PATH Capacity and Infrastructure Transition, Expansion, and Development (CITED) Initiative

Updated January 2024

Contents

I.   Background

CalAIM is part of the broader Medi-Cal Transformation and is designed to build a whole system, person-centered approach to care, in which clinical and social services are integrated to support people's health and wellbeing throughout their lives. As a statewide, population health initiative, CalAIM will reach Medi-Cal members focusing particularly on advancing health equity by expanding resources available to populations and communities that have been historically under- resourced and under-served. CalAIM is an evolution of the work California Department of Health Care Services (DHCS) and its partners have been supporting in providing whole person care. California has been innovating in the delivery of integrated physical, behavioral and social services particularly through Whole Person Care (WPC) and Health Homes Pilots in select regions of the state. Based on the success of these pilots and experience in Home and Community Based Services (HCBS) programs, a first stage of CalAIM implementation involves scaling impactful services from these initiatives statewide through Enhanced Care Management (ECM) and Community Supports (California's nomenclature for the proposed list of state-approved In Lieu of Services/ILOS).

California has received targeted expenditure authority for the "Providing Access and Transforming Health" (PATH) initiative as part of its Section 1115 demonstration renewal to scale whole person approaches to care statewide with a clear equity lens, a strong foundation for integrated, comprehensive care, and a smooth transition from WPC and Health Homes that retains investments made by the state, local partners, and the federal government. PATH will provide funding for services to members during the transition to CalAIM and will also provide tools and resources to county and community-based providers including public hospitals, county, city and other government agencies, justice agencies, community-based organizations (CBOs), Medi-Cal Tribal and Designees of Indian Health Programs and others to ensure a successful implementation.

PATH is comprised of multiple aligned initiatives that will support implementation of ECM and Community Supports services in varying ways. See California's approved 1115 Waiver Special Terms and Conditions for additional detail on the various PATH initiatives.

This document is focused on the PATH Capacity and Infrastructure Transition Expansion and Development (CITED) initiative. This guidance captures the latest program design elements of this initiative as of January 2024; however, some aspects of the program design described here may change in future rounds. Updated guidance for this initiative may be disseminated in future webinars, guidance memos, FAQs, or application forms for this initiative. Any future guidance related to this initiative will supersede guidance described in this document and will be posted on the PATH section of the DHCS CalAIM website. Stakeholders are encouraged to visit DHCS's PATH website (https://www.dhcs.ca.gov/CalAIM/Pages/CalAIM-PATH.aspx) and the PATH

Third Party Administrator (TPA) CITED website (https://www.ca-path.com/cited) in order to view the latest guidance and application materials available for this initiative.

II. Capacity and Infrastructure Transition, Expansion, and Development (CITED) Initiative

1. Introduction

The Capacity and Infrastructure Transition, Expansion, and Development (CITED) Initiative will provide funding to enable the transition, expansion, and development of **Enhanced Care Management (ECM) and Community Supports** capacity and infrastructure. Applicants who wish to receive CITED funding must submit an application through the application portal (Grants Connect), describing how they intend to use CITED funding.

The CITED Round 3 application period will be open for 30 days after the release of the application. Applications will only be accepted online via the Grants Connect portal. Please note: the CITED Application must be electronically signed by each Applicant's organization's authorized signatory to be considered complete.

2. Eligibility

CITED funding is intended to support ECM and/or Community Support providers or entities. **Applicants must be actively contracted with a Medi-Cal Managed Care Plan (MCP) for the provision of ECM and/or Community Support services.** Applicants who are currently in the process of contracting for the provision of ECM and/or Community Support services must have a signed attestation letter from an MCP demonstrating that there is a strong intent to contract with the Applicant in a timely manner. A memorandum of understanding (MOU) may be accepted if the Applicant is a Tribe, Indian Health Organization or Urban Indian Organization.

> » Signed contracts and/or attestation letters should include at a minimum:
>   o identification of ECM and populations of focus served and/or Community Supports provided that would be supported with CITED funds;
>   o identification of the counties where the service(s) will be offered
>   o completed signature page (must be signed by both parties);
>   o have an effective date of the contract to demonstrate the contract is current.
>   ▪ Contracts, attestations, and/or addendums are considered current if they have an effective start date of no earlier than January 2022.

