forward and prevent future eviction. Otherwise, the investment in back rent may have been more appropriately allocated to prospective rent or housing in an alternative location. To that end, DHCS seeks comment on potential coverage of back rent under the Transitional Rent service, including: (i) the appropriate number of months to cover and how many months will typically need to be covered to prevent eviction; (ii) whether to permit members receiving back rent to receive prospective rent in the same

unit; and (iii) if so, whether to require that there be a determination that the member will be reasonably likely to make the rent payments for their existing unit going forward, either through personal income or rental subsidies, including Transitional Rent and then an alternative local, State, or federal subsidy.

## Coverage of Utilities

Utility set up, first month's coverage of utilities, and limited coverage of arrears is covered under Housing Deposits, but the ongoing cost of utilities is not. Coverage of this cost will also *not* be available under Transitional Rent but will be essential for members residing in settings where utilities are not covered by the property owner. For members who qualify for BHSA-funded services, payment for utilities could be provided through the county BHSA housing interventions program. DHCS understands that some MCPs have developed approaches to filling gaps in Housing Deposits coverage, such as through connecting with community-based organizations to cover fees and expenses not covered by Housing Deposits, and seeks comment on whether these approaches could be leveraged for this purpose as well.

## C. Concurrent Support and Bridging to Permanency

### Objective

Transitional Rent is intended to serve as a bridge to permanent housing for members who need it. The evidence base clearly establishes that housing interventions for high-need populations experiencing homelessness are most effective at improving health, permanent housing, and other outcomes when paired with supportive services.<sup>29</sup>

Thus, while Transitional Rent will be a critical new tool for addressing and preventing homelessness for members, it does not and should not stand alone. Rather, Transitional Rent should be provided in conjunction with other Medi-Cal services including the Housing Trio, ECM, and physical and behavioral health services, as well as non-Medi-Cal social supports.

DHCS seeks to build as much connection as possible between Transitional Rent and a range of existing Medi-Cal services, without conditioning eligibility for Transitional Rent on engagement in services, consistent with Housing First best practices. Additionally, DHCS seeks to build connection and coordination with non-Medi-Cal subsidies and supports that create a path to permanent, stable housing for members transitioning out of Transitional Rent.

## Connecting Transitional Rent with ECM and Housing Trio

As described further below, DHCS's vision is that ECM and the Housing Trio, both of which launched in 2022 as part of CalAIM, will be companion services to Transitional Rent and that MCPs and ECM and Housing Trio providers will work to achieve strong connectivity between the services.

DHCS expects that engagement in ECM and the Housing Trio will be a referral point into Transitional Rent for many members. For those not already engaged in ECM and Housing Trio services when they are referred for Transitional Rent, DHCS seeks to facilitate member access to and engagement in these services.

Note that members will not be required to be enrolled in ECM or be using one of the Housing Trio services as a condition of eligibility for Transitional Rent, consistent with Housing First best practices. **However, an individual who qualifies for Transitional Rent will automatically qualify for Housing Deposits and the other Housing Trio services (See [Community Supports Policy Guide](#) for the eligibility criteria for Housing Trio services, which DHCS plans to update ahead of 2025 to clarify automatic eligibility associated with Transitional Rent).**



**To support the necessary connection between Transitional Rent, ECM, and the Housing Trio of Community Supports, DHCS is proposing the following:**

- » **ECM:** In all stages of the service delivery of Transitional Rent, from locating housing, to using the service, to transitioning out at the expiration of six months or sooner, the connection to health care and social services that ECM provides will be critical. DHCS proposes that:
  - Members authorized to receive Transitional Rent will be automatically eligible for ECM.<sup>30</sup> If a member is authorized for Transitional Rent and is not already enrolled in ECM, the MCP is responsible for ensuring that the member is enrolled in ECM (subject to their right to decline it) and remains enrolled for at least the duration of their coverage of Transitional Rent.



- If a member is authorized for Transitional Rent but not yet engaged in ECM, the MCP will be required to ensure that an appropriately selected ECM provider reaches out to the member to invite engagement in ECM as well as establish a warm hand-off to Housing Trio providers, as appropriate. As is already established policy for ECM, this work must include in-person outreach to be effective.
- For those already engaged in ECM, DHCS anticipates that ECM providers will be a significant source of referrals for Transitional Rent. MCPs will be expected to request that their ECM providers identify which of their clients may be eligible for Transitional Rent and seek to connect them to this service.

The MCP will also be required to ensure the existing ECM provider conducts warm hand-offs to the Housing Trio providers.

- » **Housing Trio Services:** All MCPs in the State currently cover the Housing Trio. DHCS anticipates that Housing Trio providers (which include county behavioral delivery systems) will serve as a primary referral source for Transitional Rent. For members receiving Transitional Rent, Housing Transition Navigation Services will be critical in helping to secure a member's permanent housing placement or subsidy prior to the expiration of six months of Transitional Rent. While eligibility criteria for the Housing Trio already align closely with proposed Transitional Rent criteria, DHCS will clarify in the MCP contract and guidance that any member determined eligible for Transitional Rent will be automatically eligible for the Housing Trio. Housing Trio providers will be expected to work closely with the member's Transitional Rent provider (where different) and with the MCP to ensure that where the member needs Transitional Rent in addition to Housing Deposits, authorization is provided concurrently for both services, with confirmation that the landlord or housing provider will accept both Housing Deposits and Transitional Rent.

DHCS also acknowledges that providers of other Community Support services, in particular Recuperative Care, Short-Term Post Hospitalization, and Day Habilitation, may also be reliable and consistent referral sources for members eligible for Transitional Rent given that members who are experiencing homelessness may access these services.

DHCS is interested in stakeholder feedback on implementation of these policies.



## **D. Coordination and Alignment with Existing Housing Systems**

While some members will be able to secure alternative housing arrangements prior to the expiration of six months, such as reunification with family, for most members the goal will be to transition to permanent rental assistance or permanent housing before the end of six months of Transitional Rent.

Establishing a bridge to permanent housing supports will require new levels of coordination between MCPs and existing housing systems.

### **Coordination with CoCs**

MCPs will be expected to work closely with their local CoCs in implementing Transitional Rent. CoCs and MCPs will need to work together to ensure coordination and information sharing, as well as non-duplication of services, through processes such as the Coordinated Entry System and data sharing agreements. Many MCPs and CoCs have developed relationships, including data sharing agreements related to HMIS, in response to the Housing and Homelessness Incentive Program (HHIP). MCPs will have an opportunity to maintain and advance the gains in coordination and information-sharing they have already achieved through the execution of a MOU with their local CoC—a contractual requirement for plan year 2025.

