



May 14, 2019

The Honorable Richard Pan, MD
Chair, Senate Budget Subcommittee No. 3 on Health and Human Services
State Capitol, Room 5114
Sacramento, CA 95814

The Honorable Eloise Gómez Reyes
Acting Chair, Assembly Budget Subcommittee No. 1 on Health and Human Services
State Capitol, Room 2175
Sacramento, CA 95814

RE: May Revise Proposal to Support Current and Future County Whole Person Care Pilot Programs (\$100 Million General Fund and \$20 Million State MHSA Funds)

Dear Senator Pan and Assembly Member Reyes,

On behalf of the members of the California State Association of Counties (CSAC), the County Welfare Directors Association of California (CWDA), the County Health Executives Association of California (CHEAC), the California Association of Public Hospitals and Health Systems (CAPH), the County Behavioral Health Directors Association of California (CBHDA), the Urban Counties of California (UCC), and the Rural County Representatives of California (RCRC), we are writing today to express our strong support for Governor Newsom's proposed investments in our innovative, county-led Whole Person Care programs.

Governor Newsom proposed \$100 million in State General Fund to assist county Whole Person Care programs with housing in January, and \$20 million in his recent May Revision for new counties to join the Whole Person Care movement. Our combined membership is deeply appreciative of and strongly supports these proposals, and wishes to offer our perspective to assist your committees in ensuring that this new funding is used efficiently and effectively in our communities.

Counties are on the front lines of the Medi-Cal program, providing care to the state's most vulnerable populations through county public health systems, county hospitals, and county behavioral health systems, and conducting program eligibility for Medi-Cal. In addition, counties are responsible for administering a variety of social service and public safety programs, which also touch the lives of Medi-Cal's high-utilizers, who may be facing homelessness or reentry following incarceration. As such, counties are uniquely positioned to identify potential innovations in Medi-Cal and have played a leading

role in developing and implementing the Whole Person Care Program. A primary goal of Whole Person Care pilots authorized under the Medi-Cal 2020 Waiver, therefore, was to ensure better county coordination and collaboration in the delivery of services to these high utilizers of multiple systems. Counties have, over the course of Whole Person Care pilots, served as anchor entities, building more effective and coordinated health and social services for a variety of target populations. By leveraging the full spectrum of county expertise to serve those in our communities with complex needs, Whole Person Care programs are proving that counties can meet our clients' complex medical and social needs.

January Proposal to Provide \$100 Million for Housing

Many individuals served by the Whole Person Care Program are homeless or unstably housed. Populations that are homeless or at risk of homeless are one of the primary target populations for Whole Person Care pilots. In these instances, county Whole Person Care programs may connect clients to critical supportive housing services, such as guidance by housing navigators, assistance with security deposits and move-in fees, and support maintaining relationships with landlords. However, finding housing for clients has remained a challenge for Whole Person Care Pilots, especially because using Whole Person Care funds for most types of housing interventions is limited to assistance and supports, rather than direct payment for housing, as restricted by the Whole Person Care agreement with the federal government. The current lack of low-income, affordable housing also remains a barrier in all counties, regardless of size or location.

This is why our members strongly support Governor Newsom's January Budget proposal to dedicate \$100 million in State General Fund over five years to county Whole Person Care programs to directly fund long and short-term housing, including housing vouchers, rental subsidies and capital investments in housing for Medi-Cal beneficiaries participating in Whole Person Care pilots over five-years. But our members also seek to work with the Legislature and Administration to expand the Governor's stated target population and proposed requirements for the use of the new funding. We also have shared the below concerns with the Department of Health Care Services and appreciate their willingness to meet with us.

Target Population

The Governor's budget documents indicate that this new funding can only be used on those Medi-Cal beneficiaries living with severe mental illness and who are homeless or at risk of homelessness. However, as part of the original application process, Whole Person Care pilots had to identify a target population of high-risk, high-utilizing Medi-Cal beneficiaries from a broader range of criteria, and were not limited to severely mentally ill homeless individuals.

