

Coverage Ambassadors Webinar

Transitional Rent

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Agenda

- » Homelessness in California and DHCS efforts to address housing as a health issue
- » Introducing Transitional Rent
- » Coordination between MCPs and County BH

Homelessness in California

California accounts for more than a quarter of all homeless people in the U.S., with more than 180,000 Californians facing homelessness each night.¹

Who is Experiencing Homelessness in California (2023)¹

- » **38%** of all people experiencing homelessness are chronically homeless
- » **66%** are unsheltered homeless
- » **37%** identify as Latino/x
- » **Higher proportions of people identifying as Black or Native American** are homeless compared to the overall California population

Homelessness is a Health Care Issue²

- » **35%** are individuals experiencing chronic substance use
- » **66%** are individuals experiencing untreated mental health conditions, including serious depression, anxiety, memory problems, and hallucinations
- » **60%** have at least one chronic condition, like hypertension, asthma or COPD
- » Experience more **frequent and longer hospital stays**

1. Data from [U.S. HUD 2024 Point-in-Time Estimates](#).

2. Data from [UCSF - California Statewide Study of People Experiencing Homelessness Report \(June 2023\)](#).

Housing Efforts as Part of DHCS' Medi-Cal Transformation

California is transforming Medi-Cal to improve health care quality, access, and outcomes for Medi-Cal Members.

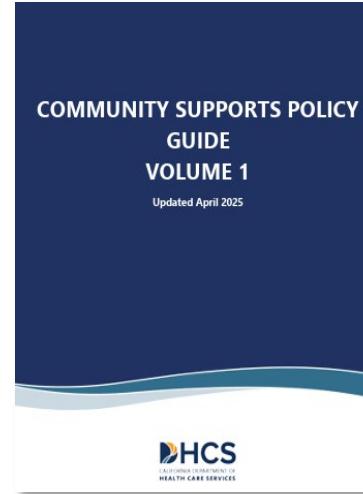
- » In 2022, California Advancing and Innovating Medi-Cal (CalAIM) introduced:
 - The **Enhanced Care Management (ECM) benefit**, for the highest-risk, highest-need Members; and
 - A menu of **14 Community Supports**, which are services that help improve the health and well-being of Medi-Cal managed care plan (MCP) Members by addressing their health-related social needs, supporting healthier lives, and avoiding higher, costlier levels of care.
- » **Transitional Rent is the newest Community Support and will go live across California in 2026.** Transitional Rent was authorized under the BH-CONNECT* Section 1115 demonstration waiver. With this launch, California joins a number of other states in offering up to 6 months of rental assistance through Medicaid.

*BH-CONNECT = Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment

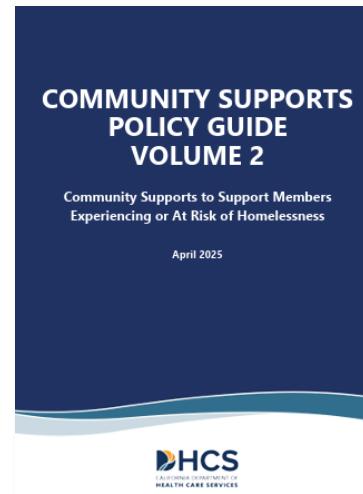
Introducing the Updated Community Supports Policy Guide

DHCS has released an updated Community Supports Policy Guide—reorganized into two separate volumes available on the [Community Supports webpage](#).

- » **These updates:**
- » Include the newest 15th Community Support, Transitional Rent.
- » Are in response to stakeholder feedback from the initial years of program implementation, in alignment with DHCS' [ECM and Community Supports Action Plan](#).



***UPDATED* [Community Supports Policy Guide Volume 1](#)** contains the service definitions for eight of the Community Supports that address Members' health-related social needs.



***NEW* [Community Supports Policy Guide Volume 2](#)** contains Transitional Rent and other Community Supports for Members experiencing or at risk of homelessness.

DHCS' Menu of Community Supports Services

The updated Community Supports Policy Guide organizes the services into two volumes.