### **Coordination with PHAs**

MCPs may have less developed relationships with their local PHAs. For the implementation of Transitional Rent, building this relationship will be important. PHAs administer HUD-funded public housing and Housing Choice Vouchers, among other programs. Notwithstanding significant waiting lists, they remain a critical source of permanent rental subsidies and subsidized housing throughout the State. MCPs, county behavioral health delivery systems, and PHAs can work together to maximize the uptake of these federally funded permanent housing supports by Medi-Cal members receiving Transitional Rent. For example, MCPs may offer Housing Transition and Navigation Services to members who have vouchers but need assistance locating and applying for an apartment unit.

## Proposed Policies to Support Coordination and Alignment

. DHCS proposes the following policies to further the goal of coordination and alignment between MCPs and CoCs, PHAs, county behavioral health delivery systems, and the existing homelessness and housing response system.

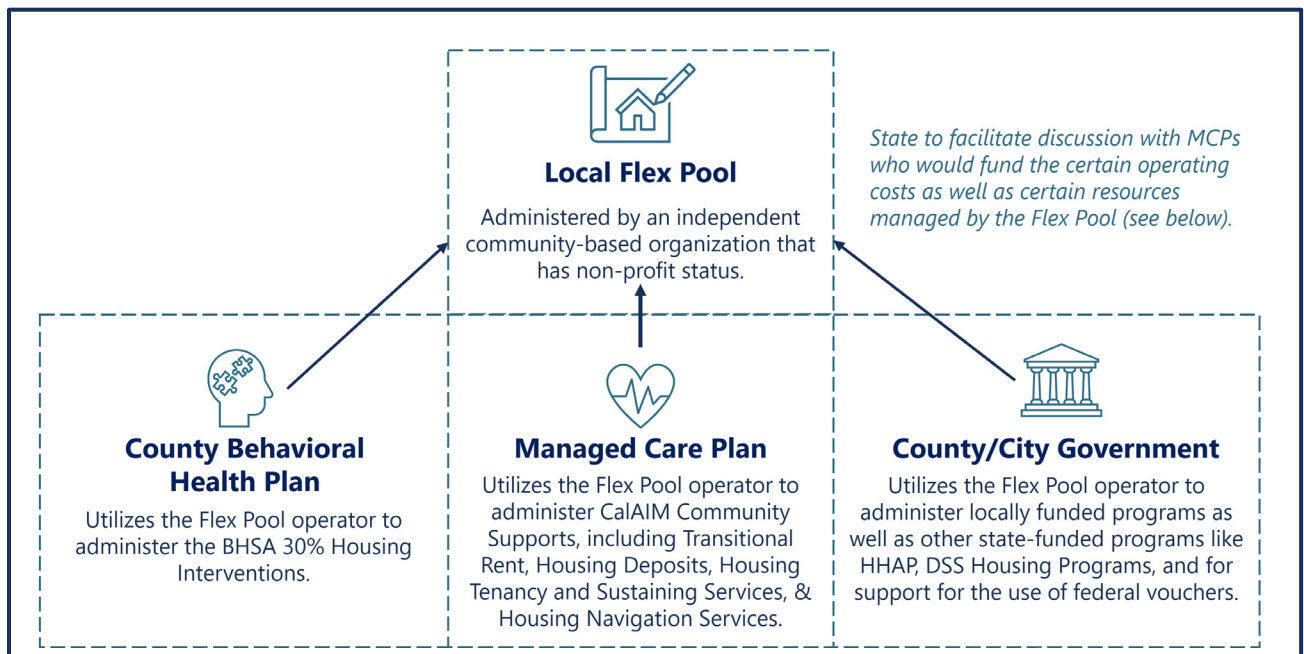
- » **Coordinated Entry.** All members receiving Transitional Rent should be encouraged to complete an intake into the Coordinated Entry System, which is how individuals experiencing or at risk of homelessness typically connect to housing services.
- » **Use of HMIS.** DHCS proposes to require that provision of Transitional Rent must be recorded in HMIS (assuming member authorization) and in a way that does not impact homeless/chronically homeless status. A similar approach was taken under the Behavioral Health Bridge Housing (BHBH) program's HMIS project setup instructions.<sup>31</sup> MCPs may choose to enter this information themselves or require the Transitional Rent provider to do so.
- » **Internal and external information sharing.** With member authorization where required and in compliance with all privacy and information sharing requirements, information sharing should allow:
  - MCPs to see who has completed an application for permanent housing assistance through the Coordinated Entry System and may need Transitional Rent in the meantime.
  - ECM providers to coordinate with Transitional Rent providers, Community Supports, and all other Medi-Cal providers (including behavioral health providers), to support the provision of coordinated whole-person care.
  - CoCs and Community Supports and ECM providers to see which of their clients is receiving Transitional Rent, who the provider is, and how many months of Transitional Rent the member has received.
  - Counties to see who is receiving Transitional Rent services and may qualify for BHSA-funded housing interventions and how many months of Transitional Rent they have received.
- » **Prioritization for Permanent Housing and Rental Subsidies.** DHCS recognizes that CoCs, PHAs, counties, and other jurisdictions develop their own prioritization criteria to determine access to the permanent housing and rental subsidies they administer. DHCS is interested in stakeholder feedback on how to support members

who receive Transitional Rent in being prioritized for these permanent supports, including those funded by HUD, the BHSA, and other State or local dollars.

DHCS seeks stakeholder feedback on each of the proposals set forth in this section and actionable proposals for maximizing coordination and alignment across Transitional Rent and other housing subsidy and supports programs.

## Flex Pools

Flexible Housing Subsidy Pools (“Flex Pools”) are a key strategy to support local partners in braiding complementary resources to house clients. DHCS is exploring technical assistance and resources to support Flex Pools.<sup>32</sup> Flex Pools provide a model for administering and coordinating multiple streams of funding for rental subsidies and housing supports. With the addition of funding for Transitional Rent, and increased funding for housing interventions under the BHSA, DHCS believes that Flex Pools provide an ideal model for the efficient and effective administration of both funding streams. The model supports local partners in braiding complementary resources to initially place individuals in housing and sustain housing placements. For example, the model can be designed to seamlessly connect individuals who are exiting Transitional Rent to other long term housing resources through BHSA housing interventions or other local, State, or federal resources. DHCS seeks comment on this model and efficacy in supporting implementation of Transitional Rent.



## E. Information Sharing and Data Exchange

Effective information sharing and data exchange will be critical to achieving the aims of the Transitional Rent initiative. Effective processes will support identification of and outreach to those likely eligible for Transitional Rent, enable coordinated care for members receiving Transitional Rent, support members to transition from Transitional Rent to long-term housing stability, reduce duplication, and ultimately reduce administrative burden on MCPs, county behavioral health delivery systems, community supports Transitional Rent providers, and potentially other referral partners.