In limited circumstances, organizations that do not directly provide ECM and/or Community Supports, but that support the delivery or administration of these services may also apply for CITED funding. Those entities must meet the following requirements:

> » Organization must have a contract to support one or more providers of direct ECM and/or Community Supports services;

» Organization must demonstrate that they directly add value to the provision ECM and/or Community Supports, including through letters of support from ECM and/or Community Supports providers as appropriate;

» Organization must provide services in one or more of the following categories:
  o Member outreach and engagement in ECM and/or Community Supports
  o ECM and/or Community Supports service authorization supports
  o Invoicing and billing support for ECM and/or Community Supports
  o Data analytics, reporting evaluation supports
  o Health information exchange services for ECM/Community Supports
  o Others as approved by DHCS;

» Organization is subject to the same indirect rates (5%) and staffing guardrails as all other CITED applicants (see page 11 for additional information on indirect rates and staffing guardrails); and

» Organization must meet all other requirements as part of the CITED application.

Who is not eligible?
MCPs are not eligible to receive CITED funding.

CITED priorities for Round 3
Below are the priorities DHCS has identified for round 3.

» Meets County ECM POF Gap based on MCP Provider Network Exception or Corrective Action Plan

» ECM/Community Supports in Rural Counties

» ECM providers serving Children/Youth Populations of Focus

» Tribal Partners and Tribal Providers

» Statewide Community Supports needs:
  o Asthma Remediation
  o Day Habilitation Programs
  o Nursing Facility Transition/Diversion to Assisted Living Facilities
  o Short-Term Post-Hospitalization Housing
  o Recuperative Care

» County-specific Gaps in ECM by Population of Focus

» County-specific Gaps in Community Supports by type of Community Support

» New ECM POFs Going Live

Please note if the application does not include the priorities listed above the application will not be excluded from applying if minimum eligibility is met. However, the application may be deprioritized for funding if an application does not meet the priorities for the round.

3. How to Apply for CITED (Application Process)

1. Potential Applicant reviews guidance materials and attends webinars.
2. Apply via Grants Connect.
3. After submission, the Application will undergo review by the TPA and DHCS. During the review period, the Applicant may be requested to provide clarification or additional information via a revision request through Grants Connect. Applicants will have 5 business days to respond to the request, so please ensure that you have notifications from Grants Connect enabled (notifications come from the domain yourcausegrants.com), and are checking your junk/spam regularly.
4. Applicants will be notified of the decision after all applications have been reviewed.

If a potential Applicant has questions with regard to their application for CITED Round 3, they should email cited@ca-path.com, with the subject "*CITED Round 3 Application Inquiry*".

4. Application Sections

The application will collect the following information from Applicants. Additional instructions for each section will be provided in the application.

a. Applicant Information

General information about the Applicant and organization applying for funding.

b. About This Organization

Organizational information including organization size, demographics, populations served and the estimated percentage of funding request that will be allocated to each **ECM Population of Focus and/or Community Supports Service.**

c. CITED Eligibility

Applicants must upload signed contract(s) and/or signed attestation letter(s) from an MCP,an MCP's authorized subcontractor(s), and/or network provider(s) demonstrating the applicant's intent to become an ECM and/or Community Supports provider for every ECM Population of Focus (POF) or Community Support that would be supported by the requested CITED funding. Documentation must clearly indicate the counties where the service will be offered. A MOU may be accepted if the applicant is a Tribe, Indian Health Organization or Urban Indian Organization. Signed contracts and/or letters should include at a minimum:

  » Identification of ECM and POFs served and/or Community Supports provided that would be supported with CITED funds;
  » Identification of the counties where the service(s) will be offered;
  » Completed signature page (must be signed by both parties);
  » The effective date of the contract to demonstrate the contract is current.

> ▪ Contracts, attestations, and/or addendums are considered current if they have an effective start date of no earlier than January 2022.

Documentation of contract status is required for all MCPs you are contracted or intending to contract with to provide the services included in your CITED request.

[Please click here to view the managed care plans by county as of 2023 and 2024.](#)

d. Additional Funding Considerations

Applications, and accompanying funding requests, should consider (1) needs identified in local MCP Needs Assessment and Gap Filling Plans (developed as part of the Incentive Payment Program [IPP]), (2) needs identified in local homelessness plans (developed as part of the Housing and Homelessness Incentive Program), and (3) needs identified in the PATH Collaborative Planning and Implementation (CPI) initiative.

Applications should include strategies to avoid duplication and supplantation[1] of other funding sources (e.g., IPP or other federal, state, local funds) as well as services paid for by Medi-Cal. Applicants are encouraged to coordinate requirements with local MCPs (including those entering the county starting in 2024) or the authorized subcontractor or network provider that they contract with or strongly intend to contract with to provide ECM/Community Supports services. **Applicants are strongly encouraged to seek IPP funding for their request from MCPs, apply for Technical Assistance (TA) offered in the TA Marketplace, and explore funding opportunities related to the Data Exchange Framework to avoid duplication of PATH funding from CITED.**

e. Project Description and Justification

Applicants should explain the **overall goals of their project**, services that will be provided by the Applicant organization, and their **approach to sustainability post CITED funding.** Applicants will also need to identify counties and the estimated percentage that will be spent in each county with CITED funding.

