

ASSEMBLY BILL 74 (CHIU & SANTIAGO)

HOUSING FOR A HEALTHY CALIFORNIA PROGRAM

SUMMARY

AB 74 (Chiu) creates the Housing for a Healthy California Program to pay for the cost of housing homeless individuals on Medi-Cal who receive services through the Whole Person Care pilot program, Health Homes, or some other county controlled funding source. AB 74 would require the Department of Housing and Community Development (HCD) to work with the California Department of Health Care Services (DHCS) to determine changes in health care costs associated with housing and services for individuals that received rental assistance through the program.

BACKGROUND

Homeless Californians incur disproportionate Medi-Cal costs and achieve poor health outcomes. Many experience a combination of chronic medical, mental health, and substance abuse conditions, as well as social determinants that negatively impact their ability to access care.

Homeless frequent users continue to increase their inpatient costs despite high Medi-Cal costs because they cannot obtain sufficient rest, follow a healthy diet, store medications, or regularly attend appointments so long as they are unhoused. Two-thirds of frequent users have both medical and behavioral health conditions, are homeless, and die 30 years younger than average.

In March 2015, the Department of Health Care Services (DHCS) proposed using Medi-Cal to fund services and housing assistance—supportive housing—acknowledging decades of research demonstrating supportive housing decreases Medicaid costs among homeless beneficiaries. The Federal Centers for Medicare & Medicaid Services (CMS) approved use of federal Medicaid dollars to fund services in supportive housing. Though CMS rejected using federal Medicaid dollars to pay for housing, CMS stated the State could use its own State dollars (through Medi-Cal or otherwise) to fund housing subsidies.

In fact, a number of other states and jurisdictions within California, including the State of New York and the County of Los Angeles, pay for housing costs through health systems.

The final 1115 Medicaid Waiver in California includes the Whole Person Care pilot program, which allows counties to tap into federal funds to pay for care management supports, services helping people find housing, and services promoting housing stability.

DHCS is also working to implement a new Health Home Program that would fund services for high-cost homeless beneficiaries.

THE PROBLEM

Homelessness often creates an institutional circuit, where those experiencing it long enough cycle through living on the streets, emergency department visits, inpatient admissions, incarceration, and often nursing home stays. This circuit is expensive to our public systems. Homeless individuals cost our public systems an average of \$2,897 per month, two-thirds incurred through the health system. Half of all homeless people have a history of incarceration. If homeless when discharged from prison or jail, parolees and probationers are seven times more likely to recidivate than people who are housed.

THE SOLUTION

Assembly Bill 74 would complete the “Whole Person Care” nature of the 1115 pilots and the Health Home Program by creating a program which would fund rental subsidies tied to services dollars included in the 1115 Waiver, the Health Home Program, or other county controlled funding sources.

SUPPORT

Corporation for Supportive Housing (co-sponsor)
Housing California (co-sponsor)

FOR MORE INFORMATION

Lisa Engel
Office of Assemblymember David Chiu
Lisa.engel@asm.ca.gov