POPULATION HEALTH INNOVATION LAB

A Program of the PUBLIC HEALTH INSTITUTE

Collaborative Planning and Implementating

PHIL Quarterly CalAIM Policy and Resource Guide for PATH Collaborative Participants

Population Health Innovation Lab (PHIL) Quarterly CalAIM Policy and Resource Brief for PATH Collaborative Participants

This Policy and Resource Brief allows you to move around to the topic of your choice. Our goal is to provide helpful information tailored to your CalAIM implementation journey. **Each item in the table above *is related to a specific CalAIM topic, click on the topic you are interested in to quickly read about it*.** We hope you find this resource useful.

Introduction

Welcome to PHIL's Quarterly Policy and Resource Brief for members of the Northwest and Southwest PATH Collaboratives. As your CPI facilitators, our goal is to provide helpful information tailored to your implementation journey.

Each quarterly brief will highlight relevant CalAIM related policies and resources with clear explanations of

- *What they are*
- *Why they are important to CalAIM and*
- *How they relate to ECM and Community Supports stakeholders*

This quarterly policy and resource brief replaces the monthly PATH CPI Collaborative Newsletter from the PHIL team. Please watch for timely updates from our team, as well as DHCS, Partnership HealthPlan of California, and Kaiser Permanente about stakeholder meetings, learning webinars and trainings.

We hope you find this resource useful. Please send any suggestions or ideas for future briefs to our ongoing feedback form or email us at PATH@pophealthinnovationlab.org for additional questions, suggestions or feedback ideas.

We appreciate the ongoing support of our sponsors who make this work possible to support implementation of ECM and Community Supports for Medi-Cal providers in the Northwest and Southwest regions.

More information about the Population Health Innovation Lab (PHIL) and our role in CalAIM's PATH CPI Initiative is available at https://pophealthinnovationlab.org/projects/path/

Care of the Whole Population

Recognizing the part each benefit plays in the larger CalAIM transformation process helps make sense of the necessary rules and regulations that will lead to a high functioning system. Managed Care Plans (MCPs) across the state are contracted by DHCS to care for Medi-Cal eligible Californians, wherever they may be on the continuum of care.

Visualizing CalAIM

Take a few minutes out of your day to click on the boxes below and see a visual dashboard of how the multiple CalAIM initiatives are performing and supporting each other and their impact on improving quality and reducing health disparities. The PATH Collaborative supporting ECM and Community Supports implementation is just one important part of the mission of advancing and innovating Medi-Cal to create a more coordinated, person-centered, and equitable health system that works for all Californians.

Bold Goals

View Bold Goals

Behavioral Health

View Behavioral Health

Community Supports

View Community Supports

Population Health Management

View Population Health Management

Providing Access and Transforming Health (PATH)

View PATH

Integrated Care for Dual Eligible Members

View Care for Dual Eligible Members

Enhanced Care Management

View Enhanced Care Management

Incentive Payment Program

View Incentive Payment Program

Statewide Managed Long-Term Care

View Statewide Managed LTC

Health Equity

> *"Often, we are stuck thinking about what is **feasible** and focusing on incremental improvement. ...These conversations should create spaces for community members to **claim what they deserve** and imagine something bigger, **shifting the conversation from 'what is possible' to 'what is just'**."*
>
> DHCS Quality and Health Equity Division Chief Sarah Lahidji

An overarching, key component of the CalAIM transformation is DHCS' commitment to improving access to an improved quality, equitable and dignified Medi-Cal system for all, regardless of a person's income, background, race or gender. To achieve this goal, DHCS is actively incorporating the perspectives of Medi-Cal members into program development and co-design statewide resulting in the [Health Equity Roadmap](). Check back often for updates or to see how to get involved.

> *"Racism and inequity have been systemic in our nation since its inception"*, said Dr. Pamela Riley, DHCS Chief Health Equity Officer. *"Medi-Cal has identified health disparities and embedded efforts in its programs to address them. However, efforts to eliminate health disparities must also include a fundamental shift in how we structure power, decision-making, and community engagement. This roadmap will help make that shift possible."*

The CalAIM Care Management Continuum: ECM

Enhanced Care Management (ECM): is for Medi-Cal members with the most comprehensive care management needs.