Volume 1

1. Respite Services
2. Assisted Living Facility Transitions*
3. Community or Home Transition Services*
4. Personal Care and Homemaker Services
5. Environmental Accessibility Adaptations (Home Modifications)
6. Medically Tailored Meals/Medically Supportive Food
7. Sobering Centers
8. Asthma Remediation

Volume 2

9. Housing Transition Navigation Services
10. Housing Deposits
11. Housing Tenancy and Sustaining Services
12. Day Habilitation Programs
13. Recuperative Care (Medical Respite)
14. Short-Term Post-Hospitalization Housing
15. *New* Transitional Rent

Focus of today's webinar

**Names of these Community Supports have been updated*

Introducing Transitional Rent

A decorative graphic at the bottom of the slide consists of two thick, curved lines. The top line is a lighter shade of blue and is slightly higher than the bottom line. Both lines curve upwards from the left side of the slide, reach a peak in the center, and then curve downwards towards the right side. The lines are smooth and have a slight shadow, giving them a three-dimensional appearance.

The Newest Community Supports Service: Transitional Rent



Under Transitional Rent, MCPs will cover up to six months of rental assistance for Members who are experiencing or at risk of homelessness and meet certain additional eligibility criteria (see next slide).

The policies governing Transitional Rent are driven by three key objectives:

1. **Ensure a connection to long-term housing supports**, such as rental subsidies, for Members receiving Transitional Rent to provide a pathway to housing stability and prevent a return to homelessness.
2. Use the temporary housing stability afforded by Transitional Rent as an opportunity to **help members connect to needed health care services**.
3. Minimize administrative barriers (without compromising program integrity), so that Members experiencing or at risk of homelessness can readily access Transitional Rent.

Transitional Rent Eligibility Criteria

Eligible high-need members enrolled in a MCP may be eligible for up to 6 months of Transitional Rent if they meet the following criteria:



MEET CLINICAL RISK FACTORS

- Meet the access criteria for Medi-Cal SMHS, or
- Meet the access criteria for Drug Medi-Cal (DMC), or
- Meet the access criteria for Drug Medi-Cal Organized Delivery Systems (DMC-ODS) services, or
- Have one or more serious chronic physical health conditions, or
- Have one or more physical, intellectual, or developmental disabilities;
- Pregnant to 12-months postpartum, or
- Have physical, intellectual, or developmental disabilities.



EXPERIENCING OR AT RISK OF HOMELESSNESS (SOCIAL RISK FACTOR)

- As defined by US Department of Housing and Urban Development's (HUD) current definition as codified at 24 CFR part 91.5, with certain modifications.



MEET CRITERIA FOR SPECIFIED "TRANSITIONING POPULATIONS"

- Transitioning out of an institutional or congregate residential setting, or
- Transitioning out of a carceral setting, or
- Transitioning out of interim housing, or
- Transitioning out of recuperative care or short-term post-hospitalization housing, or
- Transitioning out of foster care, or
- Unsheltered homeless, or
- Eligible for FSP.

Transitional Rent Populations of Focus (POFs)

POF	Type
POF 1	Behavioral Health POF (mandatory starting 1/1/2026)
POF 2	Pregnant and postpartum POF
POF 3	Transitioning out of an institutional or congregate residential setting
POF 4	Transitioning out of a carceral setting
POF 5	Transitioning out of an interim housing
POF 6	Transitioning out of recuperative care or short-term post-hospitalization housing
POF 7	Transitioning out of foster care
POF 8	Experiencing unsheltered homelessness

Individuals who qualify for the BH POF (POF 1) must meet the access criteria for SMHS, DMC, or DMC-ODS, be experiencing or at risk of homelessness and be within a specified transitioning population OR unsheltered OR FSP-eligible.

Individuals who qualify for Pregnant and Postpartum POF (POF 2) must also be experiencing or at risk of homelessness and be within a specified transitioning population OR unsheltered OR FSP-eligible.

Individuals who qualify for POFs 3 – 8 must also be experiencing or at risk of homelessness and meet one of the clinical risk factors.