f. Funding Request

Applicants should provide a **clear and detailed funding request** that describes the intended use of CITED funds. Additionally, there should be a detailed justification for why funds are needed to support transition, expansion, development, and delivery of and/or bolster capacity to support ECM and/or Community Support services. Applicants will be required to complete and upload the CITED Round 3 Funding Request Excel Workbook to complete their detailed funding request. Uploads that are not in the CITED

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[1] Other Federal, state or local funding sources and programs that are complementary to or enhance PATH funds will not be considered supplanted by PATH funds or duplicate reimbursement. If applicable, Applicants must describe how similar or related services and activities supported by other Federal, state or local funding sources are complemented or enhanced by efforts funded by PATH. For example, if other funding 1) does not fully reimburse activities, 2) may allow additional/different populations to be served or 3) may allow additional/different services to be provided beyond those funded by PATH. To the extent that otherwise allowable PATH activities are reimbursed by other Federal, state or local programs, PATH funding must not duplicate such reimbursement.

Round 3 Funding Request Excel Workbook may not be accepted and the Application may be considered incomplete.

g. Allowable Use Categories

The following categories are allowable CITED funding requests. You will select from these categories as you complete your CITED Round 3 Funding Request Excel Workbook later in this section of the application. These allowable use categories apply to retroactive, upfront, and all other CITED funding requests and are subject to change at the discretion of DHCS.

- » Training and Recruitment
  - o This allowable use category is to support the cost of training and recruiting new ECM and/or Community Supports staff. For requests for staff salary please complete tab 3. Salary Request Detail of the budget spreadsheet. Please also refer to the "Funding to Support Staff Salaries" for guardrails on funding for staff salaries.
- » Modifying, purchasing and/or developing the necessary referral, billing, data reporting or other infrastructure and IT systems, to support integration into CalAIM.
- » Evaluating and monitoring ECM and Community Supports service capacity to assess gaps and identifying strategies to address gaps.
- » Developing a plan to conduct outreach to populations who have traditionally been under-resourced and/or underserved to engage them in care.

Please Note: Funding for salaries must meet the requirements as outlined in the "Funding to Support Staff Salaries" below.

h. Funding to Support Staff Salaries

CITED funding may be used to support staff salaries for administrative or service-related positions necessary to support delivery of ECM or Community Supports within certain guardrails as outlined below:

- » CITED funding may only be used to support salaries for **new positions, or existing positions with new responsibilities where at least 60% of the FTE is directly related to supporting delivery** (e.g., specialists that conduct outreach) of ECM or Community Supports.
  - o Overhead or administrative positions do not require an FTE of at least 60% directly related to ECM or Community Supports. However, the position must still be substantially related to supporting delivery or administration of ECM or Community Supports. (e.g., administrative assistant, Chief Operations staff, IT positions).
  - o **Please note** that executive positions (e.g., CEO, COO) are limited to 20% funding or .2 FTE based on the scope of these positions.

» Funding for **salary support may only be requested for the portion of FTE that is directly related to supporting delivery or administration of ECM or Community Supports**. For example, an Applicant may not request funding for 100% FTE for a position where only 75% of the FTE is directly related to delivery or administration of ECM or Community Supports.

» CITED funding for salary support **is capped at 18 months in duration for new positions or 12 months in duration in most cases for existing staff** that are assigned new ECM and/or Community Supports responsibilities.
   o An existing staff may be considered "new" if they are moving into a new position that is providing ECM and/or Community Supports and their old position is being filled, not eliminated.

» **Indirect rates will be capped at 5%**
   o Indirect costs include administrative overhead expenses that are not readily identified with the funding request but are necessary for the general operation of activities.
   o Indirect costs for CITED requests may include, but are not limited to:
      ▪ Travel
      ▪ Training not specific to ECM and/or Community Supports
      ▪ Goods and services (e.g., mail services, payroll services, procurement, or legal services, etc.)
      ▪ Advertising
      ▪ Communication costs
      ▪ Regular ongoing operation and maintenance costs for supplies and facilities

» Requests for salary support must be **reasonable and relative to salaries for similar positions** within the region. Reasonable is defined as no more than 80-90% of the top of the salary range for the position in the county served.

» CITED funding for direct salary support may include costs associated with fringe benefits. Requests for fringe benefits are capped at 40%.
   o Fringe benefits are additions to compensation that companies give their employees. This may include health insurance, life insurance, or other benefits offered to employees that are covered by the organization. Please note that all CITED guidelines still apply to fringe costs and, therefore, benefits such as recruitment and retention bonuses, staff parking, banking and payroll fees, and other unallowable uses should not be included.

