



CALIFORNIA
HEALTH
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2021-2022 State Budget Package: Housing and Behavioral Health Funding – Opportunities for Reentry & Justice-Involved Individuals

September 2021

The newly enacted 2021-2022 State budget and spending package has several significant funding opportunities that can be leveraged to help individuals who are justice-involved, experiencing homelessness, and have behavioral health needs. This document provides a high-level overview of over \$12 billion in new program initiatives and investments. In addition to the state budget documents this summary includes new program initiatives as part of the state's Home and Community-based Services (HCBS) Waiver spending plans, submitted to the federal government for approval on July 12, 2021.

The following chart is roughly sorted by the lead department in charge of the program described in the Budget.

Lead Department(s)	Funding Opportunity	Amount	Source	Brief Description
Department of Health Care Services (DHCS)	CalAIM	\$1.6 billion per year 2021-22 and 2022-23 \$1.5 billion per year 2023-24 \$900 million 2024-25 and on-going	Enacted budget	CalAIM is the Governor’s re-envisioning of Medi-Cal to provide funding through Medi-Cal managed care plans for enhanced care management (ECM) and new “in lieu of services” (ILOS) that address social determinants of health (e.g., housing). Mandatory populations of focus include people transitioning from incarceration, chronic homeless, and serious behavioral health needs. CalAIM also includes funding for incentive payments to Medi-Cal managed care plans to build capacity and workforce. (See CalHPS policy brief for more.)
DHCS, with Department of Social Services and (DSS) and Office of State Health Planning & Development (OSHPD)	Medi-Cal PATH (Providing Access and Transforming Health)	\$200 million (one-time)	Enacted budget and AB 133 (2021)	This Budget item offers incentive payments to Medi-Cal managed care plans to build capacity for effective pre-release care for justice-involved populations to enable coordination with justice agencies and Medi-Cal coverage of services for up to 90 days prior to release.
DHCS, with DSS and OSHPD	Workforce: PATH Funds for Homeless & HCBS Providers	\$100 million (one-time)	HCBS Spending Plan	PATH funds will create over 2,000 direct service jobs through investments in DSS programs that provide services to homeless and formerly homeless individuals. This program will help develop the workforce that is experienced and expertise in working with people living with disability and homelessness. Funds will also support CalAIM capacity building for ECM and ILOS providers.

Lead Department(s)	Funding Opportunity	Amount	Source	Brief Description
DHCS, with DSS	Community Based Residential Continuum Pilots for Vulnerable Aging and Disabled Populations	\$298 million (one-time)	HCBS Spending Plan	<p>This program will provide medical and supportive services in home and community care settings (e.g., home, ARFs, RCFEs) to avoid unnecessary healthcare costs, including emergency services and future long-term care placement in a nursing home.</p> <p>For the Prison, Jail, and Juvenile Justice Re-entry and Diversion Populations, this program will establish residential or board and care settings where medical, behavioral, and social services are available or on-site, as re-entry hubs for this population. After a period and completing job training, housing search and rental assistance will be provided. After a further period if stably employed, participants will be provided with a housing acquisition package (about \$1000/month stipend for up to 9-12 months).</p>
DHCS	Behavioral Health Continuum Infrastructure Program (BHCIP)	\$2.455 billion (TF, over 2 years)	Enacted budget and AB 133 (2021)	The BHCIP provides funding to the DHCS to provide competitive grants for counties, tribes, or providers to construct, acquire, and rehabilitate real estate assets to expand the community continuum of behavioral health treatment resources. Funding could be used on a variety of facility types and be used for both mental health and substance use disorder treatment facilities. Entities are required to provide matching funds or real property.

