

## PATH Funding: Justice-Involved Reentry Initiative Capacity Building Program Guidance

**DATE: May 2023**

### 1. Introduction

On January 26, 2023, the Department of Health Care Services (DHCS) received [federal approval](#) under its California Advancing and Innovating Medi-Cal (CalAIM) 1115 Demonstration for Providing Access and Transferring Health (PATH) capacity building funds to support the Justice-Involved Reentry Initiative. Under the CalAIM 1115 Demonstration, DHCS received approval to disseminate up to \$410 million in capacity building funds to support the planning and implementation of pre-release and reentry services in the 90 days prior to an individual's release into the community.

The PATH Justice-Involved Reentry Initiative Capacity Building Program will provide funding to support the planning and implementation of the provision of targeted pre-release Medi-Cal services to individuals in state prisons, county jails, and youth correctional facilities who meet the eligibility criteria as outlined in the CalAIM Section 1115 Demonstration approval. This funding will also support County Behavioral Health Agencies to implement behavioral health linkages as required by [AB 133](#). PATH funds will be available to support investments in personnel, capacity, and/or IT systems that are needed for collaborative planning and implementation in order to effectuate pre-release service processes. These PATH capacity building funds are available to qualified entities and will be distributed based on meeting certain performance milestones.

The scope of this Justice-Involved Reentry Initiative Capacity Building Program PATH Funding (referred to as PATH Justice-Involved Round 3) Guidance document is focused on providing pre-release services as part of the Justice-Involved Reentry Initiative. Interested applicants are encouraged to carefully review the information outlined in this guidance document before completing their application; a comprehensive policy and operational guide for pre-release services is forthcoming, and applicants should review that guidance to inform development of their Implementation Plan (due within 180 days after receipt of the first round of funding). The funds available in PATH Justice-Involved Round 3 are dedicated exclusively to justice-involved pre-release services and behavioral health linkage implementation; additional stakeholders must avail themselves of other PATH funding as appropriate (*see list of other funds available below*). Additional information regarding available capacity building PATH funds for supporting justice-involved Medi-Cal application and suspension processes may be found on the DHCS [CalAIM justice-involved webpage](#).

Eligible entities as described in this guidance may apply for PATH Justice-Involved Round 3 funds via the [PATH Justice-Involved Portal](#) starting on May 1, 2023. Applications will be open for 90 days and will close on July 31, 2023; following application approval, eligible entities must submit their Implementation Plan, including budget template requests, within 180 days of receipt of initial funds.

In addition to the PATH Justice-Involved Round 3 funds, the following PATH funding opportunities are available to justice-involved implementation stakeholders:

- **Capacity and Infrastructure Transition Expansion and Development (CITED):** CITED PATH funds are available to support the delivery of Enhanced Care Management (ECM) and Community Supports services. Entities, such as providers, community-based organizations, county agencies, public hospitals, tribes, and other eligible entities, that are contracted or plan to contract with a Managed Care Plan (MCP) can apply to receive funding for specific capacity needs to support the transition, expansion, and development of these specific services. Funding is available until December 31, 2026.
- **Collaborative Planning and Implementation Program:** Funds can be used to support regional collaborative planning and implementation efforts among MCPs, providers, community-based organizations, county agencies, public hospitals, tribes, and other eligible entities to promote readiness for ECM and Community Supports. Inaugural Collaborative Planning & Implementation Initiative convenings were launched in January 2023. Funding is available until December 31, 2026.
- **Technical Assistance Marketplace:** Funds can be used to support entities, including community-based organizations and county Departments of Health, in obtaining hands-on technical support and off-the-shelf resources from vendors to establish the infrastructure needed to implement ECM and Community Supports. Funding is available until December 31, 2026.
- **Whole Person Care Services and Transition to Managed Care Mitigation Initiative:** Counties that previously participated in the Whole Person Care initiative are eligible for this funding. Funds can be used to support services provided by former Whole Person Care Pilot Lead Entities until the services transition to managed care coverage under CalAIM. Funding is available until December 31, 2023.

DHCS contracted with Public Consulting Group (PCG) as the Third-Party Administrator (TPA) to support the administration and management of the Justice-Involved Reentry Initiative. During open application windows, the TPA will collect, review, and evaluate applications according to criteria developed by DHCS and will make application recommendations for DHCS approval. DHCS will ultimately determine which applications are approved and reserves the right not to grant awards to every applicant.

## 2. Operational Expectations for Qualified Entities

Qualified Entities, as described in greater detail in **Section 3** below, will be required to submit a streamlined application within 90 days of the application portal opening. The application will require the following information:

1. Applicant information (name, entity type, population served) must be included.
2. Eligible facility will be required to provide DHCS with information on their current state and operational needs in order to be eligible for funds tied to the application approval. If a correctional facility has previously completed a DHCS technical assistance survey (correctional facility survey available [here](#); county behavioral health agency survey [available here](#)), they have already met this requirement and do not need to send additional information.
3. Applicant must confirm intent to submit implementation plan within 180 days of funding disbursement.

Once applications are approved, qualified entities are expected to submit an Implementation Plan within 180 days of receipt of funds describing how they intend to use the PATH Justice-Involved Round 3 funding to support the planning for, and implementation of, Medi-Cal Reentry Services and/or behavioral health linkages in order to demonstrate operational readiness as required by DHCS. The following section lays out DHCS' operational expectations that qualified entities must address in their capacity building funding Implementation Plan submission.