Complex Care Management: is a distinct and separate benefit level of care management for Medi-Cal members that focuses on those with higher and rising-level risks to wellbeing.

Basic Population Health Management: Are MCP services available to Medi-Cal members to sustain health and wellbeing.

Transitional Care Services: Are also available to all MCP members as they transition from one care setting or care management level to another, recognizing that as people's circumstances change in their life, so do their care management needs.

The CalAIM Care Management Continuum: Community Supports

Community Supports allows MCPs the choice to offer up to 14 pre-approved Medi-Cal covered "supports" which are medically appropriate and cost effective in helping improve the lives of Medi-Cal beneficiaries. These supports are often related to the social drivers of health and were extremely difficult to receive Medi-Cal payment for prior to 2016 when a federal law allowed for payment of medically appropriate social supports "in lieu of" traditional medical services.

The Community Support payment stream allows social care providers and others to receive payments from MCPs for critical supports not previously covered by Medi-Cal.

Partnership HealthPlan of California (PHC) offers payment for eight of the 14 offered Community Supports.

Kaiser Permanente (KP) currently offers payment for 13 of the 14 offered Community Supports as indicated below.

Housing Transition Navigation Services (PHC, KP)

Housing Deposits (PHC, KP)

Housing Tenancy and Sustaining Services (PHC, KP)

Short-Term Post-Hospitalization Housing (PHC, KP)

Recuperative Care (Medical Respite) (PHC, KP)

Respite Services (PHC, KP)

Day Habilitation Programs (KP)

Nursing Facility Transition/Diversion to Assisted Living Facilities (KP)

Community Transition Services/Nursing Facility Transition to a Home (KP)

Personal Care and Homemaker Services (PHC, KP)

Environmental Accessibility Adaptations (Home Modifications) (KP)

Medically-Supportive Food/Meals/Medically Tailored Meals (PHC, KP)

Sobering Centers

Asthma Remediation (KP)

Full Definitions of each Community Support can be found on the <u>Medi-Cal fact sheet</u>.

Implementation Updates: ECM and Community Supports Action Plan

Please check regular correspondence from DHCS, Partnership HealthPlan of California, Kaiser Permanente (where applicable), and the PHIL team for any relevant updates to ECM and Community Support implementation in your area.

Targeted Case Management:

Beginning July 1, 2024, any adult, child and youth MCP members who qualify for both ECM and County-based Targeted Case Management (TCM) should be enrolled in ECM and can no longer be enrolled in both care management programs. DHCS is allowing 1 year for the transitions to be complete. DHCS is aiming to promote comprehensive care management by making ECM more available for MCP members while reducing the number of different care managers an individual member may have in an effort to promote comprehensive care management. For more detailed information, please reference the ECM Policy Guide.

Populations of Focus:

Birth Equity

The Birth Equity Population of Focus has been a hot topic among providers since its launch in January 2024. There is a great need and desire to improve prenatal and postpartum care for Medi-Cal members, especially the most marginalized populations, to reduce pregnancy related deaths. DHCS takes care to point out that all Medi-Cal pre- and post-partum enrollees can receive coverage for a range of benefits, regardless of eligibility for the ECM Birth Equity POF, such as Community Health Worker (CHW/Promotoras), Doula and Dyadic Services.

The Birth Equity POF Frequently Asked Questions sheet distributed by DHCS in February 2024 provides a comprehensive overview of all plans in the CalAIM "Bold Goal" to *Improve Maternal Health* for all birthing populations.

Any organizations currently contracted or considering contracting for the Birth Equity POF will benefit from a careful read through of the FAQ short document. It addresses the most pressing questions stakeholders have been asking about this population since the details were announced in 2023. For example:

- Detailed explanations of eligibility criteria and determinations
- Navigating variance in race and ethnicity data between sources
- Relationship between the Birthing Care Pathway and ECM for Birth Equity
- Potential duplication of services between ECM Birth Equity and Doula, Dyadic and CHW benefits.