Lead Department(s)	Funding Opportunity	Amount	Source	Brief Description
DHCS	Housing and Homelessness Incentive Program	\$1.3 billion (one-time)	HCBS Spending Plan	This program makes it so Medi-Cal managed care plans would be able to earn incentive funds for making investments and progress in addressing homelessness and keeping people housed. The target population includes individuals reentering from incarceration, homeless adults, and individuals deemed incompetent to stand trial (IST). 85% of the funds must go to beneficiaries, providers, and/or counties.
DHCS	Contingency Management Pilot -- Treatment for Stimulant Use Disorder	\$58.5 million (one-time)	HCBS Spending Plan	Unlike alcohol and opioid addiction, there are no medications that work for stimulant use disorder. This program will allow DHCS to offer contingency management via a pilot, as it is the only treatment repeatedly shown in studies to work for stimulant use disorder. Tentatively, the pilot will start in January 2022 and continue through March 2024.
DHCS	Community Health Workers Medi-Cal Inclusion	\$16.3 million (on-going, \$201 million by 2026)	Enacted budget	This budget action adds community health workers (CHWs) to the class of health workers who can provide benefits and services to Medi-Cal beneficiaries. CHWs, especially those with lived experiences of homelessness and/or incarceration have been proven to be especially helpful.

Lead Department(s)	Funding Opportunity	Amount	Source	Brief Description
DSS	Housing and Disability Advocacy program (HDAP)	\$300 million (TF, over 2 years) \$25 million (on-going)	Enacted budget	Funding to support the HDAP program to better reach and house individuals with disabilities who are eligible for, but not currently receiving, Social Security Income (SSI)/State Supplementary Payment (SSP) through benefits advocacy and housing assistance.
Homeless Coordinating and Financing Council (HCFC)	Homeless Housing, Assistance, and Prevention (HHAP) program Expansion	\$2 billion (TF, over 2 years)	Enacted budget floor report	Flexible funding to support local governments (Continuums of Care and cities) address homelessness. This budget commitment expands the existing HHAP program. Local governments will be required to develop and submit local homeless action plans and the HHAP program aims to close persistently unequal demographic gaps for populations disproportionately likely to experience homelessness.
Department of Housing & Community Development (DHCD)	Project Homekey	\$2.75 billion (TF, over 2 years)	Enacted budget	Continued funding to the DHCD to provide competitive grants to local governments to acquire or renovate hotels, motels, and other properties for conversion to non-congregant, interim or permanent long-term housing for individuals experiencing homelessness.

Lead Department(s)	Funding Opportunity	Amount	Source	Brief Description
Board of State & Community Corrections (BSCC)	Expanding Adult Reentry Grant (ARG) Program	\$30 million (one-time) \$37 million (on-going)	Enacted budget	Additional General Fund support for the Adult Reentry Grant program run by the Board of State and Community Corrections (BSCC). These funds help organizations provide rental assistance, “warm handoff,” and reentry services for individuals released from state prisons. These grants can fund a variety of rental assistance such as flexible subsidies, security deposits, or emergency flex stipends. These rental assistance initiatives can help people reentering society access necessary care and avoid homelessness.

Funding Summary (Dollars in Millions, Rounded)

Program	2021-22	2022-23	Two-year total
CalAIM	1,600	1,600	3,200
Medi-Cal PATH (Providing Access and Transforming Health)	200		200
Workforce: PATH Funds for Homeless & HCBS Providers	100		100
Community Based Residential Continuum Pilots for Vulnerable Aging and Disabled Populations	298		298
Behavioral Health Continuum Infrastructure Program (BHCIP)	755	1,400	2,155
Housing and Homelessness Incentive Program	1,300		1,300
Contingency Management Pilot	58		58
Community Health Workers Medi-Cal Inclusion	16		16
Housing and Disability Advocacy program (HDAP)	150		150
Homeless Housing, Assistance, and Prevention (HHAP) program Expansion	1,000	1,000	2,000
Project Homekey	1,450	1,300	2,750
Adult Reentry Grant (ARG) Program Expansion	30		30
Total	6,957	5,300	12,257

Note: Totals may not add due to round. Figures also may not match figures listed above because of rounding.

Prepared by David Panush,
California Health Policy Strategies, LLC
d.panush@calhps.com