### A. Operational Expectations for Correctional Agencies

Correctional facilities are mandated to go-live with pre-release services no sooner than April 1, 2024, and no later than March 31, 2026. Starting April 1, 2024, correctional facilities will be able to go-live with the provision of Medi-Cal Reentry Services upon a demonstration of readiness consistent with DHCS [requirements](#); all correctional facilities are mandated to implement Medi-Cal Reentry Services by March 31, 2026, and facilitate "behavioral health linkages" as described in **Focus Area 3**. Readiness assessments for correctional agencies will address whether correctional facilities are able to go live to provide 90-day Medi-Cal Reentry Services and screening/referrals for behavioral health linkages across their respective facilities. Some readiness assessment elements within the focus areas are categorized as "**Minimum Requirements**," indicating that the correctional agency must have the capability in place in order to go-live with Medi-Cal Reentry Services. Elements that are not flagged as Minimum Requirements must still be supported by correctional facilities, and a plan must be in place to operationalize provision of that service by March 31, 2026. DHCS may use discretion when reviewing these elements to determine whether an agency is ready to go-live.

In addition to the guidance laid out below, DHCS intends to release a Justice-Involved Reentry Policy and Operational Guide that will provide additional details regarding implementation expectations for the initiative in summer 2023.

Correctional facilities seeking PATH Justice-Involved Round 3 funds must demonstrate in their Implementation Plans how they plan to use the funds to support the planning for and

implementation of the following operational processes that must be met in order to be deemed ready to go-live. The required operational processes are described as follows:<sup>1</sup>

**Focus Area 1. Medi-Cal Application Processes** – *Note that as of January 1, 2023, all counties are mandated to implement pre-release Medi-Cal application processes in county jails and youth correctional facilities.<sup>2</sup> PATH Justice-Involved Rounds 1 and 2 were available to support this Focus Area, and requests for PATH Round 3 funds should not include activities related to operational readiness in this area.*

- Screening (Minimum Requirement) – Defined process and support model to screen for current Medi-Cal enrollment and eligibility if not yet enrolled.
- Application Support (Minimum Requirement) – Defined process to support individuals in applying for Medi-Cal coverage and submitting an application.
- Unsuspending/Activation of Benefits (Minimum Requirement) – Process and data sharing capability to notify the county Social Services Department (SSD) of the individual’s release date to reactivate coverage and deactivate the pre-release services aid code/enable full scope of benefits upon release.

**Focus Area 2. 90-Day Pre-Release Eligibility Screening**

- Screening for Pre-Release Services (Minimum Requirement) – Defined process and support model to screen eligibility for 90-day Medi-Cal Reentry Services. Screening should include securing consent from the individual to release information to relevant parties (e.g., assigned care manager). DHCS supports the best practice of developing documentation of individuals’ previous screenings in correctional facilities’ applicable electronic data systems (e.g., electronic medical records) to expedite their enrollment upon re-incarceration.
- Screening for Behavioral Health Linkages (Minimum Requirement) – Defined process and support model to conduct an initial mental health and SUD screening at intake, and then as indicated, a second screen and/or full assessment with tools and processes mutually agreed upon by the correctional facility and the county behavioral health agency to determine if the individual’s behavioral health need meets behavioral health criteria and requires behavioral health linkage.

**Focus Area 3. 90-Day Pre-Release Service Delivery**

- Medi-Cal Billing and Provider Enrollment (Minimum Requirement) – Established plan is in place to enroll the facility as an *Exempt From Licensure Clinic* Medi-Cal provider in order to bill fee-for-service for pre-release services (e.g., care management, X-rays/labs) and a process is in place to bill for services. Facilities with a pharmacy on-site that intend to provide pre-release authorized medications must also enroll as a Medi-Cal pharmacy.
- Support of Pre-Release Care Management, including:

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<sup>1</sup> Additional detail and requirements will be available in forthcoming policy and operational guide.

<sup>2</sup> CA Legislature. SB 1469. 727 WIC. 2006. Available at [http://www.leginfo.ca.gov/pub/05-06/bill/sen/sb\\_1451-1500/sb\\_1469\\_cfa\\_20060501\\_142757\\_sen\\_comm.html](http://www.leginfo.ca.gov/pub/05-06/bill/sen/sb_1451-1500/sb_1469_cfa_20060501_142757_sen_comm.html)

- Care Manager Assignment (*Minimum Requirement*) – Established process for leveraging the ECM Justice-Involved Managed Care Plan network provider directory<sup>3</sup> to identify and assign a community-based care manager to the individual shortly after determining eligibility for 90-day Medi-Cal Reentry Services, to identify existing relationships with community-based ECM care managers to assign someone as a pre-release care manager, or to assign an embedded care manager.
- Support Needs Assessment (*Minimum Requirement*) – Infrastructure and processes are in place to support assigned care manager to perform comprehensive needs assessment, inclusive of obtaining consent to access and share any needed medical records with community-based providers/health plans, and coordination and support of delivery of services by correctional facility clinical staff.
- Support Coordination of Care (*Minimum Requirement*) – Infrastructure and processes are in place to support assigned care manager to coordinate all needed care as part of the reentry stabilization, treatment, and planning for release.
- Support Reentry Care Plan Finalization, Warm Linkages ( for care management and behavioral health linkage), and Reentry Continuity of Care Plan (*Minimum Requirement*) (see **Focus Area 4**).
- Clinical Consultation – Infrastructure and processes are in place to support clinical consultation to ensure diagnosis, stabilization, treatment, coordination, and linkages to establish relationships with community providers. This includes but is not limited to correctional facility clinical staff obtaining consent to provide and share information with community-based providers/health plans, providing these clinical services directly, prescribing durable medical equipment (DME) and medications, and/or ensuring in-reach clinical consultations occur in a timely manner as needed.
- Virtual/In-Person In-Reach Provider Support – Established processes for supporting rapid scheduling and providing space, including physical space for in-person visits and/or space and technology for virtual visits (e.g., laptop or similar device, webcam, internet access telephone line), for in-reach provider services (care management, clinical consultation, or community health worker) while ensuring appropriate security protections remain in place.