MCPs and county behavioral health delivery systems are working towards executing MOUs that memorialize what data they will share and how it will be shared. MCPs and county behavioral health delivery systems should adapt the systems and processes they already use or are looking to establish to support effective data exchange and information sharing for purposes of Transitional Rent, including identification and outreach to eligible members, the provision and acceptance of referrals, care coordination for members receiving Transitional Rent, and seamless transitions to BHSA-funded housing interventions where possible. DHCS seeks feedback from MCPs and county behavioral health delivery systems on what system changes they will seek to implement to advance these aims, what barriers they foresee, and what support, if any, DHCS can provide.

Less developed—but critically important for the success of Transitional Rent—will be information sharing and data exchange between MCPs and CoCs. Through HHIP, participating MCPs have invested in their ability to share and exchange members' housing data with their local CoC. As MCPs prepare to implement Transitional Rent, they are strongly encouraged to build on these investments by:

- » Working with their local CoC to execute the California's Data Exchange Framework Data Sharing Agreement or a local data sharing agreement as needed;
- » Participating in the local qualified health information organization, community information exchange, social health information exchange, or similar organization to support robust exchange of information with the local HMIS; and
- » Using the Authorization to Share Confidential Medi-Cal Information Form to obtain member authorization for information sharing across sectors.

For its part, DHCS is committed to supporting MCPs and county behavioral health delivery systems in strengthening their ability to exchange information with each other and with CoCs to coordinate care for members experiencing or at risk of homelessness.

## F. Non-Supplantation and Non-Duplication

Transitional Rent will supplement and not supplant services provided through other State, local, or federally funded programs. To implement this requirement, DHCS proposes the following:

- » Members may not concurrently receive Transitional Rent and other State, local, or federally funded rental assistance or housing (i.e., no duplication). Transitional Rent cannot be provided as a “shallow subsidy” (e.g., it cannot be used to pay the tenant portion of rent for a member using a Housing Choice Voucher) and Transitional Rent cannot be “topped off” by subsidies funded under the BHSA or another source (e.g., Transitional Rent cannot pay 70 percent of a member’s rent with BHSA funding the remaining 30 percent). Transitional Rent must be sufficient to cover the costs of rent or housing on its own.
- » Members may not be transitioned from a federally funded support, such as Transitional Housing or rapid rehousing, to Transitional Rent while they remain eligible to continue to receive that federally funded support. The Transitional Rent service should be exhausted before a member is transitioned to a state, county, or locally funded housing support, which in addition to federally funded vouchers, will provide the primary source of permanent rental supports and housing for members receiving Transitional Rent. Rather, Transitional Rent is intended to prevent a return to homelessness and provide a bridge to permanency for individuals who are losing access to an existing housing support.
- » Members may receive Transitional Rent and a related non-duplicative support and DHCS strongly encourages such concurrent supports. This could include, for example, Housing Navigation Services provided by an MCP (as laid out above), coverage of utilities under the BHSA, or supports to assist in obtaining employment or income.

## G. Service Requirements

### Covered Settings

As set forth below, DHCS proposes covering a broad set of permanent and interim settings for members receiving Transitional Rent. In all cases, permanent housing is the goal. However, considering California’s shortage of permanent housing in many counties, DHCS also proposes to cover interim settings for members experiencing or at risk of homelessness. Because many members experiencing homelessness need

assistance with activities of daily living, or have other health care needs that require in-home supports, DHCS additionally proposes to cover select settings designed to serve this higher-need population.

The list of settings DHCS covers, and the amount of coverage provided per setting, will be subject to revision based on fiscal considerations as well as stakeholder feedback.

The complete list of settings DHCS proposes to cover for Transitional Rent is as follows:

- » Apartments;
- » Single room occupancy (SRO) units;
- » Single-family homes and multi-family homes;
- » Units in mobile home communities;
- » Accessory dwelling units (ADUs)—an ADU is a smaller, independent residential dwelling unit located on the same lot as a stand-alone primary residence;<sup>33</sup>
- » Tiny homes;
- » Shared housing—where two or more people live in one rental unit;
- » Permanent supportive housing;
- » Recovery housing at the choice of the member;
- » Interim housing settings such as hotel and motel settings, non-congregate interim housing models, and congregate settings that have only a small number of individuals per room and sufficient common space (not larger dormitory sleeping halls);
- » Adult residential facilities, including assisted living and board and care;
- » Residential care facilities for the elderly;
- » Unlicensed board and care facilities; and
- » Peer respite.

DHCS seeks comment on what settings are missing from the list provided above and should be included, what settings should be excluded, and whether the list of settings should be exhaustive (as proposed) or non-exhaustive.

## Unit Size

The unit size should be consistent with the member's family size, with a maximum coverage of up to two bedrooms.

## Housing Support Plan Development

In further alignment with the ECM and Housing Trio, DHCS proposes that members receiving Transitional Rent will be required to have an individualized housing support plan, as is required by CMS under the HRSN Framework. The purpose of the individualized housing support plan is to ensure that Transitional Rent is being provided as part of a larger strategy for achieving long-term housing stability for the member. In developing this requirement, DHCS seeks to balance the importance of this aim with a desire to limit the administrative burdens associated with the delivery of Transitional Rent, particularly those that could serve as a barrier to access.

The plan must identify the permanent housing strategy for the member (e.g., connections to permanent supportive housing, connections to longer-term vouchers), be informed by member preferences and needs, and reviewed and revised as needed based on changes in member circumstances. It should be based on a housing assessment that addresses identified barriers, includes short- and long-term measurable goals for each issue, establishes the member's approach to meeting the goal, and identifies when other providers or services, both reimbursed and not reimbursed by Medi-Cal, may be required to meet the goal. While the individualized housing support plan may not be able to identify with certainty that there will be a permanent rental subsidy available for the member to transition to when Transitional Rent is authorized or shortly thereafter, the plan must identify the full range of permanent supports that could be available to the member and how, when, and with what assistance, the member will apply for these supports. The plan must be updated when the member's needs change, based on information received in response to housing applications, and when new potential housing supports become available.

Where a member will be housed in a permanent setting, the housing support plan should document whether the unit would be eligible for use in connection with alternative rental subsidies, such as a federally funded Housing Choice Voucher or a BHSA-funded rental assistance program. The housing support plan should also document the steps that must be taken, by whom, and on what timeline, to support the member in remaining in their current unit and transitioning from Transitional Rent to an alternative rental subsidy that supports permanency. In the case of Housing Choice Vouchers, this would include, for example, establishing a plan for ensuring that

certification of compliance with HUD housing quality standards is obtained prior to the expiration of six months and for ensuring the member is prepared to make the required tenant payment.

