

City of Sacramento

Legislation Text

File #: 2020-01008, Version: 1

Title:

Consideration for Extension of the Whole Person Care Pilot Program

File ID: 2020-01008

Location: Citywide

Recommendation:

1) Review options for extension of the Whole Person Care (Pathways to Health + Home) pilot program; and 2) provide direction to City staff for implementation of an extension or ramp-down approach.

Contact: Emily Halcon, Homeless Services Manager, (916) 808-7896, Office of the City Manager

Presenter: Emily Halcon, Homeless Services Manager, (916) 808-7896, Office of the City Manager

Attachments:

1-Description/Analysis

2-Background3-Pathways Program Dashboard

Description/Analysis

Issue Detail: Under Section 1115 of the Social Security Act, the federal Secretary of Health and Human Services can waive specific provisions of major health and welfare programs, including certain requirements of Medicaid (Medi-Cal in California). This authority permits the Secretary to allow states to use federal Medicaid funds in ways that are not otherwise allowed under the federal rules, as long as the Secretary determines that the initiative is an “experimental, pilot, or demonstration project” that “is likely to assist in promoting the objectives of the program.” Waivers are typically approved for a five-year period and can be extended, typically for three years. In 2016, the California State Department of Health Care Services (DHCS) launched the Whole Person Care (WPC) program under a 1115 waiver, allowing California communities to create a system of supportive services aimed to improve health outcomes and reduce utilization of high-cost services for vulnerable populations. In June 2017, the City of Sacramento was accepted into the WPC program and became the only City implementation of WPC pilots statewide (all the rest are counties). In Sacramento, the WPC program is called the Pathways to Health + Home (Pathways) program and supports broader City strategies to reduce and prevent homelessness by operating a robust system of outreach, case management and supportive services for those frequent users of health care,

homeless services, and emergency services.

Pathways is a five-year pilot program and is currently in the fifth and final year of the pilot, Program Year 5, which began on January 1, 2020 and ends on December 31, 2020 (the City was accepted into WPC during the second round so the Program Year 1 and Program Year 2 were each cut to six months, with the entire five “Program Years” operating over four calendar years). Attachment 3 is the most recent Pathways program dashboard, detailing client demographics and services provided through Pathways to date. As of August 15, 2020, Pathways had 928 individuals enrolled and had served a total of 2,101 individuals through the life of the program. A total of 245,296 services, including outreach, navigation, care coordination, and housing support, have been provided to the community. Additionally, Pathways has assisted 800 clients in securing permanent or transitional housing. Pathways is collaborating with over 20 health care, housing, and social service providers to ensure continuity of care for program enrollees.

Prior to the COVID-19 pandemic, DHCS had begun planning for implementation of the California Advancing and Innovating Medi-Cal (CalAIM) program, which was to launch on January 1, 2021. CalAIM is the State’s modernization of the Medi-Cal (Medicaid) program, which seeks to improve patient outcomes by implementing approaches to health care delivery and addressing the social determinants of health piloted through the WPC program. DHCS launched the planning efforts for the CalAIM program and intended to seek federal approval from the Centers for Medicare & Medicaid Services (CMS) in time for the expiration of WPC pilots on December 31, 2020, with the intention to incorporate learnings from WPC pilots and other similar programs into a subsequent program run by health plans beginning 2021. In light of these activities by the State, in late 2019, City staff and Pathways partners began planning for ramp down of the Pathways program, including the anticipated transition of Pathways clients still needing care and service coordination support to the CalAIM program.

Although California prepared to transition away from the waiver that authorized WPC through the CalAIM program, the COVID-19 pandemic and ensuing stay-at-home order disrupted the health care delivery system. As a result, the State and its health care delivery systems pivoted away from the CalAIM planning process and requested an extension of the existing waiver authority until December 31, 2021, with the goal of maintaining existing programs, including WPC, to not distract attention from COVID efforts. Concurrently, the Governor’s revision to the State budget released in May 2020 postponed funding for CalAIM. While DHCS waits for approval from CMS for the approval of the waiver extension, WPC pilots must make programmatic decisions around how to operate under this uncertainty, including whether to extend their local program should CMS approve the State waiver.