» For every position requested, applicants must provide a clear sustainability plan once CITED funding ends.
   o CITED funding to support salaries *should* decrease over the timeframe of the funding request. A salary can be supported through CITED at 100% at the outset of the funding timeframe but should transition over time to be supported through MCP funds for ECM and/or Community Supports.

Applicants that receive CITED funding for salary support must attest that any funding received through CITED is not duplicative with other funding sources, including MCP reimbursement for ECM / Community Supports, and that they will take all necessary steps to prevent duplication of funding. DHCS recognizes that there is a period of ramp up required to hire and onboard staff involved in the provision of ECM and Community Supports. CITED funding can be used for salary support for staff members until they reach their expected panel size/case load. Once CITED funding is received, it is essential that the applicant ensures non-duplication with MCP reimbursement and notify DHCS if or when CITED funding becomes duplicative to determine next steps.

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

i. Funding to Support Retroactive Investments

In addition, CITED may provide retroactive funding on a case-by-case basis to support investments in infrastructure and capacity made by eligible organizations **from January 1, 2022, until the release of applications for the round of CITED funding for which the entity is applying**. Applicants may apply for retroactive funding in any round of CITED. DHCS will review such requests on a case-by-case basis and reserves the right to reject retroactive funding requests or to approve them at a lesser amount than the entity's initial investment or the Applicant's requested amount. Any request for retroactive funding for salary support will be considered part of the allowable maximum total 18 months of salary support funding across all CITED rounds. Retroactive funding requests will be subject to strict guardrails and requirements. Retroactive funding requests must:

- » Be limited to the same allowable uses as other CITED funding;
- » Be vetted against the same evaluation criteria as other CITED funding requests;
- » Not be provided for investments that were made prior to January 1, 2022;
- » Include attached receipts, invoices, or other documentation of the historical investments for which retroactive funding is sought; and
- » Be subject to the same oversight principles as other CITED requests as described in the Initiative Oversight section below, including not duplicating or supplanting other federal, state, or local funding sources.

j. Unallowable Uses of Funding

CITED funding cannot be used to support the following uses or activities. This list is subject to change at the discretion of DHCS.

- » Services otherwise covered through Medi-Cal
  - o Fuel or maintenance costs for transport vehicles
  - o Taxi/Ride-Share services to patients

- » Activities which have previously been approved via other federal, state, or local funding sources
- » Direct CalAIM services
- » Real estate investments (property acquisition), developments, and other capital projects
- » Funding to cover ongoing financial losses
- » Regular ongoing lease, rent, or utilities payments[2], on the behalf of patients
- » Staff time devoted to non-ECM/Community Supports related responsibilities or services
- » Donations and contributions
- » Entertainment (e.g., receptions, parties, food, conferences, sporting events, etc.)
- » Fines and penalties
  - o Interest expense
  - o Debt restructuring and bad debt
- » Costs of organized fund raising, including financial campaigns, lobbying, endowment drives, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions
- » Goods or services for personal use (e.g. kits for clients/staff, laptops for storage, gift cards, staff uniforms, etc.)
- » Marketing materials not otherwise related to ECM/Community Supports
- » Memberships and subscription costs not related to ECM/Community Supports
- » Patent costs
- » Organizational or Business-related Insurance (e.g., liability, property, etc.)
- » Incentives (e.g., gift cards, bonuses, stipends, etc.)
  - o Taxi/Ride-Share services for staff
- » Organizational business cards
- » Employee background and drug tests
- » Staff or Member/Patient Parking expenses
- » Non-essential office equipment (e. g., flowers, artwork, etc.)
- » IT infrastructure upgrades or enhancements that do not directly support organizational data needs for CalAIM
- » Clinical health screenings
- » Banking and payroll fees

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[2] Start-up costs for projects are allowable, but not supplies that would be considered ongoing. For example, if you are in need of an additional office space due to expanding your staff, CITED would be able to pay that start-up cost of finding and leasing that office, but we would expect that the Applicant have a sustainability plan to be able to pay for ongoing costs after 12 months of support.

k. Recommendations for Reasonableness

In addition to ensuring that salary requests are not more than 90% of the mean salary for the county, items requested should be allowable and reasonable. See table below for examples of reasonableness guidelines for frequently requested items.