Current Whole Person Care target populations may include, but were not limited to, individuals with repeated incidents of avoidable emergency use, hospital admissions, or nursing facility placement, with two or more chronic conditions, with mental health and/or substance use disorders, who are currently experiencing homelessness, and who are at risk of homelessness, including individuals with no place to live following release from an institution, ranging from hospitals, skilled nursing facilities, IMDs, to jails and state prison. The target population for any particular WPC pilot, therefore, may or may not overlap with the proposed target population definition for use of the new housing funds.

In order to avoid administrative challenges related to reidentifying a target population or creating more restrictive parameters that may not entirely overlap with the Whole Person Care target population, we recommend that Whole Person Care pilots be allowed discretion to identify the population that could most benefit from the state's allocation of housing funds.

Flexible Housing Services Needs are Critical

Additionally, we recommend permitting several broad categories of housing or housing-related uses with this state-only funding in addition to those indicated in DHCS' funding allocation proposal. The DHCS allocation indicates that the funding may only be used for short- or long-term housing, hotel vouchers, rental subsidies, and capital investments. However, county Whole Person Care programs have an urgent need for tenancy-based services as well, including:

- Supportive housing services, including housing navigation and tenancy sustaining supports
- Stipends to assist with living expenses
- Rental subsidies
- Landlord engagement and master-lease arrangements
- Capital expenditures for permanent housing or post-acute settings, such as medical respite centers, that permit a patient to leave an inpatient setting once they are no longer acute
- Transitional stays in a sober living environment when a client is coming out of substance use treatment, the hospital, or jail

Housing-related services are among the most desperately needed resources for Whole Person Care clients. The opportunity to allow Whole Person Care programs to use this state-only funding more flexibly than federal Medicaid requirements, even under the state's 1115 Medicaid Waiver, would be a great boon to the mission of the program: using the "whatever it takes" model to improve the health of Whole Person Care clients.

County Input on Proposed Allocation

Our organizations were surprised by the release of a "final" allocation methodology for the proposed \$100 million by the Department of Health Care Services in April. This methodology was developed without any county input and before your committees had a chance to review the DHCS allocation methodology through the Legislative budget process. For these reasons, we ask that your committee adopt trailer or budget bill language directing DHCS to seek county input on the allocation methodology prior to it being finalized.

New Whole Person Care Pilots

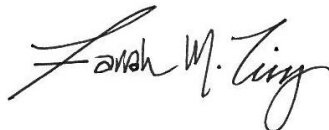
Our members who are not currently participating in the Whole Person Care pilot program are especially excited for the opportunity for additional counties to access the Governor's proposed \$20 million for new Whole Person Care programs. Like the housing allocation methodology above, it is imperative that counties be involved in the process to distribute this funding, as innovations around the coordination of services are at the heart of county-led Whole Person Care pilots.

Our organizations and members stand ready to work with your committees, the Legislature, and the Governor to maximize this proposed expansion of the county Whole Person Care program.

In closing, we support the proposed investments of \$100 million in housing services and \$20 million to expand this innovative program to additional counties not currently leading Whole Person Care pilots. The success of our existing county Whole Person Care efforts has generated interest on the behalf of additional counties throughout the state, and we believe this is a model that merits investments above and beyond what is currently afforded under our existing 1115 waiver. Our members stand ready to leverage this funding to support the health and housing needs of our Whole Person Care clients, and would appreciate consideration of the points outlined above to assist counties in utilizing these funds in the most efficient way possible, consistent with our existing Whole Person Care pilots underway now.

We would be pleased to further discuss our position with you and answer any questions you may have and participate in any ongoing discussions with the Administration on this topic. Our members thank you and Governor Newsom for your support of our Whole Person Care programs.

Thank you,



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cc: Honorable Members, Senate Budget & Fiscal Review Subcommittee No. 3
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Re: WPC
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