DHCS proposes that the individualized housing support plan be prepared by the Transitional Rent provider or the member's provider of Housing Transition Navigation Services or Housing Tenancy and Sustaining Services, as appropriate.

DHCS will require that MCPs describe their plan for administering the requirement of an individualized housing support plan as part of their updated Community Supports MOC (*see Section V for additional details*). MCPs will be required in the MOC submission to describe how the Transitional Rent provider can coordinate with the Housing Transition Navigation Services provider or Housing Tenancy and Sustaining Services provider (if different from the Transitional Rent provider) to support the creation and execution of the individualized housing support plan and how the MCP intends to collect and review the sufficiency of that plan, including documentation of efforts made to connect members to such services.

DHCS is considering requiring that the individualized housing support plan be completed and provided to the MCP within 30 days of the commencement of Transitional Rent services and seeks feedback on this proposal.

DHCS seeks stakeholder feedback on how to establish a housing support plan requirement that ensures that Transitional Rent is provided as part of a member-driven and actionable plan for achieving housing stability, without imposing unnecessary administrative burdens on members, providers, or plans, or creating barriers to members' receipt of Transitional Rent.

## **Lease Requirement**

Where a written lease agreement is an option (e.g., in an apartment or townhome but not a hotel/motel), the member or the member's intermediary or guarantor must have a signed lease or rental agreement with the landlord. The Transitional Rent provider must ensure a lease is executed in a timely manner.

## **Habitability Standards**

DHCS proposes to require that settings either be determined compliant with applicable HUD standards or that Transitional Rent providers attest that the housing is habitable as defined by State law.<sup>34</sup> The National Standards for the Physical Inspection of Real Estate (NSPIRE) standard is a forthcoming model to be used by HUD to ascertain the quality



and health and safety of HUD-assisted and insured properties and units. DHCS has a policy goal of increasing the number of available housing settings that meet the NSPIRE quality standards across the continuum of housing supports, from temporary through permanent housing options. This policy goal applies to Transitional Rent, as well as to supportive housing to be provided through Behavioral Health Transformation. DHCS proposes that an attestation that the housing is habitable as defined by State law, and meets applicable State and local building standards, will be able to be used in lieu of HUD standards.<sup>35</sup>

DHCS seeks stakeholder comment on this proposed policy.

### **Other Minimum Quality Standards**

DHCS proposes that all settings covered for Transitional Rent be determined to meet minimum quality standards. Many of the settings proposed for coverage serve populations with unique clinical needs but are unlicensed and have been found to be of widely varying quality. This would include, for example, recovery residences and sober living environments as well as unlicensed board and care facilities. It will be important for MCPs to ensure that all housing providers that receive payment in connection with Transitional Rent meet minimum quality standards. DHCS seeks stakeholder feedback on how best to support MCPs in performing this function.

## **H. Contracting with Transitional Rent Providers**

MCPs will be required to provide Transitional Rent through a network of contracted Transitional Rent providers. These providers may have contracts with or subcontract with providers who have contracts with landlords and other property owners or providers. For example, an MCP could contract with a county behavioral health delivery system as a Transitional Provider, with the county behavioral health delivery system then contracting with providers (such as local housing organizations or other county agencies) that then contract with property owners or providers. In addition to contracting directly with property owners or providers or contracting with organizations that themselves contract with property owners or providers, Transitional Rent providers may be the property owners or providers themselves. In all cases however, MCPs may provide payment to Transitional Rent providers only, and not, for example, to landlords who are not contracted to provide Transitional Rent.

DHCS recommends that MCPs, counties, and other key implementation partners consider implementing the Flex Pool model outlined in Section III.D. DHCS is exploring

potential technical assistance opportunities for MCPs and county partners who are interested in utilizing a Flex Pool model.

## Provider Qualifications

Providers are the entities that will directly provide or issue payment for housing for members receiving Transitional Rent or will contract with organizations that directly provide or issue payment for housing. The payments will be provided to landlords and property owners, not to the members themselves.

To be qualified to serve as a Transitional Rent provider, organizations must have the experience and expertise required to perform the function they will assume in the delivery of Transitional Rent. The required experience and expertise will differ based on whether the provider is directly furnishing the housing, issuing payment for the housing, or contracting with organizations that provide or issue payment for housing. Organizations with which MCPs may choose to contract to provide Transitional Rent may include but would not be limited to:

- » Providers of services for individuals experiencing homelessness
- » Affordable housing providers
- » Supportive housing providers
- » CoC-affiliated entities
- » PHAs
- » County behavioral health delivery systems and county housing programs

DHCS proposes that all network providers have access to and be authorized users of the HMIS and seeks comment on this proposal.

In implementing Transitional Rent, DHCS encourages MCPs and counties to support leveraging of provider “hubs,” which have emerged at the local level in the period since CalAIM go live, to support community-based organizations in the provision of Community Supports and ECM.<sup>36</sup> As mentioned above, DHCS will also be exploring technical assistance and resources to support Flex Pools, which provide a tested model for administering and coordinating multiple streams of funding for rental subsidies and housing supports. Flex Pools (see Section III.D.) are a proven “hub” model for housing payments under Transitional Rent, by providing through the centralized deployment of housing location, navigation, and rental subsidy payments. The model allows for the

braiding of complementary resources to house clients and support administrative billing functions.

## **Network Provider: Credentialing and Contracting Considerations**

Requirements for Transitional Rent providers to enroll in Medi-Cal will follow current policies for ECM and Community Supports. Providers that have a state-level enrollment pathway must enroll in the Medi-Cal program, pursuant to relevant DHCS All Plan Letters (APLs), including Provider Credentialing/Recredentialing and Screening/Enrollment APL 22-013.<sup>37</sup> If there is no state-level enrollment pathway, MCPs must have a process for vetting the Transitional Rent provider, which should extend to individuals employed by or delivering services on behalf of the Transitional Rent provider.

## **IV. TRANSITIONAL RENT PAYMENTS**

DHCS is in the process of designing the payment methodology for Transitional Rent and proposes to use the following principles to guide its design:

- » Payment levels should be commensurate with existing housing and rental assistance programs, which take California's high housing costs into account.
- » Given the newness of this service, financial risk to MCPs associated with either higher or lower uptake of the service than expected, should be mitigated.

### **A. Payment Model**

To adhere to the above principles, DHCS proposes to make payments to MCPs for Transitional Rent from which they will pay Transitional Rent providers. DHCS will not pay Transitional Rent providers directly. DHCS proposes that Transitional Rent payments will be made to MCPs separate from, and in addition to, usual capitation payments; DHCS expects this arrangement to continue until such time as service utilization patterns are well enough established to consider integrating payments into capitation.