In addition, the DHCS Population Health Management Policy Guide sets clear expectations and quality outcome measures for all MCPs to follow for assurance of necessary services in this area. As stated in the Population Health guide,

> "PHM programs offered by MCPs have a key role to play in improving outcomes in this area by supporting quality improvement and health disparity reduction efforts with their network providers and addressing systemic discrimination in maternity care." (p.34)

Additional Resources:

2023 Black Reproductive Justice Policy Agenda

Reimaging Policy: In Pursuit of Black Reproductive Justice: Discover the latest update to the groundbreaking Black Reproductive Justice Policy Agenda. Despite strides, Black women, girls, and gender-expansive people face ongoing attacks on rights, health, and safety. From reproductive autonomy to systemic violence, this agenda champions a holistic framework, demanding equity in healthcare, education, employment, and beyond. Another excellent resource from Health Leads with implementation tools and resources for Birth Equity implementation.

Access Bridge: Clinical Resources for ED Management of Early Pregnancy Loss

PHI's Access Bridge increases access to life-saving reproductive care, including miscarriage management, through Emergency Departments (EDs), which are open 24/7 and available in most communities. Last year, Access Bridge launched a fellowship with 22 clinicians working in 19 hospitals across 13 states, providing fellows with tools to implement core reproductive health services in their EDs. See the protocols developed by a team of specialists in emergency medicine, family medicine, obstetrics-gynecology, midwifery and nursing for additional collaborative Birth Equity implementation strategies with proven results from PHI.

Nutrients: Food Choice & Dietary Perspectives of Young, Urban, Black Pregnant Women

The study utilizes focus group discussions to gain insights into food choices, dietary practices, and the factors influencing eating behaviors during pregnancy of young, urban, Black pregnant women. The findings highlight the importance of culturally sensitive and targeted interventions to promote healthy eating habits among this demographic group during pregnancy.

The information in this study highlights key information for Community Supports providers in meal provision as well as ECM Birth Equity providers, shining a light on the power of collaboration in this area to improve the social drivers of health.

Children and Youth

Similar to the Birth Equity population, the children and youth populations of focus are part of a much larger strategic plan to integrate existing and new DHCS initiatives while also strengthening DHCS' approach to children's services statewide. DHCS launched the Medi-Cal's Strategy to Support Health and Opportunity for Children and Families in 2022 to achieve these ambitious aims.

The Children and Youth Behavioral Health Initiative (CYBHI) and the launch of the Children and Youth ECM Populations of Focus that went live in July of 2023 are just two components of this complex, multi-pronged strategy.

The strategy includes eight action areas to strengthen focus on children and families in Medi-Cal:

1. *New leadership structure and engagement approach*
2. *Stronger coverage base for California's children*
3. *Stronger pediatric preventative and primary care*
4. *Streamlined access to pediatric vaccinations*
5. *New health plan accountability for quality outcomes*
6. *Family-centered approach*
7. *Child and adolescent behavioral health investments*
8. *Next steps on the foster care model of care*

As providers of ECM and Community Supports, when we talk about the "Children and Youth" Population of Focus, it is important to remember that this is not one specific population. There are 5 categorical populations within that reference name that each have specific eligibility criteria:

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Children and Youth Populations of Focus

- *Homeless Families or Unaccompanied Children/Youth Experiencing Homelessness*
- *Children and Youth At Risk for Avoidable Hospital or ED Utilization*
- *Children and Youth with Serious Mental Health and/or SUD Needs*
- *Children and Youth Enrolled in California Children's Services (CCS) or CCS Whole Child Model (WCM) with Additional Needs Beyond the CCS Condition*
- *Children and Youth Involved in Child Welfare*

The [ECM policy guide](#) is the best reference place to look at eligibility criteria for each specific population of focus. This helps to establish guidelines when reviewing current member lists for referral to the MCP. There may be more families who qualify for ECM services than initially thought, when taking all the criteria into consideration and stratifying participant lists.

