

DHCS County Housing Office Hours

Monday, February 23, 2026

12:00 – 1:00 PM

Welcome and Purpose

Office Hour Dates

DHCS is hosting three Office Hour Sessions in Q1 2026 to communicate DHCS County Housing policy clarifications and new policy, where applicable. **The next Office Hours Session is on Monday, March 23.**

- » **January:** Friday, 1/30 from 2-3:30pm PT
 - Presentation available on [BHT Resources](#) webpage
- » **February:** Monday, 2/23 from 12-1pm PT
- » **March:** Monday, 3/23 from 12-1pm PT

» Recommended Office Hour Attendees:

- County Behavioral Health Directors
 - County staff working on housing-related issues
 - In cases where another county entity serves as the contracted Transitional Rent Provider, Community Supports Provider, or is otherwise involved, those representatives are also encouraged to attend.
- » The information presented during Office Hours will be subsequently published in the [BHSA Housing Interventions Policy and Implementation Frequently Asked Questions](#) (FAQ). Relevant information will also be communicated with Medi-Cal MCPs.

DHCS Technical Assistance Resource: BHSA Housing Interventions Policy & Implementation FAQ *(Updated December 2025)*

- » In December 2025, DHCS published a revised a version of the BHSA Housing Interventions Policy and Implementation [Frequently Asked Questions](#) (FAQ).
- » The update expands the FAQ to include
 - Questions DHCS has received about BHSA Housing Interventions more broadly
 - Guidance for integrating Medi-Cal in the transition from existing programs (e.g., Mental Health Services Act and Behavioral Health Bridge Housing).



The FAQ is posted online on the DHCS Behavioral Health Transformation [Resources](#) tab and on the [Housing for Health](#) webpage.

DHCS CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES
BHSA HOUSING INTERVENTIONS POLICY AND IMPLEMENTATION
Frequently Asked Questions (FAQ)

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Updated December 2025 | 1

Recap: Implementation of New Housing Services

Transitional Rent (Medi-Cal Community Support)

- » Covered by Medi-Cal Managed Care Plans (MCPs)
- » **NOW LIVE:** Effective 1/1/26 for the Behavioral Health Population of Focus (POF)
- » Includes coverage of **up to six months** of rental assistance

For more information see [Community Supports Policy Guide Volume 2](#)



Behavioral Health Services Act (BHSA) Housing Interventions

- » Administered by County Behavioral Health Agencies (Counties)
- » Effective 7/1/26
- » Counties are required to spend 30 percent of their BHSA funds on housing interventions for BHSA-eligible individuals at risk of or experiencing homelessness¹

For more information see [BHSA Policy Manual Section 7.C Housing Interventions](#)

¹ Counties with populations under 200,000 may request an exemption to the 30% Housing Intervention Component Allocation.

DHCS encourages coordination and collaboration between counties and MCPs to ensure eligible Medi-Cal Members have access to this Medi-Cal benefit and BHSA Housing Interventions.

Today's Agenda

- 1. Clarification on what Transitional Rent payments cover in interim settings**
- 2. Other policy clarifications and reminders**
 - » Differences in Medi-Cal and BHBH/BHSA rates
 - » Enhanced Care Management (ECM) and Transitional Rent
- 3. Q&A**

1. What Transitional Rent Covers



What Transitional Rent Covers

Questions Received:

What can Transitional Rent payments cover in permanent and interim settings?

Can BHSA, BHBH, or other funding sources be used to cover the components of interim settings that Transitional Rent does not cover?

See next slides on clarification on interim settings, as well as reiteration on what Transitional Rent covers in permanent settings

Reminder: Transitional Rent Allowable Settings

Transitional Rent includes both interim and permanent settings; MCPs must offer both 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.**

What Does Transitional Rent Cover in Permanent Settings?

DHCS Policy

- » The Transitional Rent payment for permanent settings is designed to cover the full cost of rent.
- » **Transitional Rent may only be used to cover rental assistance costs**, which in addition to the cost of rent or temporary housing, may include storage fees, amenity fees, and landlord-paid utilities that are charged as part of the rent payment.