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<sup>3</sup> A Pre-Release Care Management/Post-Release ECM Provider Directory (hereinafter referred to as the “Justice-Involved Care Management Directory” or “Directory”) will be available to correctional facilities as a reference tool when making referrals for individuals to receive services for pre-release care management providers. The Justice-Involved Care Management Directory will include a list of ECM providers with which MCPs have contracted to serve the Individuals Transitioning from Incarceration Population of Focus (POF). To be included in this Directory, such providers must also be enrolled in Medi-Cal fee-for-service and agree to provide in-reach pre-release care management services in person or via telehealth. A correctional facility that is using its own embedded care managers to provide pre-release care management will only use this directory to identify a post-release ECM provider for the individual, make the referral, and conduct a warm handoff to that provider. More information on expectations for ECM providers that serve the Individuals Transitioning from Incarceration POF can be found in the ECM Policy Guide.

- Support for Medications (*Minimum Requirement*) – Infrastructure and processes are in place to support the provision of all medications covered under Medi-Cal medication benefit, or an action plan has been defined to support provision of Medi-Cal-covered medications by March 31, 2026.
- Support for Medication Assisted Treatment (MAT) (*Minimum Requirement*) – Infrastructure and processes are in place to support MAT, or an action plan has been defined to support MAT by March 31, 2026. This entails covering all forms of FDA-approved medications for the treatment of alcohol use disorder and substance use disorder (SUD), and providing assessment, counseling, and patient education. Providing at least one form of an FDA-approved opioid agonist or partial agonist for opioid use disorder treatment is required to go-live.
- Support for Prescriptions Upon Release (*Minimum Requirement*) – Infrastructure and processes are in place to support dispensing of Medi-Cal medications on day of release, or an action plan has been defined to support provision of Medi-Cal medications on day of release by March 31, 2026.
- Support for DME Upon Release – Infrastructure and processes are in place to support provision of DME on day of release or an action plan has been defined to support provision of DME on day of release by March 31, 2026.

#### **Focus Area 4. Reentry Planning and Coordination**

- Release Date Notification (*Minimum Requirement*) – Established process to provide electronic notification of the individual’s release date to the SSD, DHCS, pre-release care manager, post-release ECM provider (if different), and Medi-Cal MCP.
- Care Management Reentry Plan Finalization (*Minimum Requirement*) – Establish processes and procedures to ensure and support assigned care manager in creating final reentry care plan that is shared with the member, correctional facility clinical care team, MCP, and post-release ECM provider if different from the pre-release care manager.
- Reentry Care Management Warm Handoff (*Minimum Requirement*) – Established process to ensure and support a warm handoff between pre-release care manager and post-release ECM provider, if the post-release ECM provider is different from the pre-release care manager (e.g., identifying the post-release ECM provider through the ECM Justice-Involved MCP network provider directory, providing space and infrastructure for warm handoff meeting either in person or via telehealth).
  - *Note, if correctional facility is using an embedded care manager,<sup>4</sup> correctional facility must establish processes and procedures to ensure a*

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<sup>4</sup> DHCS recognizes that in some counties, the department of health or county behavioral health agencies will provide behavioral health services to correctional facilities and also provide community-based services. For these counties, the determination of embedded or community-based would be based on the role of the provider at that moment. If the provider is furnishing services in their role as a contracted entity and performing services that correctional facilities are required to provide, those services would be considered embedded services.

*warm handoff will occur between the pre-release care manager and the post-release ECM provider within one week of release and for behavioral health linkage to occur based on clinical acuity, but scheduled no later than one week post-release in cases when a warm handoff cannot occur prior to release (e.g., unexpected early releases from court). This should include information sharing within 24 hours of release with the post-release ECM provider, the MCP, and the county behavioral health provider as appropriate.*

- Reentry Behavioral Health Linkage (*Minimum Requirement*) – Established process to allow for an in-person warm handoff, when clinically indicated, between pre-release care manager, beneficiary, pre-release service care team, and post-release behavioral health care manager, where possible and if the post-release behavioral health care manager is different from the pre-release care manager (i.e., providing space in reentry area for warm handoff meeting, either in person or via telehealth). The handoff must include behavioral health linkages, including basic care coordination for referrals to continued treatment post-release. Processes for behavioral health linkage will be designed and mutually agreed upon with correctional facility and county behavioral health agency.

#### **Focus Area 5. Oversight and Project Management**

- Staffing Structure and Plan (*Minimum Requirement*) – Clear staffing and/or contractor structure to support each readiness element and compliance with DHCS requirements for 90-day Medi-Cal Reentry Services and reentry coordination.
- Governance Structure for Partnerships – Defined governance structure for coordinating with key partners (e.g., SSD, care management organizations, providers, MCPs, County Behavioral Health Agencies).
- Reporting and Oversight Processes (*Minimum Requirement*) – Established process to collect, monitor, and report on DHCS required measures, including corrective action processes to address operational challenges.

