



Status Update: Behavioral Health Continuum Infrastructure Program and Community Care Expansion Efforts

October 2021

Summary

The 2021-22 California State Budget provided once in generation investments in infrastructure funding alongside significant new state and federal resources to address homelessness, support healthcare delivery reform, and strengthen the social safety net. Together these commitments will address historic gaps in the behavioral health and the long-term care continuum to meet growing demand for services and supports across the lifespan.

Infrastructure and community care expansion resources will ensure care can be provided in the least restrictive settings by creating a wide range of options including outpatient alternatives, urgent care, peer respite, wellness centers, and social rehabilitation models. A variety of care placements can provide a vital off-ramp from intensive behavioral health service settings and transition individuals, including the most vulnerable and those experiencing homelessness, to community living. Investing in adult and senior care facilities will divert SSI/SSP recipients from homelessness as a key part of the State's strategic, multi-agency approach to increase housing options for seniors and people with disabilities.

Guiding Principles and Priorities

- Invest in behavioral health and community care options that advance racial equity
- Seek geographic equity of behavioral health and community care options
- Address urgent gaps in the care continuum for people with behavioral health conditions, including children and youth and seniors and adults with disabilities
- Increase options across the lifespan that serve as an alternative to incarceration, hospitalization, homelessness, and institutionalization

- Meet the needs of vulnerable populations with the greatest barriers to access, including people experiencing homelessness and justice involvement
- Ensure care can be provided in the least restrictive settings to support community integration, choice, and autonomy
- Leverage county and Medi-Cal investments to support on-going sustainably
- Leverage the historic state investments in housing and homelessness

Program Overview and Timeline

The goal is to not only ensure these dollars are distributed quickly, but more importantly that we take the opportunity to drive further integration among silos and efforts.

DHCS Behavioral Health Continuum Infrastructure Program (BHCIP)- \$2.1B in competitive grants (\$2.2B total with the inclusion of mobile crisis response funding) to construct, acquire and rehabilitate real estate assets to expand the behavioral health continuum of treatment and service resources in settings that serve Medicaid beneficiaries.

- \$755M in FY 21/22, \$1.45B in FY 22/23 and \$1.5M in FY 23/24 (\$150M Mobile Crisis, \$1,676B general BHCIP, \$300M CYBHI, \$77.3M state ops)
 - o \$530 ARPA/Coronavirus Fiscal Recovery Fund to obligate by June 2024 and liquidate by December 2026
 - o \$445M GF, expend by June 30, 2026 and \$1.23B GF by June 30, 2027
- A substantial portion of the BHCIP funding will prepare the state for the implementation of the Serious Mental Illness/Serious Emotional Disturbance (SMI/SED) demonstration waiver. DHCS will submit this waiver late 2022 for CMS approval.
- 6 Rounds which will stay open until funds are awarded:
 - o #1 Mobile Crisis \$205M
 - o #2 County and Tribal Planning Grants \$16M
 - o #3 Launch Ready: New Infrastructure Projects \$518.5M
 - o #4 Children & Youth \$480.5M
 - o #5 BH Needs Assessment Phase One \$480M
 - o #6 BH Needs Assessment Phase Two \$480M

CDSS Community Care Expansion-\$805M for acquisition, construction, and rehabilitation to preserve and expand adult and senior care facilities that serve SSI applicants/recipients including those who are homeless or at risk of

BHCIP and CCE Timeline	
July 2021	Release BHCIP Round 1: Mobile Crisis RFA
October 2021	Re-Release BHCIP Round 1: Mobile Crisis RFA Part 2
October-November 2021	BHCIP and CCE Listening Sessions
November 2021	Release BHCIP Round 2: BHCIP and CCE Planning Grants RFA
November 2021	Release BH Assessment Report
January 2022	Release BHCIP Round 3: Launch Ready RFA Release CCE RFA
April 2022	BHCIP Listening Session for Rounds 4-6
August 2022	Release Round 4: Children and Youth RFA
October 2022	Release Round 5: Addressing Gaps #1
December 2022	Release Round 6: Addressing Gaps #2

homelessness and people with behavioral health conditions. Funds may also be used for capitalized operating subsidy reserves (COSR) in these facilities.

