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Headline: California Seeks Federal Waiver Funds To House Homeless Medi-Cal Patients

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California is asking for federal funding to include housing for homeless Medi-Cal patients. This is a report for *California Healthline*, a daily news service of the California HealthCare Foundation. I'm Deirdre Kennedy.

On any given night in California, about 114,000 people are sleeping on the street or in shelters. About a third of them have been homeless for more than a year and suffer from a chronic disabling condition. Studies show that those patients are less likely to get appropriate health care and more likely to use emergency services.

As part of its recently submitted 1115 waiver application, California's Department of Health Care Services outlined ways to reduce health costs and improve outcomes by better coordinating the care and helping find and maintain stable housing for them.

Sharon Rapport is associate director for California policy with the Corporation for Supportive Housing. She says the Medi-Cal system "is incredibly siloed."

(Rapport): "We have a medical system that's generally administered by managed care organizations. We have a behavioral health system that's generally administered by counties. And then we have the social services system that's administered at multiple levels of government and the private sector. Case management is the glue that holds those siloed systems together. But unfortunately, there's no funding that pays for that glue."

Rapport's group works with organizations across the state to identify and provide housing for the top 10% of chronically homeless clients with the most complex medical needs. Many of them have co-existing conditions like substance abuse and mental illness, or with other chronic illnesses like high blood pressure or diabetes.

One of its model programs is run by the Ocean Park Community Center in Santa Monica. The homeless drop-in center provides meals, clothing, medical care, and case management to hundreds of people each week. Clients mill around the lobby waiting to sign up for an assessment of what services they qualify for.

(Berkson): "I think 90% of our clients at OPCC have mental illness. I think the number for chronic health conditions is something like 50% or 60%. So just imagine most people coming through the door have a disability of some form."

Program manager Meredith Berkson oversees funding for OPCC's wellness beds in its emergency shelter. Clients with the most severe chronic conditions can stay there indefinitely until they're on their feet and then get supportive or independent housing. Berkson says before programs like these, clients were trapped in a revolving door.

(Berkson): "The hospitals were discharging homeless clients and then basically seeing them the next day coming back into the emergency room and just cycling in and out of the hospitals, and also the jails. Having a place where clients could recuperate and be off the streets prevented that cycle from continuing, and people could actually get healthier."

Studies estimate that the average health costs for a high-needs patient is nearly \$68,000 a year. Getting that patient into stable housing can save several thousand dollars a year. Housing advocates say that money could be recycled back into the system to serve more people.

OPCC and other model programs around the state cobble together their budgets from a mix of private donations, foundation grants, city and county funds. Rapport says those limited funding streams aren't enough to make a substantial dent in the problem.

(Rapport): "We're never getting to the point where we are able to scale up to serve large numbers of people like we need to, and we're not really serving people in a sustainable way. We don't know what the source of money will be in the next few years, so the waiver offers some promise of having the sustainable, consistent source of funding."

Under the 1115 waiver, the state has to prove that what it's proposing is not going to cost the federal government any more than it does now.

Hannah Katch is assistant deputy director for health care delivery at the Department of Health Care Services. She says so far, there are no estimates

on the total savings to the state or how many Medi-Cal patients could potentially be housed. State and federal officials will negotiate the details of the proposal over the next six months.

(Katch): "There's an enormous amount of detail needed, we'll be spending a lot of time both with our federal partners and our stakeholders, plans, providers, counties, many other organizations in California, to make sure that we fully understand and articulate the details of how these programs will work. But this is really just the first cut of the concept."

California officially submitted its \$17 billion waiver request to CMS on March 27, and federal officials will decide on granting some or all of the proposal elements by October.

This has been a report for *California Healthline*, a daily news service of the California HealthCare Foundation. If you have feedback or other issues you'd like to have addressed, please email us at CHL@CHCF.org. I'm Deirdre Kennedy, thanks for listening.