CalAIM's Housing Supports and the Housing and Homelessness Incentive Program (HHIP):

Lessons Learned from Health Care and Homeless System Integration Initiatives[1]

California's efforts to address homelessness have increasingly focused on building partnerships between health care and homeless response systems.

In 2022, the state launched multiple major initiatives aimed at leveraging resources from Medi-Cal (California's Medicaid program) to better serve people experiencing homelessness while also incentivizing collaboration between managed care plans (MCPs), Continuums of Care (CoCs), counties, and community-based organizations (CBOs). These initiatives – the Housing and Homelessness Incentive Program (HHIP) and California Advancing and Innovating Medi-Cal's (CalAIM) housing related services – represent a significant shift in how California approaches serving people experiencing homelessness with complex care needs, moving toward integrated care delivery that recognizes housing as a key social driver of health.

In 2024, Homebase set out to understand what lessons could be learned from these kinds of significant, state-driven initiatives, which encourage deep collaboration between the health care and homeless response systems and aim to tackle social needs through the Medicaid system. Homebase engaged with health and homeless service providers, CoCs, counties, and people experiencing homelessness to gain insights and reflect on these important efforts. This document shares those high-level lessons learned, stemming from a collective analysis of the implementation of HHIP and CalAIM's Enhanced Care Management (ECM) and housing-related Community Supports (collectively known as ECM/CS). *Readers can find more on findings and opportunities specific to the respective implementations of* HHIP *and* ECM/Community Supports.

The summary of lessons learned, along with the other materials available on the Statewide Initiatives to Address Complex Needs of People Experiencing Homelessness: Key Takeaways from Implementation of the Department of Health Care Services' Systems Integration Efforts landing page, synthesizes findings from multiple sources to provide a thorough analysis of California's recent initiatives to integrate health care and homelessness services. *A full description of the methodology used to elicit the findings and recommendations contained in this document and its companion materials is available in* the Appendix.

Overview of CalAIM's Housing Support Programs & HHIP

Among the many components of **California's Advancing and Innovating Medi-Cal (CalAIM)** initiative, two key programs introduced in 2022 provide opportunities to improve care for people experiencing or at risk of homelessness:

- **Enhanced Care Management (ECM):** A new care coordination benefit that delivers comprehensive care management to Medi-Cal members with the most complex needs. The program provides eligible members with a care team or staff who help that individual navigate physical, mental, behavioral, and social systems and who coordinate their clinical and non-clinical needs. Importantly, ECM providers can meet members where they are, whether that's in a shelter, encampment, at home, or otherwise. The State has prioritized several "Populations of Focus" to receive ECM, including individuals experiencing homelessness. ECM is a statewide benefit that MCPs are required to offer individuals who meet eligibility criteria.

- **Community Supports:** Optional services that MCPs can offer to address social drivers of health, including housing-related services like housing navigation, housing deposits, and housing tenancy and sustaining services. These housing-related supports aim to help members find and maintain housing while connecting them to other needed services.

Launched alongside CalAIM, the **Housing and Homelessness Incentive Program (HHIP)** sought to accelerate collaboration between MCPs and homeless response systems using one-time funding from the American Rescue Plan Act. It was born out of a recognition that MCPs should collaborate with and leverage the homeless response system – including providers, infrastructure, and services within that system – and build the necessary organizational capacity to connect their Medi-Cal members to housing and supportive services. Through HHIP, MCPs could earn one-time incentive funds by meeting a number of metrics, including: partnering with CoCs and counties; data sharing across systems; increasing successful housing placements; reducing entries into homelessness; and increasing utilization of ECM/CS.

Once earned, MCPs could invest their flexible HHIP funds back into local homeless response systems, build the infrastructure

for cross-sector collaboration, and/or expand service capacity. Meeting the HHIP metrics required collaboration with local homeless response system partners, which was a significant shift for MCPs. They were required to actively engage with CoCs, county agencies, and other CBOs. Many MCPs were incentivized through HHIP to invest in addressing homelessness in the communities in which they operated.

Together, these initiatives intended to create sustainable funding streams for housing-related services through Medi-Cal using CalAIM's ECM and Community Supports, while also incentivizing lasting partnerships between the health care and homeless response sectors. Both efforts mark an important recognition by the State of California that addressing homelessness requires both housing resources and integrated health care services, with formal coordination between previously siloed systems.

Lessons Learned from a Collective Analysis of HHIP and CalAIM's Efforts to Coordinate Services for People Experiencing or at Risk of Homelessness

The following are combined lessons learned from two crucial State initiatives to address the complex health needs of people experiencing homelessness. These lessons provide a framework for policymakers and local communities to strengthen implementation of current programs, while also informing the design of future initiatives to serve people experiencing homelessness with complex care needs. They also consider how HHIP and CalAIM both complemented one another and faced similar challenges that exist in and across the two systems of care.

Medi-Cal Managed Care Has an Integral Role to Play in Homeless Response

- Medi-Cal managed care increasingly plays a crucial role in California's homeless response systems. CalAIM creates tremendous opportunities to address homelessness by expanding services and ensuring that health and housing systems coordinate effectively.