Item	Reasonable	Unreasonable
Laptops	$1,500 per new staff you are looking to hire with CITED funding	$2,000 for 5 new laptops to replace "old" laptops
Smartphones	$500 per new front-line staff you are looking to hire with CITED funding	$1,000 per new front-line staff, in addition to tablets
Tablet	$500 for 3 tablets for staff to use when they are in the field	$1,000 for one tablet computer, in addition to a laptop
Monitor	$250 per monitor per new staff and workstation set-up	$500 per monitor per workstation set-up
Office Chair	$250 for each new chair per new staff and workstation set-up	$600 for each new chair per new staff and workstation set-up
Headset	$50 for each headset per new staff	$200 for each headset per new staff
Desk	$500 for each new workstation set-up	$1000 for each workstation
Docking Station	$150 for each new workstation set-up	$600 for each docking station per existing staff member
Fringe Benefits for Personnel	40% of the requested salary amount	60% of the requested salary amount

l. Attestations and Certifications

Applicants must fully review their application, including the attestations and certifications, and must be electronically signed by each Applicant organization's authorized signatory to be considered complete.

III. Role of the Third-Party Administrator (TPA)

DHCS contracted with Public Consulting Group (PCG) as the Third-Party Administrator (TPA) to support the administration and management of the CITED initiative. The TPA serves the following CITED responsibilities:

» Designing and reviewing applications and funding requests. The TPA develops a standardized CITED application and reviews all applications submitted. The TPA assesses the strength of applications using a standardized rubric and the criteria established by DHCS. Based on those assessments the TPA recommends to DHCS which applications should receive CITED funding. **DHCS ultimately determines which applications will be funded**.

» Marketing the opportunity to apply for CITED funds. The TPA is responsible for coordinating with DHCS to market and publicizing the opportunity and application process for CITED funds. This may be accomplished through the use of existing channels (e.g., the CalAIM or TA Marketplace websites) or through the creation of new channels focused solely on CITED funding.

» Maintaining public-facing documentation. The TPA makes information on approved CITED applications publicly available.

» Collecting and reviewing progress reports. The TPA is responsible for collecting quarterly progress reports from approved entities and submitting them to DHCS. Progress reports are expected to include activities that have been carried out under the terms of the grant and any required performance metrics.

» Serving as the fiscal administrator. Funding is disbursed as awardees report their milestones as complete in their quarterly progress reports. Funding is made available upon achievement of milestones . Funds will be disbursed within 45 days following receipt and approval of Applicant's CITED Progress Report, provided Applicant has submitted all required information, forms, and documentation, including Applicant's signature on this Acknowledgement, required to facilitate payment.

» Troubleshooting issues as they arise. The TPA is responsible for troubleshooting issues as they arise. If the issue cannot be resolved with the TPA it is elevated to DHCS. Resolution times may vary based on the complexity of the issue and the level of escalation.

» Reporting on best practices and use of CITED funds. The TPA is responsible for sharing best practices from the administration of the CITED program with DHCS and interested stakeholders.

IV. Initiative Oversight

DHCS is committed to the robust oversight of all PATH initiatives and programs, including the CITED initiative. **CITED funds cannot be used to support infrastructure**

and capacity that are duplicative of other sources of PATH funding, or other federal, state, or local funding sources. CITED funds also cannot be used to supplant funding from other federal, state, or local programs. Other Federal, state or local funding sources and programs that are complementary to or enhance PATH funds will not be considered supplanted by PATH funds or duplicate reimbursement. In addition, CITED funds may complement but should not duplicate funding received from MCPs via IPP or reimbursement for ECM / Community Supports. CITED funds must not cover financial losses incurred due to negotiated reimbursement rates with MCPs or other entities for the provision of ECM and Community Supports. **When Applicants apply for CITED funding, they must attest they will not use CITED funding to duplicate or supplant other funding sources or programs.** Funding recipients must also attest to non-duplication and supplantation on an ongoing basis as part of regular progress reports submitted to the PATH TPA and/or DHCS. Further, applicants must explain how CITED funding will complement and enhance but not duplicate other federal, state and local programs in the CITED applications and regular progress reports. DHCS or the PATH TPA may conduct spot audits as needed to ensure that CITED funds are being used and reported appropriately.

1. Application Review Process

Applications are reviewed and approved during specified "application windows," outlined by CITED application rounds. Entities may apply for funding during multiple open application rounds. If Applicants do not receive an award during one round, they may apply in a subsequent round.

During each application window, Applications are reviewed according to criteria by the TPA and DHCS. The TPA or DHCS may reach out for clarifying information, additional information, or the removal of items deemed unallowable, via a revision request from Grants Connect. The receipt and response to a revision request does not guarantee selection for funding. Moreover, revisions do not open the application to request new funding items or adjustments to project scope. Applicants may also be required to participate in interviews with DHCS prior to approval of funding. Participation in an interview does not guarantee selection for funding.