What Does Transitional Rent Cover in Interim Settings? (1/2)

Policy Clarification

- » DHCS recognizes that county agencies and other housing providers typically pay for interim settings using a bundled, per-diem rate approach that, in addition to including the cost of housing the Member, may also include case management services, meals, and other operating expenses.
- » In alignment with the Community Supports Policy Guide, **Transitional Rent can only cover the cost of housing the Member** in the interim setting.
 - Food is not coverable under Transitional Rent.
 - Supportive services are not coverable under Transitional Rent and, in many cases, are separately billable Medi-Cal services (e.g., Housing Tenancy Navigation Services (HTNS), Enhanced Care Management (ECM), others).

MCPs are encouraged to build out networks with housing providers whose cost of housing the Member are at or below the Transitional Rent reimbursable ceiling.

Note: This clarification does not apply to commercial hotels/motels. For those settings, like permanent settings, the Transitional Rent payment is designed to cover the full cost of a hotel/motel room.

What Does Transitional Rent Cover in Interim Settings? (2/2)



Policy Clarification

- » The other cost components of interim settings that are not considered the “cost of housing the Member” are not covered by Transitional Rent, and can be funded by BHSA Housing Interventions, BHBH, or other funding sources (if those costs are not separately billable Medi-Cal services).¹

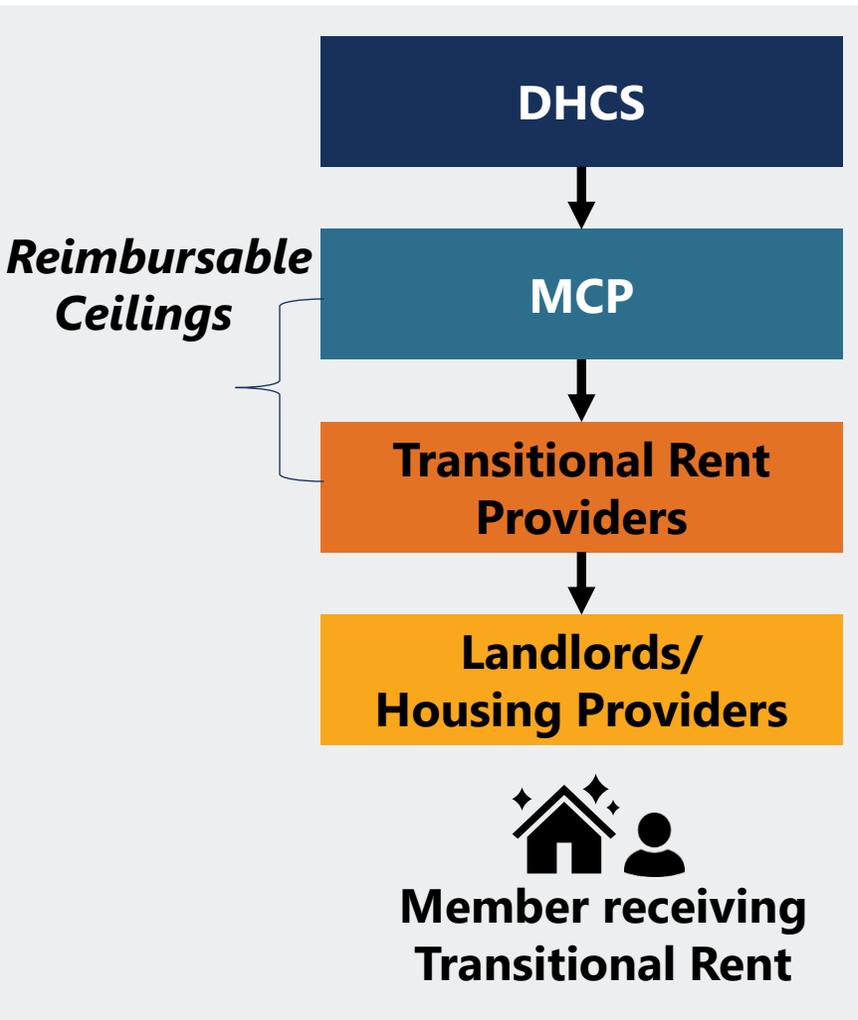
Note: This clarification does not apply to commercial hotels/motels. For those settings, like permanent settings, the Transitional Rent payment is designed to cover the full cost of a hotel/motel room.