The payment approach for Transitional Rent may be implemented as 1) cost-based reimbursement subject to a maximum; 2) per-utilizer-per-month (PUPM) rates for members utilizing services; or 3) a hybrid approach.

For permanent settings, the allowed maximums or assumed PUPMs may be based on HUD Fair Market Rents (FMRs).<sup>38</sup> HUD FMRs are used to help administer HUD's Housing Choice Voucher program and using these rates to inform payment to MCPs supports alignment with the larger housing and homelessness services system, consistent with

the State's overall approach to service design for Transitional Rent. HUD establishes FMRs for defined metropolitan areas, some subdivisions of metropolitan areas, and nonmetropolitan counties. FMRs also vary by apartment size.

Where linkage to FMR may not be possible, such as with respect to coverage of interim housing, hotel or motel stays, or assisted living facilities, DHCS intends to use available data to establish a separate rate, which may vary by location and housing setting. Consideration of the costs of administration at the MCP-level will be built into all rates.

As set out above, the Flex Pool model (see Section III.D.) is an administrative structure that helps many local partners braid complementary resources to house clients and could support the administrative structure for making payments. The pool would make payments based on an integrated decision logic, tracks payments, and provides reporting for each program/funding source as required. DHCS is exploring technical assistance opportunities for MCPs and county partners who are interested in utilizing a Flex Pool model.

DHCS seeks stakeholder comment on possible approaches to Transitional Rent payment via MCPs including:

- » The level of effort required to provide Transitional Rent, including potential variations in effort based on provider type and members' circumstances and needs, including behavioral health needs.
- » Potential methodologies for payment to Transitional Rent providers and advantages and disadvantages.
- » Potential mitigation of the challenge small providers may face in assuming the upfront costs of providing Transitional Rent to providers, including the use of Flex Pools.

## **B. Member Cost-Sharing**

Consistent with Medicaid rules, members may not be charged a copayment or otherwise required to assume a share of costs for the service of Transitional Rent. Where members will be transitioning from Transitional Rent to housing or a housing subsidy where they will be required to pay a share of the rent, as under the Housing Choice Voucher program, the housing support plan must establish the steps that will be taken to prepare the member to assume this responsibility (e.g., a plan for increasing the member's income as needed and supporting the member in budgeting the appropriate share of income for their future share of rent).

## C. Health Care Common Procedure Coding System (HCPCS)

With the launch of Transitional Rent, new HCPCS service codes will need to be used to track the service delivery on a monthly or daily basis. Transitional Rent will utilize at least the codes below for billing. DHCS may establish additional codes and code modifiers as needed.

Code	Code Description	Modifier	Setting
H0044	Supported housing, per month	U6	Permanent settings (e.g., apartments, SRO, etc.)
H0043	Supported housing, per diem	U2	Interim settings (e.g., non-congregate shelters, hotel/motel rooms, etc.)

## V. TRANSITIONAL RENT IMPLEMENTATION, MONITORING, AND OVERSIGHT

### A. Forthcoming Requirements and Guidance

Prior to Transitional Rent going live in 2025, DHCS intends to issue new and revised requirements and guidance for MCPs. This includes an updated Community Supports Policy Guide for MCPs, incorporating the refined Transitional Rent service definition based on stakeholder feedback, alongside an APL detailing the requirements for Transitional Rent. Additionally, MCPs will be expected to adhere to new requirements that will be set forth in an upcoming MCP Contract update.

### B. Technical Assistance for MCPs and Potential Providers of Transitional Rent

DHCS will provide technical assistance to MCPs to help them plan for and implement Transitional Rent. This will include technical assistance and support for MCPs and other stakeholders on the implementation and development of Flex Pools (additional information is provided on this model in Section III.D.). In addition, housing organizations and other potential providers of Transitional Rent will be able to receive technical assistance and financial support to support their participation in the provision

of Transitional Rent through the [CalAIM Providing Access and Transforming Health Initiative \(PATH\)](#).

## **C. Monitoring and Reporting**

MCPs will have the option to add Transitional Rent as a Community Support effective January 1, 2025, July 1, 2025, or by January 1, 2026, when the service will be made mandatory.

Specifically, on January 1, 2026, MCPs will be required to cover Transitional Rent. Consistent with the current Community Supports and the APL 21-017, MCPs will be required to develop and submit an updated Community Supports MOC template, which DHCS will update to incorporate questions for MCPs to demonstrate their operational readiness to provide Transitional Rent, including requirements for the individualized housing support plan.<sup>39</sup>

DHCS will monitor MCPs for compliance with Transitional Rent requirements using existing monitoring reports for Community Supports.

MCPs will be required to perform oversight of Transitional Rent network providers consistent with their current oversight requirements. This will include holding Transitional Rent providers and subcontractors accountable to all final Transitional Rent requirements and guidance and, for MCPs, to their updated MOC.

Existing reporting requirements for MCPs will be supplemented to include reporting on Transitional Rent. DHCS will identify what data can be pulled from HMIS and what must be reported separately by MCPs. Particularly critical will be information on immediate housing outcomes for those exiting coverage of Transitional Rent (e.g., placed in permanent supportive housing, transitioned to HUD-funded housing or voucher, institutionalized, returned to homelessness, etc.), that is ideally captured by MCPs using a variety of data collection methodologies such as access to local HMIS data. DHCS will review all reported data to evaluate the impact of Transitional Rent, including identifying differential impacts (if any) by race, ethnicity, age, and gender, among other reported characteristics.

## **D. Evaluation**

As part of the CalAIM waiver, there will be a required evaluation of the State's coverage of Transitional Rent. DHCS will be looking to evaluate the health and housing impacts of Transitional Rent and understand what models of service delivery achieved the best results from a health, housing, and equity perspective, and which were less effective.

## VI. NEXT STEPS AND STAKEHOLDER INPUT

DHCS is seeking input from a broad range of stakeholders on the concepts presented in this paper. As an immediate next step, DHCS invites the public to comment on this draft concept paper. See below for questions to which DHCS is particularly interested in responses. Comments are due by **5 p.m. PT, September 20, 2024**. Comments may be submitted to [CalAIMECMILOS@dhcs.ca.gov](mailto:CalAIMECMILOS@dhcs.ca.gov) with the subject line “Comments on Transitional Rent.”

DHCS also will be meeting with various groups over the next few months—including MCPs, counties, housing organizations, advocacy organizations, members with lived experience, and other community stakeholders—to gather input on the proposed approach. DHCS encourages the public to visit the [Medi-Cal ECM and Community Supports webpage](#) and the [CalAIM Behavioral Health Initiative webpage](#) for regular updates.