#### **B. Operational Expectations for Behavioral Health Agencies**

Through the CalAIM Justice-Involved initiative, and as mandated in [AB 133](#), DHCS will require state prisons, county jails, youth correctional facilities, county behavioral health agencies, and Medi-Cal MCPs to implement processes for facilitated referrals and linkages to continue behavioral health treatment in the community for individuals who receive behavioral health services while incarcerated. Specifically, behavioral health linkages include referrals for justice-involved individuals to the following Medi-Cal delivery systems post-release:

- Specialty Mental Health Services (SMHS)/County Mental Health Plans (MHPs): If an individual is identified as needing MHP services at any point of incarceration, they will

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Alternatively, if the provider is acting on behalf of the county in their role in the community, for example accepting a warm linkage, that service would be considered to be in-reach.

qualify for SMHS and require a behavioral health linkage with a county SMH provider prior to release.<sup>5</sup>

- **Drug Medi-Cal (DMC) or Drug Medi-Cal Organized Delivery System (DMC-ODS):** If an individual is identified as needing MAT at any point of incarceration, they will qualify for DMC/DMC-ODS and require a behavioral health linkage to a county DMC or DMC-ODS provider prior to release. If an individual meets diagnostic criteria for an SUD diagnosis, they will qualify for DMC/DMC-ODS and require a behavioral health linkage with a DMC or DMC-ODS provider prior to release.<sup>6</sup>
- **Medi-Cal MCPs:** If an individual has an identified behavioral health need that does not meet criteria for SMHS, DMC, or DMC-ODS (e.g., members defined on page 4 of [APL 22-006](#)), their behavioral health needs will be managed by providers through their MCP. These individuals will have their behavioral health warm linkage facilitated through the care manager/ECM provider.

DHCS will require behavioral health linkages to go-live on the following timelines:

- **For Referrals Received from State Prisons:** County Behavioral Health Agencies would be required to implement all components of behavioral health linkages, including ability to receive referrals from California Department of Corrections and Rehabilitation (CDCR) correctional facilities in all counties, by April 1, 2024.
- **For Referrals Received from County Facilities:** County Behavioral Health Agencies would be required to implement all components of behavioral health linkages, including ability to receive referrals from all counties, by April 1, 2024, except professional-to-professional clinical handoffs.
  - The professional-to-professional clinical handoff component of behavioral health linkages would be required when the referring correctional facility is live with pre-

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<sup>5</sup> As outlined in [WIC Section 14184.402 \(d\) \(1\)](#), SMHS/MHPs are required to provide medically necessary SMHS to beneficiaries who are under 21 and are at high risk for a mental health disorder due to involvement in the juvenile justice system.

- (A) For the county MHP to cover SMH services, the beneficiary must also have one of the following conditions:
  - A significant impairment
  - A reasonable probability of significant deterioration in an important area of life functioning
  - A reasonable probability of not progressing developmentally as appropriate
  - A need for SMHS that are not covered under Medi-Cal
- (B) The beneficiary's condition (in paragraph A) must be due to one of the following:
  - A diagnosed mental health disorder
  - A suspected mental health disorder (not yet diagnosed)
  - Significant trauma putting them at risk of a future mental health condition, based on the assessment of a licensed mental health professional

<sup>6</sup> **Beneficiaries 21 years and older:** To qualify for DMC-ODS services after the initial assessment process, beneficiaries 21 years of age and older must meet one of the following criteria: (i) have at least one diagnosis from the Diagnostic and Statistical Manual of Mental Disorders (DSM) for Substance-Related and Addictive Disorders, with the exception of Tobacco-Related Disorders and Non-Substance-Related Disorders, OR (ii) have had at least one diagnosis from the DSM for Substance-Related and Addictive Disorders, with the exception of Tobacco-Related Disorders and Non-Substance-Related Disorders, prior to being incarcerated or during incarceration, determined by substance use history.

**Beneficiaries under the age of 21:** Covered services provided under DMC-ODS shall include all medically necessary SUD services for an individual under 21 years of age as required pursuant to Section 1396d(r) of Title 42 of the United States Code. Federal EPSDT statutes and regulations require states to furnish all Medicaid-coverable, appropriate, and medically necessary services needed to correct and ameliorate health conditions, regardless of whether those services are covered in the state's Medicaid State Plan. Consistent with federal guidance, services need not be curative or completely restorative to ameliorate a mental health condition, including substance misuse and SUDs. Services that sustain, support, improve, or make more tolerable substance misuse or an SUD are considered to ameliorate the condition and are thus covered as EPSDT services.

release services and therefore the aid code is active, as this service leverages pre-release enrollment/screening processes.

- County Behavioral Health Agencies would not be expected to meet expectations associated with pre-release services until correctional facilities in their county implement the pre-release services initiative (no sooner than April 1, 2024, and no later than March 31, 2026).

In order to operationalize behavioral health linkages for individuals who will receive services through MHPs, DMC, and/or DMC-ODS, DHCS has laid out the following minimum requirements for County Behavioral Health Agencies. Additional detail on these minimum requirements and best practices will be further defined by DHCS in a forthcoming Policy and Operations Guide. Behavioral Health Agencies seeking PATH funds must demonstrate how they plan to use the funds to support the planning for and implementation of the following processes that must be met in order to be deemed ready to go-live.

Please note that the provision of behavioral health-related pre-release services and behavioral health linkages will be done in partnership with County Behavioral Health Agencies and correctional facilities. Correctional facilities will be required to facilitate processes and referrals necessary for providing these services. If correctional facilities require County Behavioral Health Agencies to assist in pre-release services, contracts will be required to clearly state responsibility of work between the two agencies. The following information is related to the role of the County behavioral health agency for behavioral health linkages.

The required processes for behavioral health linkages are described as follows:<sup>7</sup>

**1. Initial Data Sharing**

- Initial Data Sharing (*Minimum Requirement*) – Defined process to (1) obtain medical records as appropriate for individuals with treatment history; and (2) notify MCP (if enrolled) that county behavioral health care coordination is occurring, as necessary.

**2. Data Sharing**

- Data Sharing for Release (*Minimum Requirement*) – Defined process to (1) receive correctional facility medical record information and ensure that it is incorporated into post-release medical record; and (2) identify any individuals who may benefit from professional-to-professional clinical handoff.

