



County Administrative Office
Governmental & Legislative Affairs

Josh Candelaria
Director

May 13, 2016

The Honorable Lorena Gonzalez, Chair
Assembly Appropriations
State Capitol, Room 2114
Sacramento, CA 95814

Re: AB 2821 - (Chiu) - As Amended on April 26, 2016 - SUPPORT

Dear Chairwoman Gonzalez:

The County of San Bernardino is pleased to support AB 2821, which would require the Department of Housing and Community Development (HCD), in coordination with the Department of Health Care Services (DHCS), to establish the Medi-Cal Housing Program (MCHP). The MCHP would allow a county or region to use grant awards for: interim housing, long-term rental assistance for periods up to five years, and provide up to 5% of the total grant for county administrative costs.

The Department of Health Care Services (DHCS) recognized housing as health care in proposing using Medi-Cal to fund rental assistance in their 1115 Medicaid Waiver proposal. DHCS acknowledged decades of research demonstrating supportive housing decreases Medicaid costs among homeless beneficiaries. Though the Federal Centers for Medicare & Medicaid Services (CMS) did not approve using federal Medicaid funds for rental assistance, CMS did approve an 1115 Medicaid Waiver that includes the Whole Person Care pilot program, allowing counties to match federal funds to pay for services helping people find housing, and services promoting housing stability. DHCS is also working to implement a new Health Home Program that would fund these services for high-cost homeless beneficiaries. Though Whole Person Care pilots and the Health Home Program allow for funding through Medi-Cal for services in supportive housing, services alone will not reduce Medi-Cal spending on homeless beneficiaries unless service providers are able to link participants to rental subsidies as a way for these beneficiaries to afford a decent place to live.

Californians experiencing homelessness incur disproportionate costs to local and state programs, acquiring, on average, \$2,897 per month in public costs. Two-thirds are Medi-Cal costs. Despite these high health costs, people experiencing homelessness have poor health outcomes and are at significant risk for early mortality. Providing services to homeless people, no matter how effective these same services may be for housed people, does not improve the health or decrease the costs of our homeless residents. In fact, homeless frequent hospital users continually increase their inpatient costs the longer they remain homeless.

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Assembly Bill 2821 would complete the “Whole Person Care” nature of the 1115 pilots and the Health Home Program by creating a Medi-Cal Housing Program. The Program would fund rental assistance tied to services dollars included in the 1115 Waiver and the Health Home Program. AB 2821 is a one-time investment that would decrease Medi-Cal costs resulting from dramatic improvements in clinical outcomes. Only savings incurred by moving people from homelessness to housing would be used to fund ongoing costs of rental subsidies beyond the one-time investment. This legislation fosters federal-state-county investment in ending homelessness.

For the above reasons, the County of San Bernardino is pleased to support AB 2821 and respectfully requests your “AYE” vote. If you have any questions regarding the County’s position, please do not hesitate to contact Josh Candelaria, Director of Governmental and Legislative Affairs at (909) 387-4821 or jcandelaria@sbcounty.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'James Ramos', written in a cursive style.

JAMES RAMOS
Board of Supervisors Chairman
Third District Supervisor
County of San Bernardino

c: The Honorable David Chiu, California State Assemblyman
Honorable Members and Consultants, Assembly Appropriations Committee
San Bernardino County Legislative Delegation