### Stakeholder Questions:

#### For All Stakeholders:

- » What is promising about the approach proposed in this paper? What are the most significant challenges and how can they be addressed?
- » As proposed, will Transitional Rent effectively support the bridge to permanent housing? How can the design be changed or enhanced to better advance this goal?
- » Please comment on the proposal to cover interim housing settings. How can the State and stakeholders support a transition to permanent housing for members receiving Transitional Rent in interim settings?
- » Please comment on whether there are particular settings proposed for coverage that should be excluded or non-listed settings that should be included?
- » Please comment on whether the list of covered settings should be exhaustive or non-exhaustive. What are the benefits and risks of each approach?
- » How can MCPs most effectively connect members seeking or receiving Transitional Rent to ECM and the Housing Trio?
- » How can Transitional Rent be used to reach individuals that experience chronic or unsheltered homelessness and those who are the hardest to house?

- » What elements of the eligibility criteria need further clarification?
- » What will be the greatest administrative barriers to eligibility determination and service authorization?
- » What technical assistance is needed for successful implementation of the proposed approach?
- » Please comment on the service name, "Transitional Rent." Are there alternatives that better capture the service as described in this concept paper?
- » How would you like to be involved in the design and implementation of Transitional Rent?

### **For MCPs:**

- » What challenges do you see in determining eligibility for Transitional Rent based on the eligibility criteria provided?
- » What challenges do you foresee in provider network development, vetting/credentialing of potential providers, and contracting? How can these challenges be addressed?
- » Please comment on the proposal to structure authorizations to streamline access to this time-sensitive service, including through requiring MCPs to allow county behavioral health delivery systems to directly authorize Transitional Rent for members under their care, for a temporary period.
- » How can the MOU between MCPs and county behavioral health delivery systems be leveraged to support the effective delivery of Transitional Rent?
- » Please comment on the proposal to pay MCPs for Transitional Rent outside of the capitation rate, at least for the first two to three years after launch.
- » Please comment on the four potential approaches to supplemental payment identified and potential advantages and disadvantages of each approach.
- » Please comment on the proposal to establish payment rates for MCPs that consider FMR where possible. Should another index be used instead?
- » How should the cost of MCP and provider administration be factored into the rates?
- » How can you facilitate the requisite levels of coordination, communication, and information sharing among MCP-network providers (e.g., providers of ECM, Housing Trio services, and Transitional Rent)?



- » What challenges do you foresee, if any, in receiving and following up on referrals from county behavioral health delivery systems? How can you address them?
- » How can members receiving services from county behavioral health delivery systems be effectively connected to their MCPs for coverage of Transitional Rent? What systems, processes, or policies will make that connection more successful?
- » What opportunities and challenges do you see in planning and coordinating with your local CoC and PHAs? How can you work together to make Transitional Rent a bridge to permanent housing for members experiencing homelessness?
- » To what extent do you see BHSA-funded rental assistance and housing as a next step for a large share of members facing the expiration of six months of Transitional Rent? What about this “transition plan” is promising and what is challenging? How can those challenges be addressed?
- » How can DHCS most effectively engage and work with MCPs on the design and implementation of Transitional Rent? Are there specific issue areas where you would most like to be engaged in further design work?

### **For County Behavioral Health Delivery Systems:**

- » What will be the biggest barriers to coverage for members with significant behavioral health needs?
- » Are you interested in contracting with MCPs to provide Transitional Rent? If so, would you in turn subcontract with other providers to directly provide Transitional Rent? What would make contracting with MCPs easier or more attractive?
- » Please comment on the proposal to require MCPs to allow county behavioral health delivery systems to directly authorize Transitional Rent for members under their care for a temporary period.
- » Please comment on how MCPs can ensure that all covered settings meet minimum quality standards, including those that serve particular populations based on clinical need, including behavioral health need, such as recovery residences and unlicensed board and care facilities.
- » To what extent do you see BHSA-funded rental assistance and housing as a next step for BHSA-eligible members receiving Transitional Rent? What about this “transition plan” is promising and what is challenging? How can those challenges be addressed?

- » How can DHCS most effectively engage and work with county behavioral health delivery systems on the design and implementation of Transitional Rent? Are there specific issue areas where you would most like to be engaged in further design work?

### **For Transitional Rent Providers and Other Housing Stakeholders, including CoCs and PHAs:**

- » If you are currently a Community Supports or ECM provider, how likely are you to add Transitional Rent to your portfolio?
- » If you currently received PATH funding (i.e., CITED awardee and/or TA Marketplace recipient) for any of the Housing Trio or ECM with a population of focus of individuals/families experiencing homelessness, will you also be adding Transitional Rent to your service offering portfolio?
- » If you are a service provider participating in one or more of the 1915(c) Waiver programs (e.g., Multipurpose Senior Services Program waiver, Assisted Living Waiver), how likely are you to consider becoming a Transitional Rent provider?
- » What will be the benefits and challenges of serving as a Transitional Rent provider?
- » Will cash flow constraints make payment of the costs of Transitional Rent a challenge for your organization? How can that challenge be effectively addressed?
- » What are the biggest challenges in information exchange that you foresee? How can those be addressed?
- » Please comment on the requirement that all providers have access to HMIS.
- » Please comment on the housing support plan requirement. How can MCPs ensure that the housing support plan is executed effectively?
- » Please comment on the list of covered settings. Which of the covered settings do you expect will be used most frequently? Which hold the most promise for transitioning members to permanent rental subsidies or housing? Which settings are missing from the list and should be included, and which listed settings should be excluded, if any?
- » Please comment on the proposed habitability standards.
- » Please comment on how MCPs can ensure that all covered settings meet minimum quality standards.

- » What are the best ways to connect members receiving Transitional Rent to permanent rental subsidies or housing, notwithstanding the shortage of permanent subsidies and permanent supportive housing?
- » Please comment on how PHAs can work with MCPs to connect members with vouchers to Housing Transition Navigation Services to find available units and to connect members receiving Transitional Rent to PHA-administered housing and rental subsidies.
- » Please comment on how the Coordinated Entry System can support this new service and create access for members in coordinated entry.
- » Please comment on the recommendation to use flex pools to administer Transitional Rent. What challenges do you foresee in implementation of this approach and how can those challenges be addressed?
- » Please comment on the recommendation that a certain number of vouchers or housing placements be set aside for members receiving Transitional Rent.
- » What are the biggest challenges you see in the service design, and how can DHCS address them?
- » How can DHCS most effectively engage and work with potential Transitional Rent providers and other housing stakeholders on the design and implementation of Transitional Rent? Are there specific issue areas where you would most like to be engaged in further design work?