**3. Release Planning**

- Follow-Up Appointments (*Minimum Requirement*) – Defined process to provide follow-up appointment date/time/location within clinically

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<sup>7</sup> Additional detail and requirements will be available in forthcoming policy and operational guide.

appropriate window (e.g., for someone on MAT, recommended follow-up would be next day post-release).

- Transportation (*Minimum Requirement*) – Defined process to ensure transportation to appointment has been arranged.

#### 4. **Professional-to-Professional Clinical Handoff**

- Reentry Professional-to-Professional Clinical Handoff (*Minimum Requirement*) – Established process to provide in-person/telehealth professional-to-professional clinical handoff between correctional provider and county behavioral health provider, as necessary, and defined processes in place to ensure county behavioral health agency is able to participate in care transitions meeting for any client that has been identified by correctional staff, care manager, or clinical consultants as needing additional team coordination (e.g., clients identified to have high/complex needs).

#### 5. **Follow-Up Post-Release**

- Post-Release Scheduling (*Minimum Requirement*) – Established process to schedule individual for appointments on an ongoing basis as needed, within clinically appropriate time frame, ensuring they have adequate transportation to appointment.
- Post-Release Follow-Up (*Minimum Requirement*) – Established process to provide follow-up to individual if they miss an appointment in the community. DHCS supports the best practice of deploying a community health worker to work with the ECM provider to reschedule missed appointments as soon as possible.

#### 6. **Oversight and Project Management**

- Staffing Structure and Plan (*Minimum Requirement*) – Clear staffing and/or contractor structure to support each readiness element and compliance with DHCS requirements for behavioral health linkages, including identification of county-operated and/or county-contracted providers that will (1) fulfill the required processes described above and (2) receive referrals for follow-up visits in the community for continued behavioral health care.
- Governance Structure for Partnerships – Defined governance structure for coordinating with key partners (e.g., correctional facilities, care management organizations, providers, MCPs).
- Reporting and Oversight Processes (*Minimum Requirement*) – Established process to collect, monitor, and report on DHCS required measures, including corrective action processes to address operational challenges.

### 3. Qualified Entities and Permissible Uses of Funding

#### A. Qualified Entities

The following entities are qualified to apply for funding through this initiative from May 1, 2023, to July 31 (90 days after application portal opens):

- County Sheriff's Offices to support county jails
- County Probation Offices to support youth correctional facilities
- California Department of Corrections and Rehabilitation (CDCR) to support state prisons
- County Behavioral Health Agencies to support behavioral health linkages

In some counties, the Department of Public Health (or another county agency) actively manages correctional health care services and is responsible for coordinating and providing health services for individuals in correctional institutions (i.e., jails and youth correctional facilities). If the county agency wishes to apply for PATH Round 3 funding on behalf of all jails in the county and/or on behalf of all youth correctional facilities in the county, the county agency must submit a formal letter of commitment from the correctional agency to work in partnership on implementing pre-release services. In these cases, the county agency that is responsible for coordinating and providing health care services should coordinate with the county sheriff or county probation office to assist in Implementation Plan development. Jails and youth correctional facilities within the same county should apply separately for funding.

As a reminder, community-based organizations, MCPs, County Health Departments and ECM providers can apply for the following PATH opportunities, listed in more detail above.

- [Capacity and Infrastructure Transition Expansion and Development \(CITED\)](#)
- [Collaborative Planning and Implementation Program](#)
- [Technical Assistance Marketplace](#)
- [Whole Person Care Services and Transition to Managed Care Mitigation Initiative](#)

#### B. Permissible Uses of Funding

The PATH Justice-Involved Round 3 funding is intended to support both planning and implementation of justice-involved reentry services, including investments in capacity and IT systems that are needed to effectuate Medi-Cal justice-involved reentry services. Qualified entities may pass through funding to individual correctional institutions, vendors, in-reach providers (including County Behavioral Health Agencies if they are contracted to provide pre-release services by correctional facilities or the Department of Public Health, or another county agency that actively manages correctional health care services), and other entities, as needed, to support implementation activities. Correctional facilities seeking PATH funds must demonstrate how they plan to use the funds to support the planning for and implementation of the *Operational Expectations (Section 2.a. and 2.b. above)* that must be met in order to be deemed ready to go-live; the list below further describes processes and activities for which PATH Justice-Involved Round 3 funds can be used to meet go-live requirements. Entities unsure of whether their planned activities would qualify as permissible uses of funding under this initiative are encouraged to check with the PATH TPA prior to submitting their application by emailing [justice-involved@ca-path.com](mailto:justice-involved@ca-path.com), with the subject "Justice-Involved Reentry Initiative Capacity Building Program Funds."

DHCS will not set a deadline by which PATH Justice-Involved Round 3 funds recipients must spend their funds, but applicants will be required to define their grant period (i.e., start and end dates for spending their award) in both their PATH Justice-Involved Round 3 funds implementation plan and their grant agreement. DHCS intends to release justice-involved reentry policy and operational guidance that will provide additional details regarding implementation expectations for the initiative.

Please note that the purpose of the PATH Justice-Involved Round 3 program is to provide start-up funding to support planning and implementation of reentry services only, and reentry services will be funded through Medi-Cal service claims.