¹ As a reminder, per the BHSA Housing Interventions FAQ, Part III, Question 2, “BHSA eligible Medi-Cal members who are receiving Transitional Rent from their MCP can receive simultaneous BHSA Housing Interventions, so long as those services are not covered by the member's Medi-Cal MCP”

Reminder: How Payment Works for Transitional Rent



Background on the Transitional Rent Payment Structure (1/2)



- » DHCS will reimburse MCPs the actual cost of rent or temporary housing (i.e., within interim settings) paid to the landlords or property owners up to a specified reimbursable ceiling.
- » MCPs and Transitional Rent Providers should place Members in settings where the payment provided by the Transitional Rent Provider to the landlord or property owner is sufficient to cover the cost of housing.
- » The reimbursable ceilings are **not** the fixed rates of payment; DHCS expects that actual cost of rent or temporary housing will vary from case to case.
- » MCPs and Transitional Rent Providers must not require Members receiving Transitional Rent to cover a share of the rent.

Background on the Transitional Rent Payment Structure (2/2)

- » DHCS will make non-risk payments to MCPs for Transitional Rent that are separate from, and in addition to, usual capitation payments.
- » DHCS payments to MCPs for Transitional Rent will consist of **two separate components**:

1

Cost of rent or temporary housing

(which may include cost of storage fees, amenity fees, and landlord-paid utilities that are charged as part of the rent payment) up to the applicable reimbursable ceiling.

2

Administrative fee to cover the reasonable costs associated with delivering the Transitional Rent service.

Payment for the Cost of Rent or Temporary Housing

- » The reimbursable ceilings have been designed to reflect local rental or occupancy costs of permanent and interim settings across California.
- » They are tied to a percentage of the U.S. Housing and Urban Development (HUD) Small Area Fair Market Rents (SAFMR). DHCS has chosen to establish the reimbursable ceiling above SAFMR.
- » **The reimbursable ceilings are not the fixed rates of payment.**
- » DHCS expects that actual rent or temporary housing costs will vary from case to case.

What is SAFMR?

- SAFMRs serve as a basis for establishing payment standards for HUD administered voucher programs.
- SAFMR established at the zip code level and vary by unit size.
- Designed to allow access to housing in higher-opportunity areas.
- HUD updates SAFMR annually.

Reimbursable Ceiling for Permanent Settings

Permanent Settings	<u>Per-Month</u> Reimbursable Ceiling
Allowable permanent setting (not single room occupancy (SRO) unit)	110% of SAFMR for the applicable unit size (i.e., efficiency, one-bedroom, two-bedroom, three-bedroom, or four-bedroom)
Allowable permanent setting meeting the definition of an SRO unit ¹	82.5% of SAFMR for an efficiency unit ²
Shared housing—where two or more people live in one rental unit	Prorated share of 110% of SAFMR for the applicable unit size, with the share determined by the number of bedrooms occupied by the Member’s household relative to the total bedrooms in the unit
Payments can be made on a per-diem basis. The per-diem reimbursable ceiling for a given setting is equal to the monthly rate divided by 28. Per-diem payments will be reserved for stays of less than a full month.	

¹ As defined in [24 CFR section 982.4\(b\)](#), an SRO is a “unit that contains no sanitary facilities or food preparation facilities [for the exclusive use of the occupant], or contains either, but not both, types of facilities.”

