

MEDI-CAL COMMUNITY SUPPORTS: DELIVERING ON THEIR PROMISE

Data Show Community Supports Remain Cost-Effective,
While Addressing Medi-Cal Member Needs

California's Community Supports, a key component of the [CalAIM](#) initiative, aim to address Medi-Cal member needs cost-effectively. The 2025 [Community Supports Annual Report](#) confirms **Community Supports continue to be associated with meaningful cost savings and reductions in avoidable emergency department visits, hospitalizations, and institutional care.**

Context



» Community Supports are services provided by Medi-Cal managed care plans (MCP) to **help Medi-Cal members live healthier lives and avoid higher, costlier levels of care.**



» Fourteen Community Supports were introduced as elective services in January 2022. In addition, Transitional Rent was launched as a **mandatory benefit for qualifying Medi-Cal members** as of January 1, 2026.



» As required by the federal Centers for Medicare & Medicaid Services (CMS), the University of California, Los Angeles and RAND Corporation will complete a rigorous **independent evaluation** of Community Supports by 2028 that will examine whether receipt of these services resulted in lower costs and better care.

Participants and Scope



» **MCPs in all 58 counties offer Community Supports.** All Community Supports are available in 28 counties, while at least nine are available in every county.



» More than **798,000 Community Supports services were delivered to more than 357,000 Medi-Cal members** in 2025.



» Medically Tailored Meals/Medically Supportive Food, the most-utilized Community Support in 2025, **served more than 156,000 members.**

Key Findings

Federal Medicaid rules allow community-based services like Medi-Cal's Community Supports to be offered under managed care as "in lieu of services" if the services are medically appropriate for members' needs and are cost-effective alternatives to traditional Medi-Cal-covered benefits. Under California's 1915(b) CalAIM waiver, 12 Community Supports are approved as in lieu of services, and DHCS must evaluate these annually. DHCS compared the cost of providing each service to the savings generated from reduced use of applicable Medi-Cal-covered benefits that were avoided, such as hospital, emergency, and long-term care. The report looks at program implementation, oversight activities, and utilization trends, as well as an updated and expanded cost-effectiveness analysis.



10 of 12 Community Supports are already demonstrating cost-effectiveness within the study period.

- » **Personal Care and Homemaker Services** were associated with a 79.9% net cost reduction, when compared to the cost of a member receiving long-term care instead.
- » **Environmental Accessibility Adaptations** were associated with a 51.4% net cost reduction.
- » **Respite Services** were associated with a 19.9% net cost reduction.
- » **Housing Deposits** were associated with a 15.2% net cost reduction.
- » **Medically Tailored Meals/Medically Supportive Food** were associated with a 10.5% net cost reduction.
- » **Assisted Living Facility Transitions** were associated with a 9.7% net cost reduction.
- » **Day Habilitation Programs** were associated with a 9.1% net cost reduction.
- » **Community or Home Transition Services** were associated with a 9.1% net cost reduction.
- » **Housing Transition Navigation Services** were associated with a 3.2% net cost reduction.
- » **Asthma Remediation** was associated with a 1.2% net cost reduction.



Two Community Supports are on track to be cost-effective.

- » Based on trends, DHCS projects that **Housing Tenancy and Sustaining Services** and **Sobering Centers** will prove to be cost-effective over time, consistent with federal rules, as longer-term savings accumulate.



Two Community Supports authorized under the CalAIM Section 1115 waiver are demonstrating cost-effectiveness.

DHCS also analyzed two Community Supports authorized under the CalAIM section 1115 waiver using the same analytic framework.

- » **Recuperative Care** was associated with a 8.8% net cost reduction.
- » **Short-Term Post Hospitalization Housing** was associated with a 20.6% net cost reduction.

As noted in the [CalAIM Section 1115 waiver](#) application, DHCS intends to develop a model for Recuperative Care that incorporates the levels of care offered under both Recuperative Care and Short-Term Post-Hospitalization Housing, and sunset the latter as a separate Community Support.



All Community Supports studied were associated with reductions in inpatient and/or emergency department use.

Analysis

Cost-Effectiveness

DHCS analyzed the cost-effectiveness of 14 Community Supports, showing the significant benefits they offer both to members and the state's overall health care system. For each Community Support, the study looked at the period from six months before to 12 months after members first received the Community Support at any time from January 2023 through June 2024. DHCS analyzed both direct costs for Community Supports and health care savings associated with applicable Medicaid State Plan service categories. This analysis shows that 12 out of 14 services are cost-effective within the study period, and the remaining two are projected to be cost-effective over a longer study period as members avoid costlier forms of care over time and savings accrue. This analysis builds upon the [analysis](#) conducted the prior year, which indicated that 11 of the 14 services were cost-effective during 2023, and three of the services were projected to be cost-effective over time.

