



Board Agenda Item 48

DATE: December 9, 2025

TO: Board of Supervisors

SUBMITTED BY: Paul Nerland, County Administrative Officer
Susan Holt, Director, Department of Behavioral Health

SUBJECT: Agreements with Managed Care Plans for CalAIM Transitional Rent and Housing
Deposit Community Supports

RECOMMENDED ACTION(S):

1. **Approve and authorize the Chairman to execute an agreement with Blue Cross of California dba Anthem Blue Cross (Anthem) for California Advancing and Innovating Medi-Cal (CalAIM) Transitional Rent and Housing Deposit Community Support services effective January 1, 2026 for a one-year initial term, with automatic one-year renewals unless terminated by either party;**
2. **Approve and authorize the Chairman to execute an agreement with Kaiser Foundation Health Plan, Inc. (Kaiser) for CalAIM Transitional Rent and Housing Deposit Community Support services effective January 1, 2026 for a one-year initial-term, with automatic one-year renewals unless terminated by either party;**
3. **Approve and authorize the Chairman to execute an agreement with Health Net of California, Inc. (Health Net) for CalAIM Transitional Rent and Housing Deposit Community Support services effective January 1, 2026 for a one-year initial-term, with automatic one-year renewals unless terminated by either party; and**
4. **Approve and authorize the County Administrative Officer and the Director of the Department of Behavioral Health to be the signatories on behalf of the Board of Supervisors on any attestation, application, or other document necessary to effect the Agreements.**

Approval of the recommended actions will allow the County to seek claims reimbursement from the California Department of Health Care Services (DHCS) Medi-Cal program and to coordinate Transitional Rent, Housing Deposits, and other supportive services with the Medi-Cal Managed Care Plans (MCPs) for Medi-Cal beneficiaries. It is anticipated that Transitional Rent and Housing Deposit claims will generate approximately \$914,499 in FY 2025-26 with no Net County Cost. Estimated reimbursements for subsequent years will be budgeted annually. This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended actions, the County would be unable to bill the MCPs for Transitional Rent and Housing Deposit services; however, the Department of Behavioral Health (DBH) would still be obligated to leverage Transitional Rent for the Behavioral Health Bridge Housing (BHBH) program effective January 1, 2026, as required by DHCS. Anthem, Health Net, and Kaiser have elected to contract exclusively with the County for Transitional Rent services in Fresno County; however, should your

Board not approve the recommended actions, the MCPs would instead contract with local CalAIM service providers to provide these services. This would prevent the County from being able to exercise effective oversight of Transitional Rent services in the community and would impact the County's ability to leverage Transitional Rent for Flexible Housing Subsidy Pool (Flex Pool) services planned for mid-2026.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The recommended agreements will allow reimbursement to the County for Transitional Rent and Housing Deposit services provided to Anthem, Health Net, and Kaiser Medi-Cal members at existing CalAIM reimbursement rates which is estimated will generate revenue of approximately \$914,499 in the final six months of FY 2025-26. Sufficient appropriations and estimated revenues are included in the County Administrative Office (CAO) Org 0120 and DBH Org 5630 FY 2025-26 Adopted Budgets. Reimbursements are based on fair market rent calculations as well as the size and configuration of eligible permanent and interim housing settings. The County will receive a portion of the available administrative rate for CalAIM Transitional Rent services, with the remainder retained by the MCPs for their administrative costs. There is no administrative fee available through CalAIM for Housing Deposit services.

DISCUSSION:

Transitional Rent is a time-limited rental assistance program, designed to provide up to six months of rental support to those who are experiencing or at risk of homelessness, especially those transitioning out of institutions like hospitals, correctional facilities, or long-term care. The service aims to provide a stable bridge to permanent housing and is part of the State's CalAIM initiative. In addition to permanent housing settings, Transitional Rent can support housing costs for certain interim housing settings, but cannot be used to pay for meals, supportive services, or other ancillary costs. Beginning January 1, 2025, it is optional for Medi-Cal managed care plans (MCPs) to offer Transitional Rent benefits, and it will become mandatory for all MCPs to implement Transitional Rent for individuals experiencing homelessness with a serious behavioral health condition beginning January 1, 2026. Additionally, County Behavioral Health Departments will be required to leverage Transitional Rent benefits for all BHBH beds.

