Funding Opportunities Cheat Sheet

Introduction

To support the transition to CalAIM, DHCS intends to make various, distinct funding opportunities available to its "on the ground" partners including: Medi-Cal Managed Care Plans (MCPs), providers, counties, former Whole Person Care (WPC) Lead Entities, CBOs, tribes and others. Funding opportunities include:

- **Providing Access and Transforming Health (PATH):** California's Section 1115 waiver renewal and amendment request includes expenditure authority for the "Providing Access and Transforming Health" (PATH) initiative to maintain, build, and scale services, capacity and infrastructure necessary to ensure successful implementation of CalAIM, pending federal approval. For the purposes of this document, PATH refers to the following programs and initiatives:

  - **<u>Justice-Involved Capacity Building Program:</u>** Building on the successful work conducted under WPC, this PATH program will build capacity and expand access to necessary pre-release and post-release services under CalAIM.

  - <u>**Support for Implementation of ECM and Community Supports Program:**</u>
    - **WPC Services and Transition to Managed Care Mitigation Initiative:** Direct funding for former WPC Pilot Lead Entities to pay for existing WPC services before they transition to CalAIM on or before January 1, 2024. Services and infrastructure that will not continue under CalAIM would not be eligible for this funding. MCPs must have provided explicit commitment to "picking up" the service or before January 1, 2024.
    - **Other ECM/Community Supports (ILOS) PATH initiatives (referred to as "all other PATH initiatives" throughout)**
      - **Technical Assistance Initiative:** Funding for providers, community-based organizations, counties, and others to obtain technical assistance resources through a virtual marketplace.

      - **Collaborative Planning and Implementation Initiative:** Funding to support collaborative planning and implementation efforts amongst stakeholders essential to the success of CalAIM.
      - **Capacity and Infrastructure Transition, Expansion and Development (CITED) Initiative:** Funding for providers, community-based organizations, counties and others for capacity and infrastructure development activities that support the implementation of ECM and Community Supports.

- **CalAIM Incentive Payment Program (IPP):** CalAIM is a multi-year Department of Health Care Services (DHCS) initiative to

improve the quality of life and health outcomes of the Medi-Cal managed care population through the implementation of broad delivery system, program and payment reforms across the Medi-Cal program.

While this document focuses on PATH and IPP, other funding opportunities will extend beyond PATH and IPP, including:

- **Housing and Homelessness Incentive Program (HHIP)**: As part of the state's overarching home and community-based services (HCBS) spending plan, MCPs can earn incentive payments for investments and progress in addressing homelessness as a social determinant of health and keeping individuals housed.

- **Behavioral Health Quality Improvement Program (BH-QIP):** Behavioral Health Delivery Systems (i.e., Mental Health Plans and Drug Medi-Cal Organized Delivery Systems, referred to as Behavioral Health Plans or BHPs)[1] will be eligible to participate in an incentive payment program that supports them as they prepare for changes needed to participate in CalAIM. BH-QIP has specific milestones that BHPs must meet in order to receive incentive payments across three categories: 1) Payment Reform, 2)Implementation of CalAIM Behavioral Health Policy Changes, and 3) Data Exchange. The BH-QIP aligns with and does not directly overlap with IPP and PATH.

Funding for each of these programs is intended to be complementary and non-duplicative. Funding is largely intended to support new activities, infrastructure and programming, but in some cases may be used to fund ongoing activities (e.g., former WPC Lead Entities sustaining existing WPC services until those services transition to managed care). While entities may "braid" funding from multiple sources to support necessary capacity, infrastructure and service expansion, recipients of any of the four funding opportunities may be responsible for reporting on uses and are subject to audit.

The remainder of this document provides technical assistance for entities focused on the differences between PATH and IPP including by summarizing funding amounts, timelines for disbursement, eligibility criteria, application processes, sample uses and steps DHCS must take to promote transparency. The CalAIM website has additional materials and guidance relating to PATH and IPP, and the appendix provides a summary of other funding opportunities, eligibility criteria and sample uses.