- CalAIM's housing-related Community Supports and ECM's comprehensive care coordination, supported by HHIP's initial investments, demonstrate that Medi-Cal funding, when strategically targeted to address social drivers of health, can lead to tangible benefits for individuals with complex care needs, including people experiencing homelessness.

- Oversight requirements from the State can help catalyze systems change. HHIP's planning, reporting, and evaluation requirements resulted in stronger relationships between MCPs and homeless response partners. Many MCPs embedded into homeless response systems, integrated homeless service providers into their Medi-Cal provider networks, and added housing-focused staff, which was foundational support for ECM/CS implementation.

Flexible Funding Infusions Can Catalyze Systems Change

- While one-time funds like those delivered through HHIP can be challenging for systems planning, they allow for critical and strategic investments into homeless response systems, filling much-needed gaps and supporting foundational improvements. They can also fund or seed pilot or small programs that expand later.

- The flexibility and minimal bureaucracy of HHIP effectively catalyzed partnerships and drove cross-sector collaboration, allowing communities to respond to emerging needs quickly and fill gaps that traditional funding sources can't fill, including to fund street medicine, safe parking, and one-time technology and infrastructure investments.

Siloed Development and Simultaneous Implementation Created Challenges that Limited Programs' Potential

- Both HHIP and ECM/CS were created and overseen by the health response system, with minimal input from state or local homeless system partners. Yet programmatic success required a significant investment of time and resources from both systems. These uneven power dynamics led to missed opportunities for coordinated strategic investments and cross-system alignment.

- Failure to sufficiently engage with state level homeless system policymakers and experts from the outset meant that the initiatives were designed without a deep understanding of the homeless response system. Health agencies – which do not oversee or fund homeless response systems – had little to no leverage to require homeless response systems to participate in either initiative. This minimized homeless response system involvement and limited the potential of achieving true systems integration.

- Lack of transparency and insufficient information about the programs and their requirements, complicated by delayed and changing guidance from the State, compromised MCPs' and CoCs' ability to fully collaborate on planning.

- Standing up a whole new program (CalAIM) while simultaneously incentivizing two distinct systems to collaborate (HHIP) was a double-edged sword. On one hand, the relationships and investments catalyzed by HHIP helped seed a more successful implementation of ECM/CS in many communities. On the other, launching two intensive programs at once resulted in missed opportunities, miscommunication, and inefficiencies.

- Health partners engaged in both HHIP and CalAIM were not steeped in the realities inherent in the homeless response sector and therefore not fully prepared for some of the challenges they faced, including the lack of available and affordable housing and limitations of homeless response sector funding, which impacted program design and success. Health plans that hired staff with experience working within homeless response systems were better positioned to navigate planning and implementation challenges.

Critical Considerations were Overlooked

- The primary data system used within the homeless response sector – the Homeless Management Information System (HMIS) – is underfunded and has inter-operability and data-sharing limitations that make care coordination goals difficult to achieve. This reality was not sufficiently accounted for in the development of HHIP or CalAIM's Housing Supports programs.

- Rural communities face unique challenges when it comes to implementation of cross-system programs. Rural and small communities struggle with a program design based on urban models. For example, the lack of economies of scale requires higher per person funding, differing types of relationships between CoCs and counties affect implementation, and limited provider options and capacity (as well as transportation and geographic challenges) impact service delivery of new resources.

Homebase has produced companion documents diving into findings and opportunities specific to each program: Findings and Future Considerations from The Housing and Homelessness Incentive Program (HHIP) Implementation and Enhanced Care Management and Community Supports: Key Findings and Opportunities for Improved Implementation.

Recommendations for Future Cross-Sector Program Development

The following recommendations seek to address the lessons learned outlined above. They are informed by the perspectives of partners who were deeply involved in the implementation of both HHIP and CalAIM.

- State initiatives and programs focused on cross-system collaboration should:

  - be **informed by expertise from both systems**, regardless of which agency houses the initiatives. Program design should be rooted in the realities of how each system functions and the clients they aim to serve.

  - ensure more **inclusive processes for program planning, design, and development**, as well as **wide-spread communication involving partners from more sectors** (including a greater variety of counties and CoCs) to help ensure more equitable distribution of information and power and avoid many of the implementation challenges seen in both HHIP and CalAIM.

  - be **collaboratively administered by health- and housing-focused agencies** at the state level to ensure consistent understanding of opportunities, roles, and expectations across all key implementation partners. To the extent possible, programs should be designed to enable shared, cross-system ownership or administration of local implementation as well.

  - include both **flexible up-front investment funds and sustained funding** to support ongoing collaboration, system integration, and long-term solutions.

  - be supported by a variety of **capacity building efforts across systems, as well as state and local guidance and incentives**. Active participation in each other's systems and incorporation of staff with cross-sector experience into both systems provides a more sustainable infrastructure for ongoing system collaboration.

- Financial incentives for cross-system partnership, with **funds awarded jointly to both systems**, can improve the likelihood of meaningful, long-term systemic collaboration and partnership, especially when combined with an ongoing resource to support sustainable cross-system collaboration.

- Whenever possible, **additional time between program development and implementation** should be afforded to ensure information is disseminated broadly and to enable implementers ample time to prepare and coordinate with each other.