What Transitional Rent Covers

Transitional Rent may be used to cover the following expenses:



1. Rental assistance in allowable settings for up to six months¹
2. Storage fees, amenity fees, and landlord-paid utilities that are charged as part of the rent payment

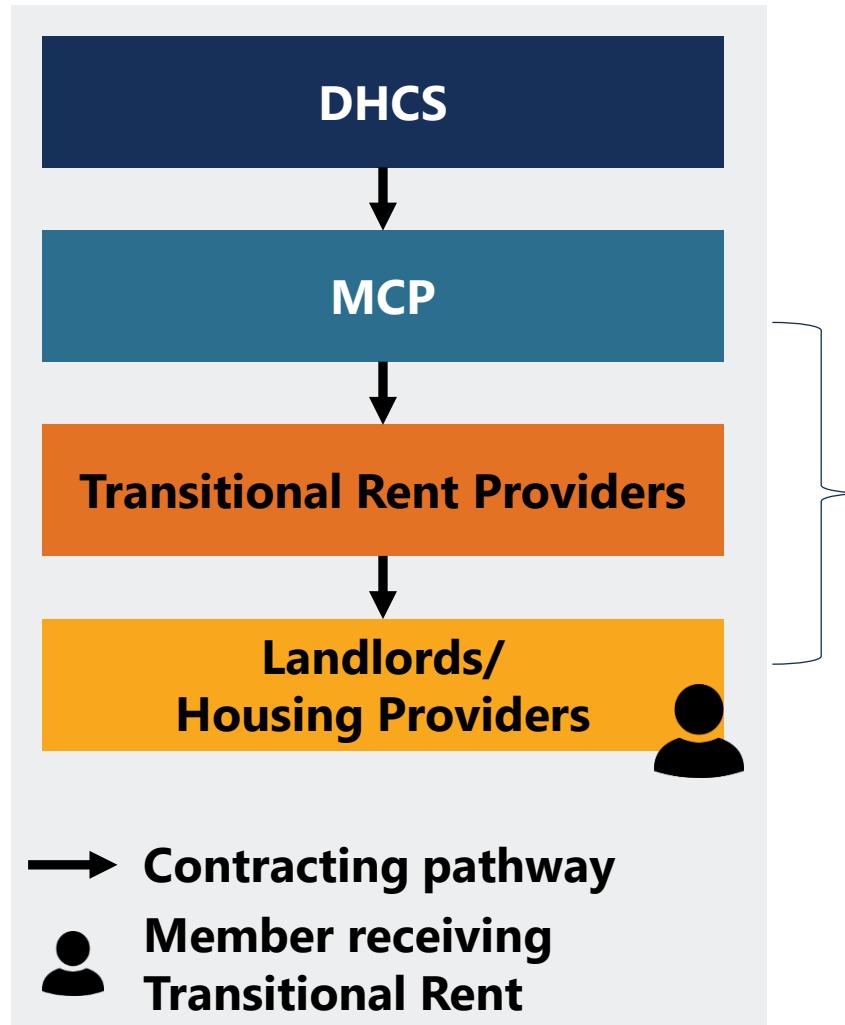
1. Subject to the six-month global cap on Room and Board services.

Implementation Timeline

Key Dates	Timeline
July 1, 2025	<p>Optional go-live for MCPs on July 1, 2025</p> <p>MCPs going live 7/1/25 can choose to go live for:</p> <ul style="list-style-type: none">» The Behavioral Health Population of Focus that must go live January 1, 2026, and/or» Additional populations within Transitional Rent-eligible populations*
January 1, 2026	<p>Phase 1: Mandatory launch for all MCPs to cover Transitional Rent for Behavioral Health Population of Focus (POF)</p> <ul style="list-style-type: none">» MCPs may also choose to cover additional populations within the overall Transitional Rent-eligible populations* <p>Individuals who qualify for the Behavioral Health POF must meet the access criteria for SMHS, DMC, or DMC-ODS, be experiencing or at risk of homelessness and be within a specified transitioning population OR unsheltered OR FSP-eligible.</p>
July 1, 2026	<i>BHSA go-live</i>
January 1, 2027	Future phase-in of additional POFs – Phase in timeline TBD

**If choosing this option, MCPs must continue covering this population through the remainder of the BH-CONNECT demonstration (12/31/2029). For the menu of additional POFs, please see slide 43 of the Appendix.*

How Transitional Rent Will Be Delivered



MCPs are required to contract with a network of Transitional Rent Providers that will issue payments for housing for Members receiving Transitional Rent or will directly provide housing for Members receiving Transitional Rent.