Permissible funding uses for correctional agencies include:

- **Implementing Billing Systems:** This includes expenditures related to modifying IT systems needed to support delivery of and billing for Medi-Cal Reentry Services (e.g., adoption of certified electronic health record (EHR) technology, purchase of billing systems). Please note that DHCS anticipates that implementing Medi-Cal billing and claiming services will be a heavy lift for many implementation partners and suggests correctional facilities prioritize PATH funding in this area.
- **Adoption of Certified EHR Technology:** This includes expenditures for providers' purchase or necessary upgrades of certified EHR technology and training for the staff that will use the EHR.
- **Technology and IT Services:** This includes the development of electronic interfaces for prisons, jails, and youth correctional facilities to support Medicaid enrollment and suspension/unsuspension and modifications. This also includes support to modify and enhance existing IT systems to create and improve data exchange and linkages with correctional facilities, local county social services departments, county behavioral health agencies, and others, such as MCPs and community-based providers. This could also include establishing technology to facilitate video/teleconferences between individuals and community-based care coordinators or providers.
- **Hiring of Staff and Training:** This includes expenditures related to recruiting, hiring, onboarding, and supporting staff salaries for personnel supporting the planning and delivery of Medi-Cal Reentry Services (as mandated in [AB 133](#)) (see "Guardrails for Supporting Staff Salaries" below for additional information).
- **Development of Protocols and Procedures:** This includes developing or modifying protocols and procedures that specify steps to be taken in preparation for and delivery of Medi-Cal Reentry Services and reentry coordination.
- **Additional Activities to Promote Collaboration:** This includes expenditures related to facilitating collaborative planning activities between correctional institutions, correctional agencies, MCPs, county behavioral health agencies, and other stakeholders as needed to support planning, implementation, and modification of Medi-Cal pre-release service processes.
- **Planning:** This includes developing policies and protocols for operationalizing the delivery of Medi-Cal Reentry Services, including process flows and procedures to incorporate already developed Medi-Cal application processes (and update them as

needed), including (1) identifying uninsured individuals who are potentially eligible for Medi-Cal; (2) assisting with the completion of an application; (3) submitting an application to the county social services department or coordinating suspension/unsuspension; (4) incorporating new Medi-Cal Reentry Services processes, including screening for eligibility for Medi-Cal Reentry Services and reentry planning in a period for up to 90 days immediately prior to the expected date of release; (5) delivering, either directly through embedded providers or through in-reach providers,<sup>8</sup> necessary services to eligible individuals in a period for up to 90 days immediately prior to the expected date of release and care coordination to support reentry; and (6) establishing ongoing oversight and monitoring processes upon implementation.

- **Screening for Pre-Release Services (time limited to two years):** Correctional facilities may leverage PATH Justice-Involved Round 3 funding to pay for screening for pre-release services for a two-year limited period of time; DHCS will identify an ongoing reimbursement mechanism (e.g., Medicaid Administrative Activity (MAA) funding) for screening for pre-release services and will provide additional guidance once an approach is confirmed.
- **Other Activities to Support Provision of Medi-Cal Reentry Services:** This could include accommodations for private space such as movable screen walls, desks, and chairs to conduct assessments and interviews within correctional institutions; support for installation of audio-visual equipment or other technology to support provision of Medi-Cal Reentry Services delivered via telehealth; oversight and monitoring activities to ensure compliance with implementation plans; or other activities approved by the state to support the provision of pre-release Medi-Cal services.

Permissible funding uses for county behavioral health agencies include, but are not limited to:

- **Training, technical assistance, and planning efforts** to support agencies standing up behavioral health in-reach (if correctional facilities develop an agreement with county behavioral health agencies to perform these activities) and establishing linkages to the community (required in all counties as described in **Section 2.B.**).
- **Recruitment, hiring, onboarding, and supporting staff salaries** for personnel supporting behavioral health in-reach services and behavioral health linkages (as mandated in [AB 133](#)) (see “Guardrails for Supporting Staff Salaries” below for additional information). Please note that the use of PATH funding to support the recruitment and onboarding of a behavioral health workforce to provide behavioral health in-reach services and behavioral health linkages is designed to serve as a short-term glide path to support initial implementation efforts and increasing productivity rates over time; following the temporary capacity development period supported by PATH funding, these behavioral health in-reach service delivery and behavioral health linkages functions are to be sustained through Medi-Cal reimbursement.

#### i. Guardrails for Supporting Staff Salaries

The following guardrails apply if applicants intend to support planning and implementation-related staff salaries with PATH Justice-Involved Round 3 funds:

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<sup>8</sup> DHCS defines an embedded provider as a provider employed or contracted by the correctional facility (i.e., providers who do not also provide services in the community).

- Funding for salary support may only be requested for the portion of FTE that is directly pertinent to planning/implementation of pre-release application processes (i.e., if FTE dedicates 10% of their time to planning/implementation of the reentry Medi-Cal services process, the entity may apply for PATH funds to cover 10% of salary).
- Requests for salary support must be reasonable relative to salaries for similar positions within the region.
- Applicants may apply for up to 5% additional funding (as compared to requested funding for salary) to support indirect costs.<sup>9</sup>
- Funding for direct salary support may include costs associated with fringe benefits, subject to the guardrails that are enumerated here.
- DHCS recommends that applicants cap funding for planning and implementation-related salary support as described below. Applicants that anticipate needing a longer time period to expend PATH Justice-Involved Round 3 funding to support staff salaries may request an extended time cap in their PATH Justice-Involved Round 3 funds application. As needed, applicants should include justification for extending the timeline to support staff salaries in the budget template “justification section.”
  - For correctional facilities, funding for salary support will be capped at:
    - 18 months in duration from the time of funding disbursement for new positions
    - 12 months in duration from the time of funding disbursement for positions with new responsibilities

Applicants may request funding to support one or more of the permissible use categories described above. Applicants will be required to include the total funding amount requested and a high-level description of how the requested funding will be used in their Implementation Plan. Entities will also be required to submit a separate budget template as part of the Implementation Plan to provide additional detail on their funding request as it relates to each permissible use category to the TPA. The budget template will collect additional information including descriptions, justifications, and requested funding amounts for each item or activity for which the applicant is requesting funding.

DHCS reserves the right to place additional guardrails on funding for salary support at its discretion.