*NEW: **Children's Presumptive Eligibility (CPE) and Newborn Gateway Portals***

DHCS is launching provider portal materials July 1, 2024 to improve access to coverage and care for new families. Through CPE, providers may grant temporary, full scope coverage to eligible applicants through an online portal. This portal replaces the Child Health and Disability Prevention (CHDP) gateway portal. The newborn gateway portal is for reporting the birth of a baby with linkage to Medi-Cal and the Medi-Cal Access Infant Program within 72 hours after birth or 24 hours after discharge, whichever is sooner. Please register for upcoming training on June 6 to find out more information. Registration for these trainings is available through the [Medi-Cal Learning Portal](#).

Additional Resources:

Live Beyond Campaign to Increase Awareness of ACEs and Toxic Stress

The Office of the California Surgeon General launched [Live Beyond](#), the first statewide ACEs campaign with a primary audience of youth and young adults, the campaign will also provide science-based, healing-centered resources for all Californians

First 5 Stronger Starts Video Channel Educates Parents about ACEs and Toxic Stress

First 5 California has now expanded their [Stronger Starts campaign](#) launched last year to help parents and caregivers learn about toxic stress, the physical, mental, and emotional effects of toxic stress on children, and how ACEs can lead to the development of toxic stress. The videos now aim to better help parents understand things like when to act if toxic stress impacts their child, and how their support can prevent toxic stress. One way they've helped educate parents and caregivers is through a [YouTube channel](#) that offers various toxic stress prevention methods. Videos are available in both English and Spanish.

Justice Involved

Also known as the Adults and youth who are transitioning from incarceration population of Focus, the Justice Involved (JI) initiative is gaining momentum in 2024. California is the first state in the U.S. to receive federal approval to test this preventative approach to improving the lives of justice involved individualized through collaborative care. This innovative approach to service delivery allows for partnerships among state agencies, counties, and community organizations to start providing a coordinated connection to health and social services up to 90 days prior to their release to reduce the poor outcomes that frequently occur post-release.

ECM and Community Supports are examples of the post-release services that can be set up for an individual during pre-release consultations to ensure a continuity of care. Pre-release services are available to adults who meet specific clinical criteria and any youth who are in the custody of a youth correctional facility regardless of clinical status. Pre-release services include:

- Reentry care management services
- Physical and behavioral health clinical consultation
- Laboratory and radiology services
- Medications and medication administration
- Medication Assisted Therapy
- CHW Services

Justice Involved Initiative Timeline:

- *July 1, 2022* – Ongoing: PATH JI Funding – Capacity building funds to correctional agencies and re-entry service organizations in preparation for initiative launch.
- *September 2023: JI Model of Care Released to MCPs*
- *January 1, 2024: ECM for Adults and youth Transitioning from Incarceration go live.*
- *February 1, 2024: Justice Involved ECM Standard Provider Terms and Conditions published.*
- *April 1, 2024: County Behavioral Health Agencies JI Readiness Assessment Submission Deadline*
- *October 1, 2024: Pre-Release Services Start*

Dual Eligible Members: Long Term Services and Supports

Dual Eligible Californians are individuals who qualify for both Medicare and Medi-Cal due to permanently disabling conditions or chronic illnesses and/or being over the age of 65

and meeting Medi-Cal income eligibility criteria. Medi-Cal supports cost-sharing for services not covered by Medicare such as long-term supports and services and home and community based care. Improving and integrating services for these members is a large part of the CalAIM transformation and makes up several populations of focus and community support beneficiaries. For example:

- Adults living in the community and at risk for long-term care institutionalization.
- Adult nursing facility residents transitioning to the community
- Nursing Facility Transition/Diversion to Assisted Living Facilities
- Community Transition Services/Nursing Facility Transition to a Home
- Personal Care and Homemaker Services
- Environmental Accessibility Adaptations (Home Modifications)
- Meals/Medically-Tailored Meals or Medically-Supportive Foods

