



State of California—Health and Human Services Agency  
Department of Health Care Services



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## CalAIM Frequently Asked Questions: Providing Access and Transforming Health (PATH) Supports

To move beyond Whole Person Care Pilots and address social determinants of health (SDOH) and health equity statewide through Medi-Cal managed care, plans, counties, public hospital systems and community-based organizations require tools and resources to work together in new ways, including ability to exchange data, establish payment relationships, measure value and outcomes, and ensure that Medi-Cal enrollees are at the center of care. Although some plans, counties, public hospital systems and community-based organizations (CBOs) already have such experience, California is seeking federal support through its 1115 demonstration renewal and amendment, the CalAIM Demonstration, to broaden and scale such arrangements.

**What is PATH?** California is seeking federal funding through the CalAIM Demonstration for a new waiver initiative called PATH – Providing Access and Transforming Health. If approved, PATH spending would be used to support capacity building, including payments for infrastructure, interventions, and services to complement and ensure access to the array of services and benefits that are part of successful implementation of Enhanced Care Management (ECM) and In Lieu of Services (ILOS), as well as a number of intersecting CalAIM initiatives designed to ensure continuity of health care coverage and care for individuals leaving prisons and county jails and re-entering the community, all of which are key components of CalAIM.

**Why is DHCS asking for PATH?** As California implements the CalAIM initiative statewide, DHCS understands that additional funding will help support the launch and implementation of ECM and ILOS through the managed care plans and community-based providers that will deliver these services to Medi-Cal enrollees. PATH funding will also support capacity building among providers, plans, counties and justice agencies to be ready to support effective pre-release care for justice-involved populations under CalAIM in 2023. PATH supports for the justice-involved populations will serve to bridge the gap for the nine Whole Person Care pilots that currently serve formerly incarcerated individuals and who will be transitioning to provide ECM services.

PATH resources also will help support the transformation of service delivery networks at the community level to increase access to health care services, support better integration of physical and behavioral health and health-related services, and improve health outcomes, with particular attention to providers and CBOs in communities that have been historically under-resourced because of economic or social marginalization due to race, ethnicity, rural geography or other factors.

**What are likely uses of PATH funding?** PATH Supports are intended to:

- Support bridge funding for transitioning services from Whole Person Care pilots to ECM and ILOS in situations where the plans, counties and providers are moving forward but, in the absence of bridge funding, enrollees could be at risk of experiencing a gap in services and/or for service costs that exceed ILOS limits.
- Strengthen the IT infrastructure of CBOs that are providing ECM and ILOS services to promote exchange of SDOH and behavioral data and visibility of key aspects of a beneficiary's circumstances to plans and providers.
- Provide capacity support for CBOs (e.g., those providing housing services) *if* additional support beyond the performance incentive payment is needed.
- Provide on-the-ground capacity support to facilitate the justice-involved initiative, enabling coordination between justice-involved agencies, Medi-Cal, plans and providers to ensure effective enrollment in Medi-Cal and transitional care for justice-involved populations.

As DHCS reviews public comments submitted during the state public comment period, the Department may consider expanding the purposes of PATH.

**How much funding will PATH provide?** The answer depends on a number of factors. California's draft CalAIM Demonstration application for public comment requests \$1.25 billion in PATH Supports over five years. This number could change as DHCS conducts additional analysis to refine our request and as we review public comments from stakeholders throughout the State. DHCS may consider different uses of the funding based on this analysis and stakeholder input and modify this request prior to submission of the final Section 1115 demonstration renewal to the federal Centers for Medicare and Medicaid Services (CMS) this summer. Ultimately, however, the funding level will depend on CMS's approval – these kinds of requests are discretionary with the federal government – and the availability of funding for the non-federal share of these costs.

**How will DHCS fund the non-federal share of PATH?** California expects to fund PATH through a variety of approaches. California is requesting reinstatement of federal funding of limited Designated State Health Programs (DSHPs) as a way to finance a portion of PATH spending. DSHP funding is not certain, however; the amount (if any) that the federal government approves – in combination with voluntary contributions from counties – will drive the amount of PATH funding that is ultimately available.

**How does PATH relate to other requests in the CalAIM waivers or in the Governor's budget?** PATH spending will complement but not duplicate other forms of spending. For example, Performance Incentive (PI) funding, supported by the

Governor's budget request, also is expected to allocate funding for ECM and ILOS capacity development; the PATH waiver funding request would be complementary to and non-duplicative of PI funding. Similarly, the Governor's May Revision budget proposal includes \$100 million in General Funds to support the justice-involved initiative and build capacity for effective Medi-Cal enrollment and transitional care for justice-involved populations. In addition, Medi-Cal benefits and services – including direct service costs for ECM, including for justice-involved individuals who are re-entering the community, and ILOS services such as housing supports – will continue to be funded outside of PATH. PATH is intended as an important source of additional funding to support CBOs and continuity of care for Medi-Cal enrollees as services transition from the Medi-Cal 2020 waiver to ECM and ILOS through managed care plans, including resources to support the development of necessary infrastructure to ensure continuity of health care coverage and care for individuals leaving prisons and county jails and re-entering the community.