#### **4. Funding Allocations**

If you have specific questions about what you might be eligible for as an eligible facility, please email [justice-involved@ca-path.com](mailto:justice-involved@ca-path.com).

##### **A. Correctional Facilities**

For correctional agencies, the maximum amount of funding that applicants are eligible to receive will depend on the type of correctional facility and the average daily population of

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<sup>9</sup> “Indirect costs” are defined as administrative overhead expenses that are not readily identified with or directly pertinent to the funding request but are necessary for the general operation of activities outlined in the funding request.

incarcerated individuals within their jurisdiction. The average daily population will be a standard set of time—January through June 2022—and will be confirmed via publicly available materials and will be confirmed by the correctional facility.<sup>10</sup>

## B. Behavioral Health Agencies

For County Behavioral Health Agencies, the maximum amount of funding that applicants are eligible to receive is divided into two parts:

1. **Training, technical assistance, and planning efforts** to support counties to stand up their behavioral health in-reach programs, including training, technical assistance, and planning efforts as indicated. Each county will be eligible for a minimum base allocation; additional funding will be proportionately allocated to each county based on point-in-time funding methodologies of a county's share of SMHS and DMC/DMC-ODS populations.
2. **Recruitment efforts** to support counties in hiring the necessary personnel to provide behavioral health assessments, behavioral health clinical consultation, and in-reach services, and to facilitate linkages, referrals, and professional-to-professional clinical handoffs. Each county will be eligible for a minimum base allocation; additional funding will be proportionately allocated to each county based on point-in-time funding methodologies of a county's share of SMHS and DMC/DMC-ODS populations.

## 5. Funding Distribution and Progress Reporting

Approved applicants will receive funding based on the following milestones:

- **Application Approval.** Applications will be open for 90 days. Entity will receive 10% of the maximum amount of funding they are eligible to apply for within 90 days of application review and approval. Eligible facility will be required to provide DHCS with information on their current state and operational needs in order to be eligible for funds tied to the application approval. If a county has previously completed a DHCS technical assistance survey, they have already met this requirement and will need to submit an application but do not need to send additional information.

Please note that correctional facilities have 30 days to fill out grant terms and conditions once application is approved. DHCS suggests that correctional facilities start the BSCC approval prior to submitting their applications. If a correctional facility has BSCC approval prior to submitting their application, money will be approved within 30 day of application period ending; if correctional facility does not have board approval, then approval could take 60 days.

- **Implementation Plan Approval.** Entity will receive 60% of requested funding upon review and approval of the Implementation Plan. Implementation Plan will be submitted within 180 days (six months) of application approval.

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<sup>10</sup> Sources can include publicly available data found on Board of State and Community Corrections (BSCC) or directly from correctional agencies' website.

- **Interim Progress Report Approval.** Entity will receive 15% of requested funding upon review and approval of the interim progress report. Interim progress report will be submitted when agency has successfully implemented 50% of operational criteria described in Operational Criteria (**Section 2** of this document).
- **Final Progress Report Approval.** Entity will receive remaining 15% of requested funding upon review and approval of the final progress report. Final progress report will be due no later than 45 days after the agency has successfully implemented 100% of operational readiness requirements described in Operational Criteria (**Section 2** of this document); and received written approval from DHCS to go-live Entity will receive remaining 15% portion of requested funding upon review and approval of the final progress report.

Funding recipients will be required to submit for approval an Implementation Plan, an interim progress report, and a final progress report to the PATH TPA to describe their progress in implementing pre-release service processes.

The Implementation Plan will collect information related to the Operational Expectations outlined in **Section 2** of this guidance. A comprehensive policy and operational guide for pre-release services is forthcoming, and applicants should review that guidance to inform implementation plan design.

The progress reports will collect the following information, at a minimum:

- Narrative description of entity's capabilities and processes to support programmatic requirements necessary to implement pre-release service processes, including progress toward each operational criterion described in program applications
- High-level explanation of how funds were used to date
- Attestation of non-duplication and supplantation of PATH funding
- Description of collaborations or working sessions with local county social services departments, local Medi-Cal MCPs, in-reach providers, and correctional agencies/county behavioral health agencies

All progress reports submitted by correctional/county behavioral health agencies will be reviewed and approved by the PATH TPA according to criteria developed by DHCS. DHCS will ultimately decide which reports are approved.

When entities submit their final progress report, they will be required to attest that they have successfully implemented each of the minimum requirements as detailed in the Operational Criteria. Templates for the implementation plan will be released in summer 2023; interim, and final progress reports as well as details on submission processes will be released in 2024. Both correctional agencies and county behavioral health agencies will be required to complete a readiness assessment before fully implementing pre-release Medi-Cal services. Information included in final progress reports for PATH Justice-Involved Round 3 funds may be leveraged to complete readiness assessments at a later date.

Milestone	Reporting Requirements	Funding Disbursement
<b>Application Approval</b>	<ul style="list-style-type: none"> <li>» Entity submits streamlined application that collects essential information about applicant, including applicant information (including number of facilities and population information), descriptions of operational criteria that are already in place (note that this could include completion of DHCS technical assistance survey), and confirmation of intent to submit implementation plan within 180 days of application approval.</li> <li>» Application will not include a specific funding request.</li> </ul>	<ul style="list-style-type: none"> <li>» Entity will receive 10% of the maximum amount of funding they are eligible to apply for upon application review and approval.</li> </ul>
<b>Implementation Plan Approval</b>	<ul style="list-style-type: none"> <li>» Funding recipient submits a detailed Implementation Plan that documents how they will use PATH funding to implement each operational criteria.</li> <li>» Implementation Plan will be accompanied by a detailed budget template that documents the amount of funding requested and how requested funding will be applied to different permissible uses.</li> <li>» Implementation Plan will be submitted within 180 days (six months) of application approval.</li> </ul>	<ul style="list-style-type: none"> <li>» Entity will receive 60% of requested funding upon review and approval of the implementation plan.</li> </ul>