### **For Advocacy Organizations and Members with Lived Experience:**

- » What will prevent members from taking advantage of Transitional Rent, and how can those barriers be addressed?
- » As proposed, will Transitional Rent effectively support the bridge to permanent housing? How can the design be changed or enhanced to better advance this goal?
- » What lessons learned from Community Supports, ECM, or other housing programs should inform the design of Transitional Rent?
- » How can DHCS most effectively engage and work with advocacy organizations and members with lived experience in the design and implementation of Transitional Rent? Are there specific issue areas where you would most like to be engaged in further design work?

# APPENDIX A: STATE INITIATIVES THAT PROVIDE A FOUNDATION FOR COVERAGE OF TRANSITIONAL RENT

The effort to address and prevent homelessness within Medi-Cal is part of an unprecedented statewide effort in California. This effort has included, among other initiatives, several which will provide a critical foundation for coverage of Transitional Rent. These include:

- » **Housing Trio:** Under CalAIM, DHCS implemented optional coverage by MCPs of Housing Transition Navigation Services, Housing Tenancy and Sustaining Services, and Housing Deposits.

*These Community Supports may be provided in conjunction with and in addition to Transitional Rent to help members move from homelessness to housing stability. Members may receive Housing Deposits, including its coverage of first and last month's rent, and up to six months of Transitional Rent.*

- » **Housing and Homelessness Incentive Program (HHIP):** Through HHIP, which ran from 2022 through 2023, MCPs were able to earn incentive funds for investments that strengthened their ability to address and prevent members' homelessness, such as connection to the local HMIS.<sup>40</sup>

*These investments will support MCPs as they assume a greater role in addressing members' housing needs and in the local systems seeking to address homelessness.*

- » **The Homeless Housing Assistance and Prevention Grant Program (HHAP):** HHAP is a grant program (now a \$3.95 billion investment) overseen by the California Interagency Council on Homelessness that provides funds for large cities, counties, and CoCs to improve regional coordination, expand local capacity, address immediate homelessness challenges, and increase access to permanent housing.<sup>41</sup>

*The coordination, planning, and development of permanent housing supported through HHAP will help local communities partner more effectively with MCPs to support the transition of members to permanent housing.*

- » **Project Roomkey and Homekey:** Developed in response to the COVID-19 pandemic, Project Roomkey provided individuals experiencing homelessness with shelter and access to supportive services in non-congregate settings such as hotels

and motels.<sup>42</sup> Building on the success of this program, the Homekey grant program funded the acquisition and conversion of existing buildings into permanent or interim housing sites for those experiencing homelessness.<sup>43</sup>

*Sites financed through Project Roomkey and Homekey will provide interim and permanent settings for members receiving Transitional Rent.*

- » **Behavioral Health Bridge Housing (BHBH):** BHBH has thus far provided over a billion dollars in funding to counties and tribal entities to address the housing needs of individuals who are experiencing homelessness and have serious behavioral health conditions.<sup>44</sup>

The system investments and community connections built through BHBH will provide a critical foundation for the identification of members eligible for Transitional Rent and the participation of county and county-contracted organizations in the delivery of Transitional Rent.

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<sup>1</sup> For more information on the initiatives, see DHCS's [Medi-Cal Transformation Initiatives webpage](#).

<sup>2</sup> Several states have now received authority to cover temporary housing and rental assistance, with Oregon and Arizona slated to go live with this service later in 2024. CMS, which oversees the Medicaid program nationwide, has established a framework for states that sets forth the opportunities and parameters for coverage of HRSN services, including housing services. That framework allows for coverage of up to six months of Transitional Rent, subject to certain requirements. (See CMS's [Coverage of Health-Related Social Needs \(HRSN\) Services in Medicaid and the Children's Health Insurance Program \(CHIP\) \(released November 2023\)](#).)

<sup>3</sup> See [CalAIM Section 1115 Demonstration Transitional Rent Services amendment request \(submitted on October 20, 2023\)](#).

<sup>4</sup> Meyer B.D., Wyse A. & Logani I. (2023). [Life and Death at the Margins of Society: The Mortality of the U.S. Homeless Population](#). *National Bureau of Economic Research*.

<sup>5</sup> Kushel M., Moore T., et al. (2023). [Toward a New Understanding: The California Statewide Study of People Experiencing Homelessness](#). *UCSF Benioff Homelessness and Housing Initiative*; Office Assistant Secretary for Planning and Evaluation. (January 2024); Rountree, J., Hess, N., & Lyke, A. (October 2019). [Health Conditions Among Unsheltered Adults in the U.S.](#) California Policy Lab; Center on Budget and Policy Priorities. (June 29, 2022). [Chart Book: Housing and Health Problems Are Intertwined. So Are Their Solutions](#).

<sup>6</sup> Hanson D. & Gillespie S. (2024). ['Housing First' Increased Psychiatric Care Office Visits And Prescriptions While Reducing Emergency Visits](#). *Health Affairs*; California Policy Lab; Center on Budget and Policy Priorities. (June 29, 2022). [Chart Book: Housing and Health Problems Are Intertwined. So Are Their Solutions](#); Miller-Archie S.A., Walters S.C., Singh T.P. & Lim S. (2019). [Impact of supportive housing on substance use-related health care utilization among homeless persons who are active substance users](#). *Annals of Epidemiology*; Raven M.C., Niedzwiecki M.J. & Kushel M. (2020). [A randomized trial of permanent supportive housing for chronically homeless persons with high use of publicly funded services](#). *Health Services Research*.

<sup>7</sup> Welfare and Institutions Code § 5830(c)(2).

<sup>8</sup> See [CalAIM Data Sharing Authorization Guidance \(October 2023\)](#).

<sup>9</sup> See DHCS's [Mental Health Service Act Background](#).

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<sup>10</sup> Examples of serious chronic physical conditions drawn from: Pourat N., Chuang E., et al. (December 2022). [Final Evaluation of California's Whole Person Care \(WPC\) Program](#). *UCLA Center for Health Policy Research*.

<sup>11</sup> See [24 CFR § 91.5](#).

<sup>12</sup> In alignment with the definition of homelessness and at risk of homelessness used for Community Supports services authorized through CalAIM.

<sup>13</sup> See [24 C.F.R. § 578.37\(a\)\(1\)\(ii\) and \(2\)](#) for the HUD definitions of Transitional Housing and Rapid Re-Housing.

<sup>14</sup> Kushel M., Moore T., et al. (2023). [Toward a New Understanding: The California Statewide Study of People Experiencing Homelessness](#). *UCSF Benioff Homelessness and Housing Initiative*; Office Assistant Secretary for Planning and Evaluation. (January 2024); [Report to Congress – Health Care Transitions for Individuals Returning to the Community from a Public Institution: Promising Practices Identified by the Medicaid Reentry Stakeholder Group](#). *U.S. Department of Health and Human Services*.