Transitional Rent Providers

Allowable Providers

- » County agencies, including county behavioral health agencies
- » Flex Pools
- » Affordable housing providers
- » Supportive housing providers
- » CoC-affiliated entities
- » Social services agencies
- » Public Housing Authorities
- » Other providers of services for individuals experiencing homelessness

Transitional rent providers will:

- ✓ Identify an appropriate setting/unit.
- ✓ Ensure the housing unit is habitable.
- ✓ Help the Member to review, understand, and execute the lease agreement, and ensuring the lease agreement is compliant and legal.
- ✓ Structure rent payment agreement with landlord or property owner.
- ✓ Issue timely payments to the landlord or other housing provider.
- ✓ Coordinate with the supportive services providers.

Allowable Settings

Transitional Rent includes both interim and permanent settings; MCPs must place members in permanent and interim settings and may not exclude coverage of any specific setting type.

Permanent Settings

- » Single-family and multi-family homes
- » Apartments
- » Housing in mobile home communities
- » Accessory dwelling units (ADUs)
- » Shared housing
- » Project-based or scattered site supportive housing
- » Single room occupancy (SRO) units*
- » Tiny homes*
- » Recovery housing*
- » License-exempt room and board*

Interim Settings

- » SRO units*
- » Tiny homes*
- » Hotels/motels when serving as the Member's primary residence
- » Interim settings with a small # of individuals per room
- » Transitional and recovery housing* with no lease agreement including:
 - Bridge, site-based, population-specific, and community living programs that may or may not offer supportive services and programming
 - License-exempt room and board*
 - Peer respite

** Indicates that a setting can be permanent or interim. Permanent settings are those with a renewable lease agreement with a term of at least one month.*

Connecting Transitional Rent with ECM & the Housing Trio

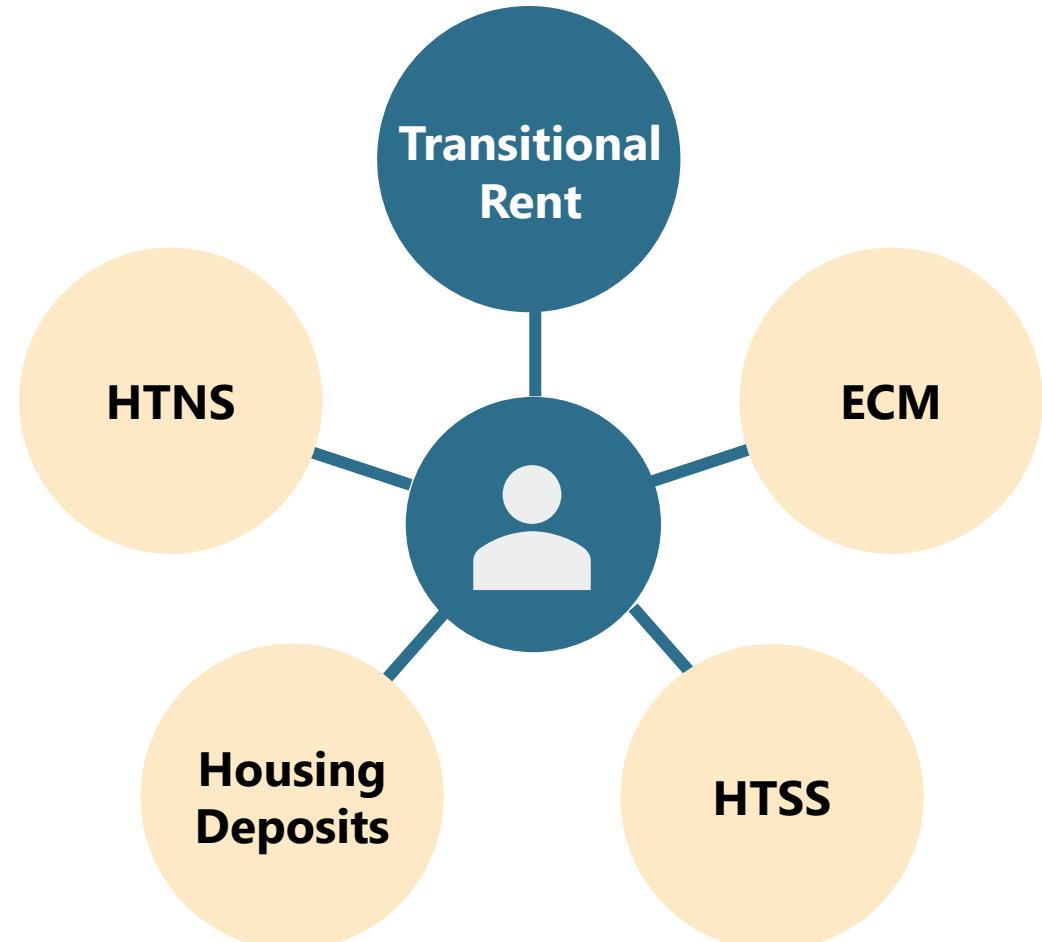
Community Supports Housing Trio

- » The Housing Trio can enable a Member to identify, secure, and sustain long-term housing at the expiration of Transitional Rent.