Should DHCS be successful in its wavier application from CMS, staff recommends the City seek to continue the Pathways program through December 2021 to ensure that clients retain the critical services provided by Pathways until CalAIM is implemented. Pathways also serves as a central part of the City’s broader response to homelessness, enhancing and expanding outreach services, the

sheltering program, and re-housing efforts. Attachment 2 details the impacts that Pathways has had on the community-wide response to homelessness, and how these efforts can expand should the program be extended.

Given the uncertainty of the timing of the federal waiver extension, staff recommends allocating up to \$5 million from the City's recently approved WPC augmentation application to fund a four to six month program ramp down should the waiver not be extended. This commitment would provide assurance to Pathways partners to sustain the full level of services and program capacity while waiting for a formal extension from DHCS. Attachment 2 provides more details on the extension process and the programmatic and funding options for Council to consider in light of the shifting state and federal landscape.

Policy Considerations: The Whole Person Care pilot program aligns with the federal directive and City commitment that funding for addressing homelessness follow a "housing first" approach, which offers permanent housing as quickly as possible for individuals and families experiencing homelessness. In housing first programs, supportive services are offered (but not required as a condition of tenancy) to help people keep their housing and avoid returning to homelessness. This evidence-based approach is consistent with the strategies and funding priorities of the other public agencies working to end homelessness in Sacramento.

Since its inception, Pathways has served over 2,000 individuals, all of whom enter the program homeless and typically have an array of complex health and behavioral health conditions. While Pathways has successfully exited many clients to self-sufficiency, many will continue to benefit from on-going care coordination, case management, housing supportive services and other supports. With the delay in implementation of the CalAIM program, which was intended to provide continuity of care for many Pathways clients, there is a potential for clients to lose these critical services should Pathways not continue.

Economic Impacts: None.

Environmental Considerations: None.

Sustainability: Not applicable.

Commission/Committee Action: On July 30, 2020, the Pathways Executive Committee reviewed information on the 1115 waiver extension submitted by DHCS and potential options for extension of Pathways under this waiver. The Executive Committee directed staff to bring this information to the City Council for policy direction.

Rationale for Recommendation: The Pathways program is an opportunity for a community to transform healthcare and housing systems serving vulnerable populations by aligning services and

data through performance-based contracts. The impact of Pathways on both service delivery for vulnerable populations and the expansion of partnerships with the health care community has been significant. Extension of the Pathways program will ensure that Pathways clients receive the continuity of care while DHCS establishes the CalAIM program and allows the community to retain and potentially transition the program infrastructure to the CalAIM program partners.

Financial Considerations:

Extension of the WPC pilot for another year will require identifying additional local match to draw down a corresponding amount of federal funds. The annual local match in the past few years has been from a combination of City General Funds from the Homeless Services Division and contributions from local health systems and health plan partners. City staff has begun preliminary conversations with the four health systems around continuing this funding relationship, and, with Council direction to pursue an extension, will develop a detailed budget plan including sources for local match.

Should an extension be approved, the City will be limited in the maximum amount of federal funds based on the new budget authority for PY6 plus the remaining budget rolled over from PY5, detailed below.

Anticipated Unspent PY5 Budget Authority	Anticipated <u>new</u> PY6 Budget Authority	Maximum PY6 Budget Authority	Maximum Local Match Needed
\$1,489,605	\$16,019,670	\$17,509,275	\$8,754,637

However, the program can be sized in Program Year 6 to the amount of local match available; the City does not have to fully draw down/match the total available federal funds. Because the funding approach for WPC, where the City draws down funds from DHCS in arrears, based on the actual cost of services delivered in the previous six months, the City can “size” the local match needed by adjusting the program scale and scope. With Council direction on which extension and/or ramp-down option(s) to pursue, staff will develop a detailed funding plan for Council approval prior to execution of contract extensions with Pathways partners.

Local Business Enterprise (LBE): All the Pathways service partners are local businesses with established operations in Sacramento and have a history of serving Sacramento’s medically fragile and homeless populations.