² HUD defines SROs as a “special housing type” and sets the payment standard at 75% of the efficiency unit payment standard (see [24 CFR section 982.604](#)). The reimbursable ceiling of 82.5% of SAFMR reflects the application to HUD’s SRO methodology (i.e., $75\% \times 110\% = 82.5\%$).

Reimbursable Ceiling for Interim Settings

Interim Settings	<u>Per-Month Reimbursable Ceiling</u>
Allowable interim setting when Member has their own room (including converted hotels/motels now serving individuals experiencing homelessness)	110% of SAFMR for the applicable unit size
Interim setting with a small number of individuals per room	Prorated share of 110% of SAFMR for an efficiency unit, with the share determined by the number of beds in the room occupied by the Member's household relative to the total number of beds in the room
Hotels/motels (i.e., commercial lodging) when serving as the Member's primary residence	150% of SAFMR for an efficiency unit
Payments can be made on a per-diem basis. The per-diem reimbursable ceiling for a given setting is equal to the monthly rate divided by 28. Per-diem payments will be reserved for stays of less than a full month.	

2. Other Policy Clarifications and Reminders



Differences in Medi-Cal and BHBH/BHSA Rates (1/2)

Question Received:

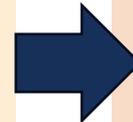
Can counties use BHBH/BHSA to fund the difference in rates between Medi-Cal and BHBH/BHSA for supportive services (e.g., Housing Navigation and Housing Deposits)?

See next slide for clarification

Differences in Medi-Cal and BHBH/BHSA Rates (2/2)

DHCS Policy

- » Counties **may not use** BHSA Housing Interventions to fund Housing-Related Community Supports for a Medi-Cal member who is eligible to **receive the same service** through their MCP ([W&I Code Section 5830\(c\)\(2\)](#)).
- » BHSA Housing Interventions **can fund additional services** that are **not covered** by Medi-Cal and may be provided concurrently to a Medi-Cal member who is receiving services from their MCP (see [BHSA FAQ Section 1, Part III Question 2](#) for more details).
- » BHBH/BHSA funds **cannot be used** to “**top off**” or supplement the Medi-Cal reimbursement rate (see [BHSA FAQ Section 1, Part III Question 4](#) for more details).



Policy Clarification

- » Counties cannot use BHBH/BHSA to supplement the rates for Medi-Cal services. For individuals eligible to receive the service from their MCP, counties can use BHBH/BHSA to pay for supportive services if the services are **different from** the Medi-Cal covered services.
- » **Example:** A Medi-Cal Member receiving Medi-Cal Housing Deposits can also receive BHSA or BHBH covered tenant-paid utilities.

ECM and Transitional Rent (1/2)

Question Received:

Are all Medi-Cal Members receiving Transitional Rent eligible for ECM? Are they required to receive ECM?

See next slide for clarification

ECM and Transitional Rent (2/2)

DHCS Policy

- » DHCS expects MCPs to make robust efforts to provide applicable Housing Trio services and ECM to all Medi-Cal Members receiving Transitional Rent.
- » All Medi-Cal Members who are eligible for Transitional Rent are eligible to receive ECM.
- » **However, a Medi-Cal Member does not need to be receiving ECM in order to receive Transitional Rent;** the Medi-Cal Member has the right to decline to engage in or continue ECM at any time.

Questions?



Additional Resources



» Resources

- [BHSA Policy Manual Section 7.C. Housing Interventions Volume 3](#)
- [Community Supports Policy Guide Volume 2](#)
- [Housing for Health](#)
 - DHCS strategies to assist members experiencing Homelessness
- [Behavioral Health Transformation](#)
 - Discover additional information and access resources
 - Sign up on the DHCS [website](#) to receive monthly Behavioral Health Transformation updates



» Questions and Feedback

- Please send any other questions or feedback about Behavioral Health Transformation to BHTInfo@dhcs.ca.gov and/or about Transitional Rent to CaAIMECMILOS@dhcs.ca.gov
- Stay tuned for further updates!