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[1] Drug Medi-Cal Organized Delivery System (DMC-ODS)" which provides a continuum of care to support substance use disorder treatment services. DMC-ODS is administered via contracts between DHCS and counties. More information available at: https://www.dhcs.ca.gov/provgovpart/Pages/Drug-Medi-Cal-Organized-Delivery-System.aspx

Summary of PATH and IPP Eligibility, Application Process, Permissible Uses and Transparency

PATH and IPP are distinct but aligned initiatives that help prepare eligible entities for the transition to CalAIM. Information regarding eligible entities, application processes, and permissible uses of funds for PATH and IPP is presented below:

Category	PATH	Incentive Payment Program (IPP)
Funding Amounts	$1.85B *(across all PATH programs)*	$1.50B
Initiative Timing	Timing of PATH activities and funding varies by initiative: 1. **Justice-Involved Capacity Building PATH initiative:** Q3 2022-Q4 2026 2. **WPC Services and Transition to Managed Care Mitigation PATH Initiative:** Q1 2022-Q4 2023 3. **All other PATH initiatives (tentative, varies by initiative):** Q3 2022 – Q4 2026	Program period will be from 1/1/2022 to 6/30/2024, divided into three program years (PYs): • **PY 1** (1/1/2022 to 12/31/2022); • **PY 2** (1/1/2023 to 12/31/2023); and • **PY 3** (1/1/2024 to 6/30/2024).
Eligible Entities	1. For the **Justice-Involved Capacity Building PATH initiative**, entities eligible to apply for and receive PATH funds to build capacity and expand	MCPs are the only eligible recipient of IPP funds and will receive funding allocations for meeting established milestones and targets.[2]

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[2] https://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2023/APL23-003.pdf

Category	PATH	Incentive Payment Program (IPP)
	access to necessary pre-release and post-release services under CalAIM include, for example: 2. State prisons; 3. jails; 4. youth correctional facilities and probation offices; 5. Sherriff's offices 6. county behavioral health agencies. 7. For the **WPC Services and Transition to Managed Care Mitigation PATH initiative**, only former Whole Person Care Lead Entities are eligible to receive funding for the provision of services that meet the conditions enumerated below (see permissible uses) 8. For **the other PATH initiatives**, eligible applicants are entities that are or will be contracting with MCPs to provide ECM / Community Support services. Eligible entities for all three initiatives include: • City, county, and other government agencies; • County and community-based providers including public hospitals; • Community-based organizations (CBOs); • Medi-Cal Tribal and Designees of Indian Health Programs. **MCPs are not eligible to receive PATH funding but are expected to participate in the collaborative planning initiative.**	

Category	PATH	Incentive Payment Program (IPP)
Funding Application Process	1. For the **Justice-Involved Capacity Building PATH initiative**, eligible entities will be required to apply to DHCS or its Third-Party administrator for funding. 2. For the **WPC Services and Transition to Managed Care Mitigation PATH Initiative**, former WPC Lead Entities will invoice DHCS for payment for allowable services rendered (see permissible uses below). 3. For **all other PATH initiatives**, Applicants may apply for funding from a Third-Party Administrator retained by DHCS. Funding will only be provided to applicants who attest that funding is non-duplicative and provide an MCP attestation that the applicant is or will be a contracted provider and that the PATH funding is not duplicative of IPP funding. Needs Assessment and Gap Filling Plans submitted by MCPs for the incentive Payment Program will be made public and will be used by DHCS and its contractors to coordinate with PATH and other programs and initiatives.	All MCPs seeking IPP funding will be required to submit a Needs Assessment and Gap filling plan to DHCS starting in the winter of 2021, and a follow-up Gap Assessment Progress Report with measures tied to four Year 1 IPP priority areas: 1. **Delivery System Infrastructure**: MCP, ECM and Community Supports health IT, data exchange, billing and closed loop referral infrastructure needed to enable ECM and Community Supports services; 2. **ECM Provider Capacity Building**: ECM workforce recruiting, onboarding, training and TA, workflow development and redesign, and program operational requirements and oversight; 3. **Community Supports Provider Capacity Building & MCP Take-Up**: Community Supports take up, Community Supports workforce recruiting, onboarding, training and TA, workflow development and redesign, program operational requirements, and Community Supports take-up, program operational requirements and oversight; 4. **Quality**: baseline data collection to inform quality outcome measures