- \$805M in FY 21/22 (proposed \$600M for expansion, \$205M for preservation)
 - \$450M ARPA/Coronavirus Fiscal Recovery Fund to obligate by June 2024 and liquidate by December 2026
 - \$355M GF/HCBS-expend by March 2024

DHCS and DSS will release a coordinated application in January 2022 for the Round 3: Launch Ready and CCE funding opportunities. Applicants for CCE and BHCIP funding include counties, tribal entities, and non-profit entities and for-profit entities. Grantees must provide matching funds and must commit to use restrictions for the property per the CCE and BHCIP guidelines.

Collaboration

DSS and DHCS are closely collaborating on the CCE and BHCIP infrastructure grants.

- Utilizing one third-party grant administrator
- Streamlining process into a single application for funding
- Combined stakeholder meetings with counties and tribal entities
- Alignment on policy, when feasible

- Timing RFA releases to support local efforts
- Joint Planning Grant for Counties and Tribal Entities
- Leveraging TA resources

DSS and DHCS are also working with HCD to support alignment with Homekey 2.0 and to incorporate lessons learned from Homekey 1.0.

Administration

DHCS and DSS will partner with a grant administrator, Advocates for Human Potential, to implement the BHCIP and CCE through the following activities:

- Collaborate and support stakeholder engagement
- Design and release RFAs and award grants which will include application submission review and award process and detailed program requirements including eligible uses, facility requirements, and programmatic and reporting timelines
 - o Make policy recommendations on the match, use restriction guidelines, funding caps by bed/unit type, and design of the COSR (CCE only)
- Subcontracts with DHCS and DSS approved Community Development Financial Institutions (CDFIs) and subject matter experts in homelessness, children and youth, and Tribal entities
- Technical Assistance via webinars, learning collaboratives, and one-on-one
 - o Application Assistance: Includes assisting applicants in preparing and completing applications; especially for small and rural counties, regional models, and tribal entities.
 - o Real Estate Knowledge Building Curriculum: Comprised of a series of virtual learning opportunities and curated resources designed for applicants. This curriculum and materials will provide introductory information about the fundamentals of real estate development. A focus on equitable investment in underserved communities will be integrated throughout these knowledge building efforts.
 - o Individual Real Estate TA to Grantees: Offered to all grantees, and customized, based on a grantee's specific needs and will include real estate and development SMEs to support land and facility identification and acquisition, real estate due diligence including environmental reviews and hazardous materials surveys and remediation, prevailing wage and labor considerations, zoning/permitting/licensing, rehabilitation/construction including design and construction project management and inspections,

ownership structure, and braiding funding to support operational sustainably, ensuring equity and investment in underserved communities, addressing community relations and NIMBY, assessing project feasibility, including long-term financial viability, achieving and maintaining site control, assessing zoning and land use options, identifying and contracting with essential members of development team (legal, financial, architectural, engineering, construction, project management), financing options to meet match requirement.

- Create communication, marketing and outreach materials including fact sheet/brochures, joint website and other publications
- Request, collect, and analyze data through a dashboard to evaluate programmatic needs that display where, how, and the efficacy of infrastructure investments throughout the state. Regular reporting will include project reports and policy briefs and an evaluation report with outcome and impact measures.

Appendix-Program Comparison

ISSUE	DHCS BHCIP	DSS CCE
Capacity Goals	Expansion	Preservation and/or expansion
Other infrastructure	Yes (mobile crisis)	No
Operating Subsidies	No	Yes
Qualified Grantees	Counties, tribes, non-profit and for-profit entities	Counties, tribes, non-profit and for-profit entities
Population	Individuals with behavioral health conditions	Seniors and adults with disabilities who are applicants or recipients of SSI including people who are experiencing or at risk of homelessness. Inclusive of BH pop.
Matching Funds	Yes	Yes
Set aside awards to small counties	Not specified in trailer bill	Yes (8% of funds, pop. less than 200,000)
Use Restriction	30 years	Varied
Land Use Exemption	Yes	Yes
CEQA Exemption	Yes	No