The County, through the CAO in partnership with DBH, has opted to be a Transitional Rent and Housing Deposits Community Supports provider. To administer Transitional Rent benefits and other community supports, DHCS has recommended that counties adopt a Flex Pool model, to provide faster access to housing, improve health outcomes, and offer a seamless transition between funding sources for individuals experiencing homelessness.

In June 2025, CAO submitted an application to DHCS to participate in a Flex Pool Academy which offers individualized technical assistance and a planning grant for county behavioral health agencies to launch and operationalize a Flex Pool. On August 4, 2025, the County was selected by DHCS to participate in a Flex Pool Academy and was conditionally awarded a planning grant (\$125,000) to develop a Flex Pool program to administer. DHCS has opted to provide the Flex Pool planning grant funds to the County through an amendment to the existing agreement with DHCS for BHBH grant funds which is being brought to your Board for approval at a later date.

Approval of the recommended actions will allow the County to provide Transitional Rent and Housing Deposit Community Supports to individuals experiencing homelessness with behavioral health challenges.

These services will be provided initially through an amendment to the Master Leasing Program with RH Community Builders which is being brought to your Board for approval on a separate item on today's agenda. This amendment will increase the program inventory to include an additional 10 master leased units to provide the initial permanent housing capacity for implementation of Transitional Rent as a pilot program in advance of the planned Flex Pool services.

The recommended agreement with Anthem deviates from the County's model contract language as it includes mutual indemnification language, a limitation on liability, requires the parties to follow a dispute resolution process as described in the agreement, and requires the parties to agree to binding arbitration rather than seeking relief in a court of law. The County agrees to provide self-insurance or maintain professional liability and comprehensive general liability. The County also agrees to any change necessary to comply with any prospective changes required by DHCS. This recommended agreement is also evergreen, may be automatically renewed on a year-to-year basis, and may be terminated by either party upon 120 days written notice to the other party.

The recommended agreement with Kaiser deviates from the County's model contract language as it includes mutual indemnification language. This recommended agreement is also evergreen and may be automatically renewed on a year-to-year basis. The County agrees to provide self-insurance or maintain professional liability and comprehensive general liability.

The recommended agreement with Health Net deviates from the County's model contract language as it includes mutual indemnification language, requires the parties to follow a dispute resolution process as described in the agreement, and requires the parties to agree to binding arbitration rather than seeking relief in a court of law. The County agrees to provide self-insurance or maintain professional liability and comprehensive general liability. This recommended agreement is also evergreen, may be automatically renewed on a year-to-year basis, and may be terminated by either party upon 120 days written notice to the other party.

These agreements have been reviewed by Risk Management and CAO believes that the benefits of the recommended agreements outweigh any potential risks and recommends approval of the agreements.

Health Net Community Solutions, Inc. is an affiliate of Health Net and has entered into an agreement with the Fresno-Kings-Madera Regional Health Authority (CalViva Health) to provide services to Medi-Cal beneficiaries in Fresno, Kings and Madera counties who enroll in CalViva Health. Fresno County Board of Supervisor Garry Bredefeld (District 2 Supervisor) sits on the Board of the Fresno-Kings-Madera Regional Health Authority's CalViva Health, an affiliate of Health Net which is party to one of the recommended agreements and is a non-profit managed care plan.

If the recommended actions are approved, the County will contract with Anthem and Health Net to provide both Transitional Rent and Housing Deposit services and will contract with Kaiser for Transitional Rent services only. Staff will bring a separate agreement with Kaiser's Network Lead Entity, Full Circle Health Network, to provide Housing Deposit services for Kaiser health plan members to your Board for approval at a later date.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board will be notified of the recommended agreements during the December 2025

meeting.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement with Anthem for Community Supports

On file with Clerk - Agreement with Kaiser for Community Supports

On file with Clerk - Agreement with Health Net for Community Supports

CAO ANALYST:

Dylan McCully