Starting in January 2023 the integration for dual eligible initiative began implementation. Medi-Medi Plans for dual eligible beneficiaries are now available in seven counties as well as other new offerings. Check the **DHCS Integrated Dual Eligible Beneficiaries page** for updates. **Long-Term Care Populations of Focus: DHCS Spotlight** (2024)

Recent updates of note impacting this population:

ECM Eligibility for Duals

- In the February 2024 **ECM Policy Guide update**, DHCS announced that dual eligible beneficiaries are only eligible for ECM Populations of Focus if they are NOT enrolled in any of the following other plans/programs that offer comprehensive care management:
  - Fully Integrated Dual Eligible Special Needs Plans (FIDE-SNPs)
  - Exclusively Aligned Enrollment (EAE) D-SNPs
  - Non-EAE D-SNPs (beginning in 2024)
  - Program for All-Inclusive Care for the Elderly (PACE)
  - 1915(c) waivers
  - CCT
- This update creates the need for even more coordination of information in order to ensure non-duplication of services as well as extra attention to all available funding sources that can be accessed to best provide care and services.

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Skilled Nursing Facility (SNF) Payment Data

- DHCS posted facility-level payment data for the 2023 SNF Workforce and Quality Incentive Program (WQIP), which incentivizes facilities to improve quality of care, advance equity in health care outcomes, and invest in the workforce. Data are posted on the SNF WQIP webpage. For WQIP program-related questions or concerns, please email SNFWQIP@dhcs.ca.gov.

Additional Resources:

Resource from HUD: Housing Related Services

These resources compiled by the Administration for Community Living's (ACL) newly created Housing and Services Resource Center highlight several tools and opportunities for service providers. Evidence consistently demonstrates that collaboration among homelessness assistance agencies, disability and aging networks, and the housing sector can swiftly transition individuals from homelessness to stable housing, enhancing access to voluntary services.

These resources blend into the ecosystem of CalAIM care collaboration and the potential for new partnerships to ease implementation burdens. Take a look!

Behavioral Health Needs

One of the key Populations of Focus (POF) in ECM is Adults and Children who struggle with behavioral health disorders. These individuals and their holistic care needs, which require the highest level of comprehensive care management (ECM), are woven throughout the CalAIM initiatives. Notably, 1 of the 9 CalAIM initiatives focuses solely on behavioral health. Recognizing the pervasive impact of behavioral health on the Medi-Cal population, DHCS is launching the Behavioral Health Transformation (BHT) program to modernize the state's behavioral health delivery system.

This initiative aims to enhance accountability, transparency, and capacity within behavioral health care facilities across California. Supported by the passage of Proposition 1, BHT signifies a critical step forward in addressing the mental health and substance use disorder needs of Californians.

Key Components of BHT:

- **Expanded Awareness of Co-Occurrence:** The BHT includes the transition of the Mental Health Services Act (MHSA) into the Behavioral Health Services Act (BHSA),

to reflect a broader scope of services, that encompasses both mental health and substance use disorders.

- **Targeted Funding:** Specific tax revenue funding is designated to go towards housing programs, rental subsidies, and navigation services, with a pre-set percentage from each county's allocation designated for individuals who are chronically unhoused. These guidelines addressing housing status are aimed to provide services for individuals with the most severe mental health conditions and/or substance use disorders, prioritizing those in urgent need of support.
- **Enhanced Funding:** Funding allocations to counties are updated from MHSA through the BHT to allocate more resources towards housing interventions, workforce investments, and other critical services. The hope is to maintain local flexibility while strengthening county collaboration and fiscal accountability [previously not met](#).
- **Investment in Infrastructure:** The BHT, funded through Proposition 1, allocates $6.4 billion in bonds to build new behavioral health treatment beds, supportive housing, and outpatient capacity greatly needed throughout the state.