ECM

- » ECM can connect Members to needed health care and social support services, which will help them to take advantage of the housing stability afforded by Transitional Rent.

DHCS is currently developing referral standards that will help streamline access to these services.



ECM for Members Eligible for Transitional Rent



DHCS has established new ECM Requirements for Members who are eligible for Transitional Rent but not yet receiving ECM.

- » The MCP must authorize a Member for ECM and assign an appropriately selected ECM Provider
- » The MCP is required to ensure that the ECM Provider conducts **weekly in-person outreach visits** to the Member as soon as feasible and acceptable to the Member, and **no later than two weeks after a Member begins receiving Transitional Rent**, to invite engagement in ECM until a Member chooses to participate in ECM or declines participation.
- » After the Member chooses to participate in ECM, the Member and ECM Provider should work together to establish a regular schedule and approach to continued engagement based on the Member's needs and preferences.

Coordination Required between MCPs and County Behavioral Health Agencies on Housing Initiatives



Upcoming Housing-Related Services



DHCS will soon broaden its housing-related services and supports, both within Medi-Cal, through Transitional Rent, and beyond Medi-Cal, with the implementation of BH Transformation.

Transitional Rent

(Medi-Cal Community Support)

- » Delivered via Medi-Cal Managed Care (MCMC) Delivery System
- » Optional MCP coverage in 7/1/25
- » Mandatory MCP coverage in 1/1/26, starting with Behavioral Health Population of Focus, followed by additional Populations of Focus in future phases
- » Includes coverage of **up to six months of rent** for members who are experiencing or at risk of homelessness and meet additional eligibility criteria.

Behavioral Health Service Act (BHSA) Housing Interventions

(Non Medi-Cal Program)

- » Delivered via County Behavioral Health Delivery System
- » Effective 7/1/26
- » Counties will place and sustain individuals with significant behavioral health needs in permanent and interim housing settings

How Transitional Rent and BHSA Housing Interventions Fit Together

MCPs and county behavioral health agencies must establish stronger partnerships, coordination, and communication to serve Members with significant behavioral health needs.



A central reform of the BHSA is the **requirement that county behavioral health agencies spend 30% of their BHSA funds on Housing Interventions** for individuals with significant behavioral health needs who are experiencing or at risk of homelessness.



Importantly, BHSA “funds shall not be used for housing interventions covered by a Medi-Cal managed care plan”.¹ This means that **Members will not be permitted to receive rental assistance under the BHSA so long as Transitional Rent is available to the Member.**



Ultimately, DHCS expects Members who receive Transitional Rent from their MCP will **seamlessly continue to receive coverage** of rental assistance and other housing interventions (as applicable) **through BHSA, following the conclusion of Transitional Rent.**

1. California Welfare & Institutions (W&I) Code section 5830(c)(2)

MCP and County Behavioral Health Coordination Policies for Transitional Rent

County behavioral health agencies serve as a key access point for Transitional Rent for Members in the Behavioral Health Population of Focus, many of whom will later transition to BHSA Housing Interventions.

Expectation of Contracting

- » In each county where it operates, the MCP must offer a contract to the county behavioral health agency or its designated county department to serve as a Transitional Rent Provider.
- » If the county isn't a "hub" or administrator on behalf of its network, the MCPs must make a good faith effort to contract with county behavioral health agency's network of housing providers.

Streamlined Provisional Authorizations

County behavioral health agency can directly authorize Transitional Rent for a Member for a period of 30 days, if and only if the county behavioral health agency:

1. Has a contract with the MCP to serve as a Transitional Rent Provider.
2. Determines that the Member is BHSA-eligible and commits to providing BHSA Housing Interventions at the expiration of Transitional Rent, or upon denial of the request for coverage by the MCP.