Category	PATH	Incentive Payment Program (IPP)
Permissible Uses	1. For the **Justice-Involved Capacity Building PATH initiative**, funding may be used for: • Collaborative planning to design processes and protocols that correctional facilities need to have in place to support implementation of CalAIM justice-involved Initiatives; • IT investments to support data exchange and IT linkages between correctional institutions and local Medi-Cal eligibility offices, community providers and MCPs; • County behavioral health training, TA, and planning to support behavioral health in-reach programs. 2. For the **WPC Services and Transition to Managed Care Mitigation PATH initiative**, funds may only be used to cover existing WPC services provided to an MCP member that "map to" ECM/Community Supports services that are not covered by managed care on "day 1" (January 1, 2022). This is permitted only if an MCP formally commits to covering an ECM / Community Support service before 1/1/2024, and funding will only be available until the service is covered by an MCP. Funds may also temporarily be used to cover WPC services if the MCP's population served for a Community Support is more limited than DHCS's service definition. This is permitted only if an MCP that initially limits Community Supports commits to meeting DHCS's service definitions and criteria by 1/1/2024 or sooner.	Funds will flow from DHCS to MCPs. DHCS expects MCPs to work closely with contracted partners including, but not limited to, county social services, county behavioral health, public healthcare systems, county/local public health jurisdictions, community providers and community-based organizations (CBOs), correctional and housing continuum providers and others. ***DHCS anticipates participating MCPs will maximize the investment and flow of incentive funding to ECM and Community Support providers to support capacity and infrastructure development.*** Sample uses include, for example: • Building and expanding ECM and Community Supports provider networks and capacity, with particular focus on serving underserved populations; • Developing program compliance and oversight capabilities to ensure populations of focus within a county can be effectively served; • Offering Community Supports and expanding their reach, including through hiring and training providers, support staff, and ensuring appropriate workflow design and training. MCP Needs Assessment and Gap Filling Plans will be made public and will be used to coordinate and with PATH and other programs and initiatives.

Category	PATH	Incentive Payment Program (IPP)
	3. For **all other PATH initiatives**, funding may be used to expand and develop capacity and infrastructure necessary to support CalAIM and launch ECM and Community Supports. Possible uses include (but aren't limited to): • Identifying critical gaps and needs to be addressed for seamless provision of Pilot services to enrollees to ensure successful ECM / Community Supports participation; • Conducting initial hiring, recruiting, onboarding and training staff that will have a direct role in the execution of ECM / Community Supports responsibilities Increasing capacity to deliver new services/programs above and beyond current capabilities (e.g., offering a new Community Supports not previously offered under WPC); • Providing technical assistance to support the design of new workflows/service delivery models to support ECM/Community Supports service delivery; • Implementing a working group to identify and resolve ECM/ Community Supports (ILOS) implementation challenges through regular meetings and collaboration.	

Category	PATH	Incentive Payment Program (IPP)
Transparency, Collaboration and Reporting	Collaboration, coordination and alignment is intended to be cross-cutting between PATH and IPP. The MCP IPP MCP Needs Assessments and Gap-Filling Plans will be done in collaboration with stakeholders, including providers, CBOs and others. Further, the Gap-Filling Plans will be publicly posted in Summer 2022 to ensure transparency among MCPs as they build out infrastructure and capacity for ECM and Community Supports. Review of Gap-Filling Plans will be essential to coordinating an appropriate PATH funding requests. DHCS and its Third-Party Administrator (TPA) will review Gap-Filling Plans against applications and funding requests to ensure alignment and non-duplication. DHCS or the TPA will also make information on PATH funding awards publicly available and require applicants to attest that they have are not receiving duplicative support.	