Milestone	Reporting Requirements	Funding Disbursement
<b>Interim Progress Report Approval</b>	<ul style="list-style-type: none"> <li>» Funding recipient will submit an interim progress report once they have successfully implemented 50% of their operational criteria.</li> <li>» Progress report will document how PATH funds were spent to date and will describe how the entity implemented each operational criterion.</li> </ul>	<ul style="list-style-type: none"> <li>» Entity will receive 15% of requested funding upon review and approval of the interim progress report.</li> </ul>
<b>Final Progress Report Approval</b>	<ul style="list-style-type: none"> <li>» Funding recipient will submit a final progress report no later than 45 days after the agency has successfully implemented 100% of operational readiness requirements described in Operational Criteria (<b>Section 2</b> of this document) and received written approval from DHCS to go-live.</li> <li>» Progress report will document how PATH funds were spent to date and will describe final status of each operational criterion.</li> </ul>	<ul style="list-style-type: none"> <li>» Entity will receive remaining 15% of requested funding upon review and approval of the final progress report.</li> </ul>

**6. Application Process**

Qualified entities will have 90 days to submit an application once the portal opens.

Entities are not required to have participated in Round 1 or Round 2 of the PATH Justice-Involved Capacity Building Program to be eligible for funding for Round 3 funds from PATH Justice-Involved Reentry Initiative Capacity Building. To be awarded PATH Justice-Involved Round 3 funding, entities must complete the standardized application form developed by DHCS. This application form will collect the following information:

1. Applicant information (name, entity type, population served)
  - a. Organization Name
  - b. Type of Agency
    - i. County Sheriff’s Offices to support county jails;

- ii. County Probation Offices to support youth correctional facilities;
- iii. California Department of Corrections and Rehabilitation to support state prisons
- iv. County Behavioral Health Agencies to support behavioral health linkages
- c. Name of Application Authorized Representative
- d. Title of Application Authorized Representative
- e. Telephone Number of Application Authorized Representative
- f. Email of Application Authorized Representative
- g. Mailing Address of Application Authorized Representative
- h. County
  - i. If county correctional facility, request:
    - 1. Number of facilities within county for adult jails and youth correctional facilities
    - 2. Most recent publicly available source confirming average daily population (with attachments supporting the number they are reporting)
  - ii. If county behavioral health agency, request number of individuals on SMHP/DMC/DMC-ODS
- 2. Eligible facility will be required to provide DHCS with information on their current state and operational needs in order to be eligible for funds tied to the application approval. If an eligible facility has previously completed a DHCS technical assistance survey (correctional facility survey available [here](#); county behavioral health agency survey [available here](#)), they have already met this requirement and do not need to send additional information.
- 3. Confirm intent to submit implementation plan within 180 days of funding disbursement.

*Note: Applications will not include information on amount of funding requested (funding request will be documented in Implementation Plan with details on how applicant will use PATH funding to implement operational criteria).*

Applications will be reviewed by a TPA contracted by DHCS for completeness and accuracy and to ensure that intended uses of funding are permissible. The TPA will recommend applications for funding to DHCS within 30 days of application closing. DHCS will ultimately approve applications upon receipt from the TPA and will notify applicants of awards via email. If DHCS or the TPA identifies issues or questions related to applications, they may reach out to applicants via email to seek additional information. If applications are not approved or are pending additional information, then DHCS or the TPA will respond in writing and will describe specific reasons for denial of the application, or the specific information required to continue reviewing the application. In these cases, applicants will have 30 days to address issues flagged by DHCS or the TPA and resubmit applications for approval.

Entities must submit applications within 90 days of portal opening (deadline of July 31, 2023).

## 7. Program Oversight and Monitoring

DHCS and the PATH TPA will take multiple steps to ensure adequate program oversight and monitoring, including the following:

- Funding recipients will be required to attest that:
  - PATH funding will be expended as described in the program implementation plan and will only be used to support permissible uses of funding.
  - PATH funding will not duplicate or supplant funding received from other federal, state, or local sources.
- Funding recipients may be required to respond to general inquiries from DHCS or the TPA pertaining to this initiative and progress toward activities described in program applications. Entities that fail to meaningfully engage with DHCS or the TPA in response to these inquiries may be:
  - Subject to audit and, if necessary, recoupment by DHCS to ensure adequate documentation, application, and reporting of permissible expenditures only; and/or
  - Precluded from receiving additional PATH funding.
- Funding recipients are required to alert DHCS and the TPA if circumstances prevent them from carrying out activities described in program applications. In these cases, entities may be required to return unused funds to DHCS depending on the circumstances in question.
- Funding recipients will be required to submit progress reports in a manner/frequency determined by DHCS. Failure to submit progress reports or include required information may preclude the entity from receiving additional PATH funding. Funding recipients will be expected to complete an attestation of system readiness following the completion of Round 3 activities.
- DHCS or the TPA may conduct spot audits to ensure funds are spent on permissible uses and are documented and reported appropriately.

In addition to PATH funding oversight and monitoring, DHCS also intends to implement overall oversight monitoring processes of the Justice-Involved Reentry Initiative that will be described in forthcoming guidance.

## 8. Questions

Thank you for your interest in the PATH Justice-Involved Capacity Building Program. If you have general questions about the PATH Justice-Involved Capacity Building Program or any of the information included in this document, please email [justice-involved@ca-path.com](mailto:justice-involved@ca-path.com) with the subject "Justice-Involved Reentry Initiative Capacity Building Program Funds."