



April 19, 2019

The Honorable Richard Pan, Chair
Senate Budget Subcommittee No. 3 on Health and Human Services
State Capitol, Room 5019
Sacramento, CA 95814

Subject: Support – State Budget Proposal: \$100M General Fund for Whole Person Care Pilot Programs

Dear Chairman Pan,

On behalf of the members of the California Association of Public Hospitals and Health Systems (CAPH), and the millions of patients they serve, we would like to express our strong support for including the \$100 million (one time; General Fund) in the 2019-20 state budget for Whole Person Care Pilot Programs, for supportive housing and other services. This proposal will be heard in Subcommittee on Thursday, April 25, 2019.

Specifically, this proposal as currently written is intended to allow Whole Person Care Pilots to offer supportive housing, and other services, to persons who are either homeless or are at risk of becoming homeless, with a focus on people with mental illness. Awardees would have until June 30, 2025 to spend the funds. The exact allocation methodology, according to the budget, would be determined by the Department of Health Care Services (DHCS) and consider various factors such as prevalence of homelessness, cost of living, and performance.

As you know, California's 21 public health care systems are the core of the state's health care safety net, delivering high-quality care to all who need it, regardless of ability to pay or insurance status. Most patients seen in public health care systems are either Medi-Cal beneficiaries or uninsured. Public health care systems provide services to more than 2.85 million Californians annually, provide nearly 30 and 40 percent of hospital care to the state's Medi-Cal and uninsured populations, respectively, and provide over 10 million outpatient visits each year. Public health care systems also operate half of the state's top-level trauma and burn centers, and train half of all physicians in the state.

As major providers of care to some of the state's most vulnerable populations, public health care systems are on the frontlines of testing new innovations within Medi-Cal. As part of these efforts, public health care systems have played a leading role in developing and implementing the Whole Person Care Program, which recognizes that the best way to care for people with complex needs is to consider their full spectrum of needs – medical, behavioral, socioeconomic, and beyond. Whole Person Care aims to bridge gaps in care and services by putting in place new systems to coordinate care across providers and deliver services that better address patients' complex medical and social needs.

For people in low-income communities, medical problems can be caused and exacerbated by factors related to poverty such as a lack of safe and stable housing. Many individuals served by the Whole Person Care Program are homeless or unstably housed. Whole Person Care connects clients to critical supportive housing services, such as guidance by housing navigators, assistance with security deposits and move-in fees, and support maintaining relationships with landlords. However, housing has remained an issue for Whole Person Care Pilots,

especially because using Whole Person Care funds for most types of housing interventions is limited or prohibited by the Whole Person Care agreement with the federal government. **Therefore, we strongly support the budget proposal to allocate \$100M in General Fund for Whole Person Care Pilot programs, and recommend some additional flexibilities as described below to ensure that the funding is most effective.**

All Whole Person Care pilots can benefit from and be ready to quickly deploy these funds: Pilots are focusing interventions on populations that lack stable housing. They are deploying a variety of interventions, ranging from creating formal housing funding pools to offering supportive services and other wrap around strategies. All Whole Person Care pilots can benefit from and be ready to quickly deploy these funds.

Create Flexibility in Identifying the Target Population: As part of the original application process, Whole Person Care pilots had to identify a target population of high-risk, high-utilizing Medi-Cal beneficiaries. Target populations may include, but were not limited to, individuals: with repeated incidents of avoidable emergency use, hospital admissions, or nursing facility placement, with two or more chronic conditions, with mental health and/or substance use disorders, who are currently experiencing homelessness, and who are at risk of homelessness. In order to avoid administrative challenges in re-identifying a target population or creating more restrictive parameters that may not entirely overlap with the Whole Person Care target population, we recommend that Whole Person Care pilots be allowed the discretion to identify the population that could most benefit from the state's allocation of housing funds.

Funding Uses: Whole Person Care pilots identified several potential uses for a one-time allocation of state housing funds. We recommend permitting several broad categories of housing or housing-related uses, including but not limited to the following:

- Supportive housing services, including housing navigation and tenancy sustaining supports
- Stipends to assist with living expenses
- Rental subsidies
- Landlord engagement and master-lease arrangements
- Capital expenditures for permanent housing or post-acute settings, such as medical respite centers, that permit a patient to leave an inpatient setting once they are no longer acute
- Transitional stays in a sober living environment when a client is coming out of substance use treatment, the hospital, or jail

Funding Allocation: We request that DHCS consult closely with us in determining an allocation methodology.

We appreciate the Administration's commitment to helping the most vulnerable among us and support the proposed investment in funding for Whole Person Care pilots. Our members are committed to leveraging this funding to support the health and housing needs of our patients, and would appreciate the flexibilities outlined above to assist us in utilizing these funds in the most efficient way possible. We would be pleased to further discuss our position with you and answer any questions you may have. Please contact Kelly Brooks-Lindsey, our Sacramento representative, at 916-272-0011 if you would like to follow-up.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Erica Murray', with a long horizontal flourish extending to the right.

Erica Murray
President and CEO

cc: Senator Melissa Hurtado, Member, Budget Subcommittee No. 3
Senator Jeff Stone, Member, Budget Subcommittee No. 3
Scott Ogus, Committee Consultant
Anthony Archie, Republican Consultant
Kelly Brooks-Lindsey, Hurst Brooks Espinosa