DHCS will ultimately determine which applications are approved. Criteria for evaluation may include but are not necessarily limited to:

- » Clearly defined justification and statement of need for CITED funding that aligns with CalAIM goals;
- » Description of how CITED funds will be used with a budget detailing specific information (i.e., FTEs, hire justification, salary amount, etc.) and the reasonableness of the funding amount requested;
- » How the Applicant intends to coordinate with MCPs and other stakeholders to ensure alignment and avoid duplication of funds;

» Approach to sustainability, including a sustainability plan for activities/items/staff post CITED funding;

» Whether the grant will expand Member access to ECM and Community Supports proportionally to other approved CITED grants;

» Whether the grant will potentially help address gaps in uptake of Community Supports or ECM identified through the MCP submissions, including but not limited to Models of Care, Quarterly Implementation Monitoring Reports, Monthly JSON Utilization and Monitoring Reports;

» Whether the grant addresses gaps/community needs that align with MCP submitted IPP (Incentive Payment Program) Needs Assessments and Gap Filling Plans; though the Collaborative Planning efforts and through other sources (i.e., lessons learned through WPC.);

» Whether the request is otherwise a clear need identified by MCP partners or local collaboratives ;

» Whether the components of the funding request are likely to be completed within the timeframes set forth in the application;

» Whether the components of the funding request meet Round 3 priorities;

» Assessment of the grant in the context of county-level allocations and funding to date;

» Whether the applicant has had low performance regarding activities previously funded under CITED:

» Whether the Applicant meets the priorities identified for the application window; and,

» Alignment with county level allocation targets, as appropriate.[3]

Once DHCS and the TPA have reviewed all applications, and received DHCS leadership approval, the Applicant will be notified of the final decision. Decisions can result in the full approval, partial approval, or denial of an applicant's funding request.

2. Progress Reporting and Funding Disbursement

Awardees are responsible for submitting quarterly progress reports to the TPA. In the Quarter 1 progress report, awardees must outline the completed milestones from their application. Awardees will also be responsible for submitting a final "close-out" which must be completed in the quarter following the completion of all milestones or all

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[3] DHCS defines target allocation amounts for each county for each application window of CITED. These targets encourage an equitable distribution of PATH funding for entities across the state. These targets are primarily used by DHCS to identify parts of the state that may be under-applying for PATH funding, and these targets are not hard caps on the amount of funding that can be distributed to entities in a particular county. Allocations are based on a variety of factors assessed at the county level, including Medicaid enrollment, managed care plan revenue, and measures of housing access. Non-WPC counties receive an upward allocation adjustment to account for historical administrative and delivery system infrastructure funding provided to WPC counties. Multi-county funding requests proportionally count towards the target allocation amounts. The TPA is responsible for monitoring the amount of funding administered to each county and proactively supporting entities in counties that are not on track to hit target allocations.

funding is spent. The TPA may request additional information from awardees outside of the quarterly progress report and final close-out report. Awardees must maintain detailed documentation on expenditures to support quarterly progress report funding requests, subject to DHCS request. Progress reports will include the following at a minimum, in addition to other information requested by DHCS:

- » Narrative description of completed milestones, as defined in the Applicant's application, during the reporting period, including successes and lessons learned;
- » Rationale and documentation to support the funding requested for each completed milestone;
- » Reporting to inform progress towards milestones listed in the application that are anticipated to be completed in a future quarter;
- » Summary of any deviation from the original submitted budget plans;
- » Description of activities/milestones that were not completed as expected during the reporting period, an explanation indicating why they were not completed, and when the organization anticipates the milestone to be completed;
- » Requests to modify activities/milestones and the budget, as needed, including the rationale for modification;
- » Attestation of non-supplantation of CITED funding with other federal, state and local funds on an ongoing basis, and how PATH funds complement or enhance existing programs but does not supplant existing funding; and
- » Attestation of non-duplication of CITED funding with other federal, state and local funds on an ongoing basis

As part of the progress reporting process, awardees are required to define and confirm interim and final milestones. Awardees are responsible for submitting quarterly progress reports to the TPA, until the final project milestones are met. Awardees who fail to submit progress reports or adequately document progress towards funding milestones may be precluded from receiving additional PATH funding. The TPA will distribute funding to awardees following achievement of the milestones described in the quarterly progress reports.

Please note: Awardees will be required to include an executed contract for the provision of ECM and/or Community Support services, if one was not provided during the application period. 5% of awarded funding will be withheld until the awardee is able to provide the required documentation.

3. Auditing and Recoupment
DHCS or the TPA, as appropriate, may perform spot check audits of CITED funding disbursements. DHCS and the TPA may utilize a Corrective Action Plan process for CITED funding recipients who are not meeting progress reporting or other requirements for receipt of PATH CITED funding.

Funding recipients may submit a final progress report indicating that not all received funds were spent during the project period. DHCS and the TPA will consider two possible scenarios if funding recipients do not spend all funds received for any reason, including:

» The entity may voluntarily return unused funds to DHCS; or
» The entity is unresponsive to requests from DHCS or the TPA and will not return unused funds to DHCS or respond to the request for funding to be applied to different allowable uses, in which case DHCS will seek an audit and possible recoupment of unused funds.