Appendix: Summary of Discrete Funding Opportunities

The table below summarizes the various funding opportunities, and provides additional detail on each program, including eligibility criteria and potential sample uses of funding.

Funding Stream	Description	Eligibility Criteria	Sample Uses
PATH	**Justice-Involved Capacity Building:** Funding to maintain and build pre-release and post-release services to support implementation of the full suite of statewide CalAIM justice-involved initiatives in 2023	• State prisons, county jails, youth correctional facilities and probation offices, county behavioral health agencies, and sheriff's offices	• Supporting updates to Medi-Cal enrollment application process and real-time updates to booking systems and processes. • Support for working sessions between a county jail, sheriff's office, MCPs, and local providers and community-based organizations to design a process for identifying eligible individuals and connecting them to in-reach services. • IT investments to create or enhance data linkages with local Medi-Cal eligibility and enrollment offices
	WPC Services and Transition to Managed Care Mitigation Initiative: Direct funding for former WPC Pilot Lead Entities to sustain existing WPC Pilot services that will transition to ECM and Community Supports (ILOS) but are not covered by an MCP on "day one" (January 1, 2022). Some WPC services will not be covered by MCPs until on or before January 1, 2024; this funding will sustain these services until they are transitioned to and paid for by MCPs. In order to be eligible to receive this funding, there must	• Former WPC Lead Entity	Funding will flow directly from DHCS to former WPC Lead Entities. Sample uses include: • Funding to sustain and pay for sobering center services until they are transitioned to Community Supports (ILOS). • Funding to maintain justice involved services in counties currently provided through the WPC Pilots that won't be covered by managed care plans until January 2023.

Funding Stream	Description	Eligibility Criteria	Sample Uses
	be an explicit commitment in place from an MCP that the service will be transitioned into ECM/Community Supports. WPC services that will not continue under CalAIM (i.e., where there is no corresponding CalAIM Community Supports (ILOS) service, or where there is no explicit MCP commitment to offer the Community Supports/ILOS) would not be eligible for this funding. This component of PATH funding will ensure continuity of services that are transitioning to CalAIM but that will not be covered on "day one." Funds may also temporarily be used to cover WPC services if the MCP's population served or scope of service for a Community Support is more limited than DHCS's service definition.		

Funding Stream	Description	Eligibility Criteria	Sample Uses
	Support for Implementation of ECM and Community Supports (ILOS): Support for CalAIM implementation at the community level. This program will be comprised of three aligned initiatives: • **Technical Assistance Marketplace:** Registration-based TA program for all counties, providers, CBOs and others in defined domains • **Collaborative Planning and Implementation:** Support for collaborative planning efforts across MCPs, city, county and government agencies, CBOs, providers, Medi-Cal Tribal and Designees of Indian Health Programs and others. • **Capacity and Infrastructure Transition, Expansion and Development:** Funding available to qualified applicants to build and expand capacity and infrastructure necessary to support ECM and Community Supports	Entities that are or will be contracted with MCPs to provide ECM / Community Support services, including: City, county, and other government agencies; County and community-based providers including public hospitals; Community-based organizations (CBOs); Medi-Cal Tribal and Designees of Indian Health Programs **MCPs are not permitted to receive funding.**	Funds flow from DHCS/TPA to applicants. Sample uses may include: • Hands-on trainings for ECM/Community Supports (ILOS) providers (e.g., on billing or data reporting) that may be tailored to the needs of the organization, • Intensive working sessions for ECM and Community Supports (ILOS) providers to accelerate formation of partnerships with regional MCPs • Hiring staff that will have a direct role in the execution of ECM/Community Supports (ILOS) responsibilities • Implementation of a closed loop referral system