DHCS supplemented this baseline analytic approach with an Interrupted Time Series (ITS) analysis, which uses historical data to analyze pre-intervention cost trends, change in costs at the time of intervention, and post-intervention cost trends to forecast the costs that would have happened if the member had not received a Community Support.

DHCS will build upon this analysis in future years and continue to evaluate new ways to assess the value of Community Supports.

These cost-effectiveness analyses underscore the value of continuing to appropriately utilize these services, particularly in reducing hospital admissions, emergency department use, and in some cases, long-term care costs.

Quality as Measured by Avoidable Health Care Use

California's utilization analysis, based on limited data, shows all **14 of the Community Supports studied are associated with reduced use of one or more costlier services and settings.**

- » **Housing Trio (Housing Transition Navigation Services, Housing Deposits, and Housing Tenancy and Sustaining Services):** Members accessing at least one of these services generally had **reduced inpatient and emergency department use** in the six months following receipt, indicating improved engagement and reduced reliance on emergency care.
- » **Respite Services:** Members who received Caregiver Respite experienced **significant reductions in avoidable health care use.** These findings indicate that providing relief to caregivers helps individuals remain safely at home, reducing reliance on acute and institutional services and supporting independence for both members and their caregivers.
- » **Medically Tailored Meals/Medically Supportive Food,** which have the greatest number of members studied, were associated with **substantial reductions in inpatient use and emergency department visits** and a modest reduction in outpatient facility use. This aligns with existing research showing that medically tailored meals can help reduce hospital admissions for individuals with nutritionally sensitive conditions.

Service Utilization and Growth Trends

As of June 2025, all 14 Community Supports are available in 28 counties, and every MCP offers at least nine services, ensuring broad access for Medi-Cal members, no matter where they live. Medi-Cal's Community Supports have seen significant growth, particularly in areas like **Medically Tailored Meals/Medically Supportive Food.** Other services, like **Housing Transition Navigation Services,** have grown as well, reflecting the need for continued housing support for individuals transitioning out of homelessness. As of January 1, 2026, all MCPs are required to offer **Transitional Rent,** the newest Community Support, for the Behavioral Health Population of Focus.

Targeted Services and Specialized Interventions

Targeted services are instrumental in offering cost-effective alternatives to institutional care, reducing avoidable hospital and long-term care use, and supporting members' independence and well-being.

- » **Assisted Living Facility Transitions** support individuals moving from nursing facilities to assisted living settings, such as Residential Care Facilities for the Elderly and Adult Residential Facilities. Utilization increased by nearly 300% from Q4 2024 to Q3 2025, showing strong demand. Members experienced **significant reductions in inpatient utilization and long-term care use**, indicating that these transitions help avoid unnecessary hospitalization and institutionalization and promote independence.
- » **Community or Home Transition Services** assist members moving from nursing facilities to community-based living, use of this service increased by 78.2% over the reporting period. This service enables individuals to return to the most appropriate setting, contributing to **decreased acute care** and supporting long-term stability.
- » **Sobering Centers** offer a safe environment for individuals experiencing an immediate substance use disorder episode. These centers **divert members from jails and inpatient facilities**, connecting them to treatment and recovery services. Utilization increased by 47% in the past year, reflecting their growing role in addressing acute behavioral health needs.
- » **Asthma Remediation** assesses and clears home environments for asthma triggers, particularly benefiting children. Members receiving Asthma Remediation experienced **reductions in inpatient utilization and emergency department visits**, demonstrating improved symptom control and reduced acute care needs.

Looking Ahead: Efficiency and Sustainability

"Community Supports are transforming the way Medi-Cal serves Californians. By investing in services that address housing, nutrition, and caregiver needs, we're improving health outcomes while making our health care system more efficient and responsive," said **DHCS Director Michelle Baass**. "As we expand these supports, DHCS remains committed to listening to members and partners, using data to guide our decisions, and ensuring every dollar delivers meaningful value for our communities."

DHCS will continue to monitor and refine Community Supports to ensure they remain effective and sustainable. This ongoing work helps DHCS responsibly manage taxpayer dollars and support a Medi-Cal system that uses resources efficiently statewide.