<sup>15</sup> See [CalAIM: Population Health Management \(PHM\) Policy Guide \(May 2024\)](#), p. 45.

<sup>16</sup> See [ECM Policy Guide \(February 2024\)](#), p. 43.

<sup>17</sup> Dworsky, A., Napolitano, L., & Courtney, M. (2013). [Homelessness During the Transition From Foster Care to Adulthood](#). *American Journal of Public Health*, 103(S2), S318-S323; Dworsky, A., Gitlow, E., Horwitz, B., & Samuels, G. M. (2019). [Missed Opportunities: Pathways from Foster Care to Youth Homelessness in America](#). *Chapin Hall at The University of Chicago*; Kushel, M. B., Yen, I. H., Gee, L., & Courtney, M. E. (2007). [Homelessness and health care access after emancipation: Results from the Midwest Evaluation of Adult Functioning of Former Foster Youth](#). *Archives of Pediatrics & Adolescent Medicine*, 161(10), 986-993.

<sup>18</sup> Kushel, M. B., Yen, I. H., Gee, L., & Courtney, M. E. (2007). [Homelessness and health care access after emancipation: Results from the Midwest Evaluation of Adult Functioning of Former Foster Youth](#). *Archives of Pediatrics & Adolescent Medicine*, 161(10), 986-993; U.S. Department of Health and Human Services, Administration for Children and Families. (January 11, 2024). [ACF-ACYF-IM-24-01 Runaway and Homeless Youth Grant Recipients, including Basic Center, Transitional Living, Maternity Group Home, and Street Outreach Programs; State, Tribal, and Territorial agencies administering and supervising the administration of Title IV-E of the Social Security Act](#).

<sup>19</sup> See [24 CFR § 91.5](#).

<sup>20</sup> Garcia, C., Doran, K., & Kushel, M. (2024). [Homelessness And Health: Factors, Evidence, Innovations That Work, And Policy Recommendations: An Overview of Factors and Policy Recommendations](#)

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[Pertaining to Homelessness and Health](#). *Health Affairs*, 43(2), 164-171; Richards, J., & Kuhn, R. (2023). [Unsheltered Homelessness and Health: A Literature Review](#). *AJPM Focus*, 2(1), 100043; Rountree, J., Hess, N., & Lyke, A. (October 2019). [Health Conditions Among Unsheltered Adults in the U.S.](#) California Policy Lab.

<sup>21</sup> Rountree, J., Hess, N., & Lyke, A. (October 2019). [Health Conditions Among Unsheltered Adults in the U.S.](#) California Policy Lab.

<sup>22</sup> Roncarati, J. S., Baggett, T. P., O'Connell, J. J., et al. (2018). [Mortality Among Unsheltered Homeless Adults in Boston, Massachusetts, 2000-2009](#). *JAMA Internal Medicine*, 178(9), 1242-1248.

<sup>23</sup> Kushel M., Moore T., et al. (2023). [Toward a New Understanding: The California Statewide Study of People Experiencing Homelessness](#). *UCSF Benioff Homelessness and Housing Initiative*.

<sup>24</sup> See CMS's [Coverage of Health-Related Social Needs \(HRSN\) Services in Medicaid and the Children's Health Insurance Program \(CHIP\) \(released November 2023\)](#).

<sup>25</sup> See the [Medi-Cal Community Supports Policy Guide](#) at p. 66.

<sup>26</sup> Per [CA Family Code § 7002](#), "A person under the age of 18 years is an emancipated minor if any of the following conditions is satisfied: (a) The person has entered into a valid marriage, or has established a valid domestic partnership, regardless of whether the marriage or the domestic partnership has been dissolved. (b) The person is on active duty with the Armed Forces of the United States. (c) The person has received a declaration of emancipation pursuant to CA Family Code § 7122."

<sup>27</sup> See [CA Welfare and Institutions Code § 8255\(d\)](#) for the definition of Housing First.

<sup>28</sup> Per [HUD's Recovery Housing Policy Brief \(December 2015\)](#), "Recovery Housing might not be in conflict with Housing First . . . The key is that the program participant has sought out this type of program as their preferred choice for supporting their personal commitment to their sobriety and holistic recovery." (p. 7)

<sup>29</sup> Center on Budget and Policy Priorities. (June 29, 2022). [Chart Book: Housing and Health Problems Are Intertwined. So Are Their Solutions](#); Hanson D. & Gillespie S. (2024). ['Housing First' Increased Psychiatric Care Office Visits And Prescriptions While Reducing Emergency Visits](#). *Health Affairs*.

<sup>30</sup> While ECM criteria already align closely with proposed Transitional Rent criteria, DHCS will clarify in the MCP contract and guidance that any member determined eligible for Transitional Rent is automatically eligible for ECM.

<sup>31</sup> [AB 977 HMIS Project Setup Instructions for BHBH Grantees](#).



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<sup>32</sup> See additional information on Flexible Housing Subsidy Pools here: Wildkress, D., & Lawrence, W. (January 2022). [Flexible Housing Subsidy Pool Guide](#). *Change Well Project*.

<sup>33</sup> California Department of Housing and Community Development, [Accessory Dwelling Unit Handbook](#).

<sup>34</sup> See, e.g., California Civil Code §§ 1941, 1941.1, 1941.3,

<sup>35</sup> See, e.g., California Civil Code §§ 1941, 1941.1, 1941.3.

<sup>36</sup> Spencer, A., & Clemente, I. (August 2022). [The Role of Community-Based Organization Networks in CalAIM: Seven Key Considerations](#). *California Health Care Foundation*.

<sup>37</sup> See [APL 22-003 Provider Credentialing/Recertification and Screening/Enrollment](#).

<sup>38</sup> See [HUD's Fair Market Rent](#).

<sup>39</sup> See [APL 21-017 Community Supports Requirements](#).

<sup>40</sup> For more information on HHIP, see DCHS's [Housing and Homelessness Incentive Program \(HHIP\) webpage](#).

<sup>41</sup> See California Department of Housing and Community Development's webpage on the [Homeless Housing, Assistance and Prevention \(HHAP\) Grant Program](#).

<sup>42</sup> For more information on Project Roomkey, see: [California Department of Social Services' Project Roomkey/Housing and Homelessness COVID Response webpage](#); Fiore N., Dunton L., Gibson S., Collins C. & Abt Global. (2024). [Evaluation of California's Project Roomkey Program: Final Report](#). *Abt Global*.

<sup>43</sup> See California Department of Housing and Community Development's webpage on [Homekey](#).

<sup>44</sup> See DHCS's website on the [Behavioral Health Bridge Housing \(BHBH\) Program](#).