DHCS will only seek to audit entities and recoup funds in instances where:

» DHCS or the TPA reasonably believes potential, fraud, waste, or abuse;
» DHCS or the TPA reasonably believes that funding was spent on unallowable uses of funds;
» DHCS or the TPA reasonably believes that funding received by the entity may be duplicative with other funding sources;
» Funding recipient becomes ineligible to be a provider of ECM or Community Supports;
» Funding recipient reports using funding on an item or activity that was not documented in their approved grant application without seeking prior approval from DHCS;
» Funding recipient reports significant deviations (as determined by DHCS) in how funding was applied to various approved funding uses relative to what was described in their original budget template; and,
» Funding recipient did not spend all funds received and will not voluntarily return unused funds to DHCS or request for unused funds to be applied to other allowable uses

If you have questions regarding the PATH CITED initiative, please email cited@ca-path.com.

Appendix

Round 3 Application Window

Activity	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9
Updated Guidance Released	■								
Round Application Window Opened	■								
Round Application Review and Approval Period		■	■	■	■	■	■	■	
Round Application Announcement & Terms and Conditions Acceptance									■

» Round 3 Application window is from January 15, 2024 through February 15, 2024
» Exact dates for future activities will be announced when known. This includes, but is not limited to application notifications, progress reporting periods for each round, and future CITED application rounds.

Frequently Asked Questions (FAQs)

1. **What is CITED?**

The PATH CITED initiative provides funding to enable the transition, expansion and development of Enhanced Care Management (ECM) and Community Supports capacity and infrastructure.

CITED Applicants may coordinate applications with local organizations they contract with or intend to contract with to provide ECM and/or Community Supports services. Applicants who wish to receive CITED funding must submit an application and funding request to Public Consulting Group, DHCS' Third-Party Administrator (TPA), indicating how they intend to use CITED funding. Public Consulting Group will support the administration and management of the CITED initiative.

2. **Who is eligible for CITED funding?**

Applicants that receive CITED funding must be actively contracted to provide ECM/Community Supports or have a signed attestation from an Medi-Cal Managed Care Plan (MCP) or other entity that they intend to contract with to provide ECM/Community Supports in a timely manner. MCPs are not eligible to receive CITED funding.
Applicants may include, but are not limited to:
   a. Community Based Organization (CBO)
   b. County, City, or Local Government Agency
   c. Federally Qualified Health Center (FQHC)
   d. Medi-Cal Tribal and Designee of Indian Health Program
   e. Providers (including but not limited to hospitals and provider organizations)
   f. Others as approved by DHCS

3. **What does it mean to be "actively contracted to provide ECM and/or Community Supports"?**

The eligibility criteria for being actively contracted to provide ECM/Community Supports means that the entity is in the process of negotiating a contract as an ECM and/or Community Supports provider with the managed care plan. Or the potential Applicant has an executed contract to provide ECM/Community Support with the managed care plan.

4. Can I add multiple users to my application?

Applicants will be given the option in GrantsConnect to add additional people or additional accounts to their application. A detailed guide on adding additional users to an application can be seen here..

5. Do we need to attach all contracts with all MCPs? Do we need to attach the full MCP contract?

The minimum requirement for eligibility is that **one executed contract is uploaded**. Only the signature page(s) of the contract is required. However, we recommend that contracts for all counties that you are requesting funding for are included, and it can clearly be seen that the contract is for Enhanced Care Management and/or Community Supports.

6. Besides the executed contract, are there other documents that Applicants are required to submit?

No, however applicants are **required to attest that they will not use CITED funding to duplicate or supplant other funding sources or programs** (e.g., CalAIM Incentive Payment Program [IPP], MCP reimbursement, or other state/local funds). Awarded recipients are also required to attest to non-duplication and supplantation on an ongoing basis as part of regular progress reports submitted to DHCS. As part of their applications, entities must describe how they intend to coordinate with MCPs to ensure alignment and avoid duplication of funding, and what (if any), other funding sources they have received for their funding request.

7. What are allowable uses of funding?

All funding requests included in an applicant's budget must align with one of the four Allowable Use Categories, with the intent to support transition, expansion, development, and deliver and/or bolster capacity to support ECM/Community Support services. For more information regarding the instructions and layout of the budget template, please see the [CITED Sample Budget Spreadsheet](#).

8. Once I submit my application, will I be able to revise it?

If the request to reopen a submitted application is received 48 hours prior to the deadline of the application, the TPA will re-open the application upon written request.

Revised applications may be allowed during the review process, after the application window period has closed, at the discretion of DHCS.