Funding Stream	Description	Eligibility Criteria	Sample Uses
IPP	IPP Program Year (PY) 1 funding priorities include: **1. Delivery System Infrastructure.** • **1A**. Purchase or upgrade of ECM and Community Supports (ILOS) IT systems including certified Electronic Health Record technology, care management document systems, closed-loop referral, billing systems/services, and onboarding/enhancements to health information exchange capabilities. **2. ECM Provider Capacity Building.** • **2A.** Building/expanding ECM Provider networks and compliance and oversight capabilities to ensure ECM Populations of Focus within a county can be effectively served. • **2B**. Hiring and training of ECM care managers, care coordinators, community health workers and supervisors with necessary training to ensure core competencies to support ECM requirements. **3. Community Supports (ILOS) Capacity Building and Take-Up.** • **3A.** Offering Community Supports (ILOS), expanding reach of Community Supports (ILOS) offered.	• MCPs that elect to participate in the IPP and meet requirements to qualify for the incentive payments, as evaluated by DHCS based on a standard set of measures; • DHCS anticipates participating MCPs will maximize the investment and flow of incentive funding to ECM and Community Support (ILOS) providers to support capacity and infrastructure development	Funds will flow from DHCS to MCPs. Sample uses may include: • Purchasing or upgrading IT systems for ECM and Community Supports (ILOS) including certified Electronic Health Record technology, care management document systems, closed-loop referral, billing systems/services, and onboarding/enhancements to health information exchange capabilities. • Implementing trainings at the provider level to support ECM/Community Supports (ILOS) and designing new workflows for providers. • Expanding reach of Community Supports (ILOS) offered by developing new MOUs and partnerships with providers to expand MCP network capacity.

Funding Stream	Description	Eligibility Criteria	Sample Uses
	• **3B.** Building/expanding Community Supports Provider networks and compliance and oversight capabilities to ensure Populations of Focus within a county can be effectively served. • **3C.** Hiring and training Community Supports (ILOS) Provider support staff, workflow redesign and training. **4. Quality.** • **4A.** Reporting baseline data to inform quality outcome measures to be collected in future PYs. Additional measures will be released for PYs 2 and 3. Future measures will align with the corresponding ECM Populations of Focus, including an emphasis on pediatric-specific measures and quality outcomes measures.		

Funding Stream	Description	Eligibility Criteria	Sample Uses
HHIP	As part of the state's overarching home and community-based services (HCBS) spending plan, MCPs can earn incentive payments for investments and progress in addressing homelessness as a social determinant of health and keeping individuals housed. MCPs will earn funds by meeting specified metrics. MCPs will also need to develop a homelessness plan in partnership with local entities (e.g., public health, county behavioral health public hospitals, social services, etc.).	MCPs that elect to participate in the program and meet requirements of the incentive program.	Funds will flow from DHCS to MCPs. Sample uses may include: • Services to prevent or end homelessness • Investment in interim housing for the aging and/or disabled population • Investment in rapid re-housing for families and youth
BHQIP	BHQIP is an incentive payment program to support Behavioral Health Plans (BHPs) as they prepare for changes needed to participate in the CalAIM initiative. Counties earn incentive payments in BHQIP by achieving certain milestones.	County-operated BHPs	Funds will flow directly from DHCS to BHPs. BHPs must meet certain milestones that align with specific DHCS-defined goals to earn incentive payments. Milestones include, for example: • **Payment Reform:** Successfully load new claiming rates into county IT systems. • **Implementation of CalAIM Behavioral Health Policy Changes:** Implement standardized screening tool in compliance with DHCS guidance • **Data Exchange:** Demonstrate ability to exchange data in the DHCS Plan Data Feed Project