Implementation and Stakeholder Engagement:

- **Connecting the Dots:** The BHT will complement and build upon ALL of the other behavioral health initiatives happening in CA:
  - CalAIM
  - [California Behavioral Health Community-Based Organization Networks of Equitable Care and Treatment (BH-CONNECT) Demonstration](#)
  - [Children and Youth Behavioral Health Initiative (CYBHI)](#)
  - [Medi-Cal Mobile Crisis](#)
  - [988 expansion](#)
  - [Behavioral Health Continuum Infrastructure Program (BHCIP)](#)
  - [February Updates to 42 CFR Part 2 Final Rule Fact Sheet](#)
- **Policy Guidance:** DHCS will develop policy and guidance to support counties in fulfilling the statutory requirements of the BHT initiative. This guidance will be released in phases to allow counties sufficient time to incorporate it into their local administration processes. *Stay engaged and connected with your ecosystem of peers and with the process to advocate for best practices!*
- **Stakeholder Engagement:** There will be ongoing opportunities for [Stakeholder Engagement](#) throughout the policy development process to ensure the effective utilization of funding and resources. DHCS will host recurring Public BHT Listening

Sessions from April 2024 to October 2024, providing a platform for all impacted stakeholders to provide feedback and input.

- **ECM and Community Supports Ecosystem:** Now that this transformation and shift in funding allocation is official makes the planning phase a good time to gather with stakeholders in your local area who provide services to individuals affected by this new legislation. How can you partner with the county agencies, the Continuum of Care, the designated County Mental Health provider and more to create a strategy for the change in funding? What are takeaways from Project Homekey that can be applied? Think about this network of providers as collaborators in providing ECM and Community Supports as one part of the care ecosystem, and funding ecosystem. These are opportunities to look at the care and funding differently.

DHCS aims to enhance access to care and support for individuals across the state. **Stakeholder engagement from providers like all of you is** crucial in guiding the implementation of BHT and maximizing its impact on the well-being of Californians.

Check the Stakeholder Engagement page of the BHT for updates. And reach out to BHTinfo@dhcs.ca.gov with any questions. To listen to the April Public Listening session, click here.

Hot off the Press! May Budget Revise

At the midpoint of every budget year the Governor releases an update on the budget status along with any necessary revisions. On May 10th, this year's May Revision was released addressing the anticipated shortfalls in both the current year and next year's budget. Below are highlights from the revision critical to stakeholders who provide ECM and Community Supports services. These are changes to budget allocations previously committed to certain program areas or divisions directly from the new plan.

For further details, visit the Revised Budget Page or reach out to your local legislator with any questions.

Health and Human Services

Healthcare Workforce Reduction
Eliminating $300.9 million in 2023-24, $302.7 million in 2024-25, $216 million in 2025-26, $19 million in 2026-27, and $16 million in 2027-28 for various healthcare workforce initiatives including community health workers, nursing, social work, Song-Brown residencies, Health Professions Career Opportunity Program, and California Medicine Scholars Program. This Revision also eliminates $189.4 million Mental Health Services Fund for programs proposed to be delayed to 2025-26 at Governor's Budget.

Children and Youth Behavioral Health Initiative (CYBHI)
Reducing $72.3 million one-time in 2023-24, $348.6 million in 2024-25, and $5 million in 2025-26 for school-linked health partnerships and capacity grants for higher education institutions, behavioral health services and supports platform, evidence-based and community-defined grants, public education and change campaign, and youth suicide reporting and crisis.

Behavioral Health Continuum Infrastructure Program (BHCIP)
Eliminating $450.7 million one-time from the last round of the Behavioral Health Continuum Infrastructure Program, while maintaining $30 million one-time General Fund in 2024-25.

Behavioral Health Bridge Housing Program
Reducing $132.5 million in 2024-25 and $207.5 million in 2025-26 for the Behavioral Health Bridge Housing Program, while maintaining $132.5 million General Fund in 2024-25 and $117.5 million ($90 million Mental Health Services Fund and $27.5 million General Fund) in 2025-26.

Equity and Practice Transformation Payments to Providers
Eliminating $280 million one-time over multiple years for grants to Medi-Cal providers for quality, health equity, and primary care infrastructure. The May Revision maintains $70 million General Fund included in the 2022 Budget Act.