9. Can I withdraw my application after submission?

During the open application and review windows, Applicants will be able to withdraw their application. The contact person listed on the application must immediately reach out to mailto:cited@ca-path.com and request in writing the withdrawal of their application.

10. Are applications reviewed as they are submitted? Will we be notified of the decision earlier if we submit earlier?

The CITED Round 3 Application window will be open from January 15, 2024, to February 15, 2024. Following the application window, the TPA and DHCS will review and score all submitted applications. Award decisions will be sent out to all applicants in Fall 2024, regardless of when their application was submitted during the application window.

11. Is there a limit to how much an entity can request?

No one Applicant can receive more than 10% of the total CITED funding allocated for a particular round, and Applicants are limited to receiving no more than $25 million in CITED funding across all rounds. DHCS may modify these caps at its own discretion.

12. Will funding awarded be all or nothing? Or could a portion of the amount requested be awarded?

DHCS and its contracted TPA reserve the right to make partial awards for CITED funding requests.

13. I was awarded, how do I request funding?

Awardees must submit quarterly progress reports to the TPA, in which they will create milestones that will be completed throughout the duration of their project. Awardees will request funding during each progress reporting period by reporting on completed milestones and providing supporting documentation that outlines the costs of each activity. For more information about progress reports, please refer to the [Progress Report Guidance Document](#).

14. Is CITED federal or state funds? If they are federal funds, what is the Catalog of Federal Domestic Assistance (CFDA) number?

California's Section 1115 waiver approved by the Centers for Medicare & Medicaid Services (CMS) authorized Providing Access and Transforming Health (PATH) initiative to maintain, build, and scale services, capacity and infrastructure necessary to ensure successful implementation of CalAIM. The CFDA number for this fund is 93.778.

15. What are Bold Goals?

According to DHCS' Comprehensive Quality Strategy 2022, Bold Goals are as follows:

» Close racial/ethnic disparities in well child visits and immunizations by 50%
» Close maternity care disparity for Black and Native American persons by 50%
» Improve maternal and adolescent depression screening by 50%
» Improve follow up for mental health and substance use disorder by 50%
» Ensure all health plans exceed the 50th percentile for all children's preventative care measures.

16. Training is mentioned as both an allowable use category and an indirect cost. Should we consider training as allowable or indirect?

If training is specifically to ECM and/or Community Support, that training would be part of the allowable use category. If the training is general training, such HR required trainings, then that would be considered an indirect cost.

17. How do we know what a reasonable salary range for a position is? Or What is reasonable for salary ranges?

Reasonable salary ranges are defined as no more than 80-90% of the top of the salary range for the position in the county served. General salary ranges can be found on websites such as salary.com, ziprecruiter.com, indeed.com, governmentjobs.com, etc.

18. **What are IT infrastructure upgrades or enhancements that would be unallowable?**

IT infrastructure upgrades or enhancements do not directly support organizational data needs for CalAIM. For example, general IT software, such as Adobe Pro upgrades, ArcGIS, etc. would be considered unallowable.

19. **Banking and payroll fees are listed as unallowable but are necessary to hire new staff. Am I not allowed to include these costs in my request?**

Banking and payroll fees are considered unallowable and should not be included as a distinct request. However, Applicants are allowed up to 5% of their total request to go to indirect costs. If you are requesting to hire new staff, the 5% indirect cost request may be used to cover banking and payroll fees.

20. **What is considered ongoing costs vs. start-up costs for supplies or equipment?**

Regular ongoing costs are things that would be requested and used regularly. For example, cleaning supplies, pens, paper, staples, etc. would be considered supplies that are part of regular ongoing costs. These items can be included in the allowable 5% indirect cost.

Start-up costs are items that are needed to start services, and are generally one-time costs. For example, you require a new office for new expanding staff. Thus, you would also require office furniture such as desks and office chairs.

- » **Regular Ongoing Business Costs:** Regular ongoing business costs, also known as operating expenses, are the costs necessary for the day-to-day maintenance and administration of a business. These items may be included in the allowable 5% indirect cost. These can include:
- » Office Supplies (Copy Paper, Pens, Staples, etc.)
- » Cleaning Supplies
- » Replacement of IT Equipment for existing staff
- » Maintenance and repairs

Start-Up Costs: Start-up costs are the expenses incurred during the process of implementing a new ECM or Community Support service. Start-up costs can include:

- » Rent for Office Space for new staff (12-month limit in most cases)
- » Office furniture for new staff (Desks, office chairs, etc.) that is required to perform their duties.
- » Vehicle(s) for staff to access the community.
- » IT Equipment for new positions that is required to perform their duties.

In summary, start-up costs are one-time expenses required to launch a service, while regular ongoing business costs are recurring expenses necessary for the continued functioning of an established service.