Questions?

Thank you!



Appendix



Housing Support Plan

With the addition of Transitional Rent, DHCS is further emphasizing the key role the housing support plan plays across services.

When is a housing support plan required?

- » Development and maintenance of a housing support plan has always been part of the expectation for the Housing Trio.
- » MCPs must ensure that a Member has a housing support plan in place as a condition for authorizing a Member for Transitional Rent.

Who can develop it?

Provided it meets the requirements elements, it may be developed by a Community Supports Provider, a flex pool or hub organization that coordinates supportive services, or other Housing Providers, including county behavioral health agencies, regardless of their participation in Medi-Cal or as a contracted Provider.

Required Elements?

- ✓ The permanent housing strategy and solution for the Member.
- ✓ The full range of permanent housing supports that will support the Member in sustaining tenancy.
- ✓ Be informed by Member preferences and needs and revised as a Member's circumstances change.
- ✓ Be based on a housing assessment that addresses identified barriers.
- ✓ Be developed in a way that is culturally appropriate and trauma-informed.

Behavioral Health Transformation – Prop 1

In March 2024, California voters passed Proposition 1, a two-bill package, to modernize the state's behavioral health care system. It includes a substantial investment in housing for people with behavioral health care needs.

Behavioral Health Bond (AB 531)

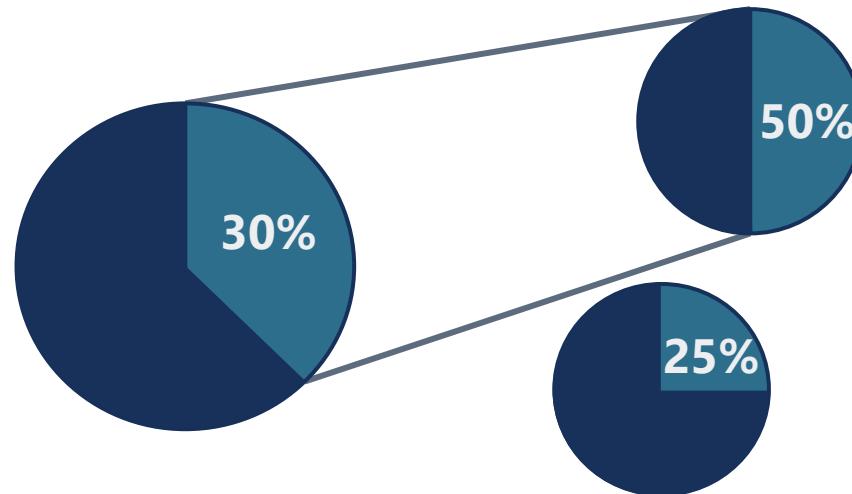
- » Funds behavioral health treatment beds, supportive housing, and community sites
- » Directs funding for housing to veterans with behavioral health needs

Behavioral Health Services Act (SB 326)

- » Reforms behavioral health care funding to provide services to Californians with the most significant behavioral health needs
- » Expands the behavioral health workforce to reflect and connect with California's diverse population
- » Focuses on outcomes, accountability, and equity

Housing Interventions Legislative Funding Requirements

30% of the funds distributed to counties must be used for Housing Interventions



50% of the Housing Intervention funds must be used for persons who are **chronically homeless**, with a **focus on individuals living in encampments**

Up to 25% of the Housing Intervention funds may be used for **Capital Development projects**

- » Counties have the flexibility to move 7% of funds to/from Housing Interventions into another category (Full Service Partnership (FSP) or Behavioral Health Services Supports)
- » Counties with a population of less than 200,000 may request an exemption from the required 30% allocation of Behavioral Health Services Act funds for Housing Interventions* (Note: exemption process under development).

[*\(Section 95\(1\)\(B\)\) of SB 326, Section 5892 of the WIC](#)

Behavioral Health Infrastructure Bond Act

\$6.38B

Behavioral Health Bond

\$4.4B

Up to \$4.4 billion for **competitive grants to build, enhance, and expand behavioral health treatment settings.**

\$1.065B

Up to \$1.065 billion for **housing investments for veterans** experiencing or at risk of homelessness who have behavioral health conditions.

\$922M

Up to \$922 million for housing investments for **persons at risk of homelessness** who have behavioral health conditions.