Elimination of Public Health Funding
Eliminating $52.5 million in 2023-24 and $300 million ongoing for state and local public health.

Foster Care Permanent Rate Structure
Including statutory language that would make the proposed foster care rate structure subject to a trigger-on, based on the availability of General Fund in spring 2026.

CalWORKs Home Visiting Program and Mental Health and Substance Abuse Services
Reducing $47.1 million ongoing for the CalWORKs Home Visiting Program. Reducing $126.6 million ongoing for the CalWORKs Mental Health and Substance Abuse Services

Child Care Slot Expansion Pause at Current Level
Approximately,119,000 slots have been added; a pause at the current level until fiscal conditions allow for resuming the expansion will result in a revenue gain of $489 million in 2024-25 and $951 million in 2025-26.

In-Home Supportive Services for Undocumented Individuals
Reducing $94.7 million ongoing by eliminating the In-Home Supportive Services (IHSS) undocumented expansion coverage for all ages.

California Food Assistance Program Expansion

Delaying for two years the California Food Assistance Program expansion automation to begin in 2026-27 with benefits beginning in 2027-28.

CORRECTIONS, PUBLIC SAFETY AND GENERAL GOVERNMENT

Housing Unit Deactivations

Reducing $80.6 million ongoing to reflect the deactivation of 46 housing units across 13 prisons, totaling approximately 4,600 beds.

Board of State and Community Corrections

Medication Assisted Treatment Grants—Reducing $10.5 million in 2023-24 for competitive grants to counties to use for various purposes relating to the treatment of substance use disorders and the provision of medication-assisted treatment.

Post Release Community Supervision—Reducing $4.4 million one-time in 2024-25 to eliminate funding provided to county probation departments for the temporary increase in the number of offenders released from prison to Post Release Community Supervision pursuant to Proposition 57, the Public Safety and Rehabilitation Act of 2016.

Adult Reentry Grant—Reducing $54.1 million in 2023-24 and $57 million one-time in outyears that was proposed to be delayed in the Governor's Budget. The Governor's Budget included an additional reduction of $7.8 million in 2022-23. The Adult Reentry Grant provides competitive funds to community-based organizations to deliver reentry services to assist formerly incarcerated individuals reentering communities.

Energy, transportation, housing, labor and local government

Active Transportation Program

Reducing $300 million in 2025-26 and $99 million in 2026-27 for funds appropriated for active transportation grants.

Homeless Housing, Assistance and Prevention (HHAP) Round 5 Grant Program

Reducing $260 million one-time in 2025-26 for HHAP Round 5 supplemental grant funding.

Multifamily Housing Program

Eliminating the remaining $75 million in 2023-24 for this program, in addition to the $250 million proposed at Governor's Budget.

Foreclosure Intervention Housing Preservation Program

Eliminating the remaining $236.5 million in 2023-24 for this program, in addition to the $237.5 million proposed at Governor's Budget, which would result in the elimination of the program.

Tax Proposals

Managed Care Organization (MCO) Tax

Reducing $6.7 billion over multiple years from the Medi-Cal provider rate increases planned for January 1, 2025. The Revision proposes an amendment to the MCO Tax to include health plan Medicare revenue in the total revenue limit calculation, which increases the allowable size of the tax resulting in an additional net state benefit of $689.9 million in 2024-25, $950 million in 2025-26, and $1.3 billion in 2026-27. Overall, the May Revision includes an additional $9.7 billion in MCO Tax funds over multiple years to support the Medi-Cal program.

Low Income Housing Tax Credits

One-time additional $500 million in state Low Income Housing Tax Credits for 2024-25. This proposal has no revenue impact in the budget window but is projected to decrease General Fund revenues by $400 million in the multiyear.

Please reach out to your PHIL PATH Collaborative team any time with questions, suggestions or requests for support or items you would like to see covered in this policy brief. We have an ongoing feedback form or can be reached at PATH@pophealthinnovationlab.org.