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Innovative Strategies in CalAIM Implementation:

MidPen Housing Corporation

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Introduction

In 2022, California launched California Advancing and Innovating Medi-Cal (CalAIM), an ambitious effort to improve its Medi-Cal system. Medi-Cal is the state's Medicaid program that insures nearly 15 million people, or 40 percent of California's residents.[1] Led by the California Department of Health Care Services (DHCS), CalAIM is a five-year initiative (2022–2026) that aims to provide cost-effective services to Medi-Cal members with the most complex needs in order to improve health outcomes and reduce reliance on expensive medical services.[2]

For organizations that develop and operate permanent supportive housing (PSH), CalAIM provides a unique opportunity to access Medi-Cal dollars to pay for services for residents living in their PSH properties. Specifically, housing providers can use Medi-Cal funding to provide the "housing trio" of CalAIM Community Supports: Housing Transition Navigation Services (HTNS), Housing Deposits, and Housing Tenancy and Sustaining Services (HTSS).[3]

Housing providers can also use Medi-Cal to become an Enhanced Care Management (ECM) provider, which offers care coordination to address clinical and non-clinical needs for residents with complex needs.[4] Accessing these CalAIM resources through contracts with Medi-Cal managed care plans can allow housing providers to expand supportive services, which in turn can fill critical gaps in project operating budgets and ensure that individuals experiencing homelessness receive the stability and care they need to maintain housing.

This brief presents a case study of MidPen Housing Corporation, whose approach to CalAIM implementation provides lessons for other organizations seeking to integrate housing and health care services. The case study draws on interviews with 13 MidPen staff and site visits to three properties.[5] We also spoke with representatives from the two managed care plans with which MidPen contracts—Central California Alliance for Health and the Health Plan of San Mateo.

Common Acronyms

CalAIM: California Advancing and Innovating Medi-Cal

CCAH: Central California Alliance for Health

CCSP: Community Care Settings Pilot

DHCS: California Department of Health Care Services

ECM: Enhanced Care Management

HIPAA: Health Insurance Portability and Accountability Act

HPSM: Health Plan of San Mateo

HTNS: Housing Transition Navigation Services

HTSS: Housing Tenancy and Sustaining Services

IHSP: Individualized Housing Support Plan

IPP: Incentive Payment Program

MCP: Managed Care Plan

PHI: Protected Health Information

PSH: Permanent Supportive Housing

WPC: Whole Person Care pilot

Resources for Understanding CalAIM

CalAIM is a broad, complex undertaking to improve California's Medi-Cal system, with too many program elements and regulations to cover in this case study. Here are resources for more background information:

The Corporation for Supportive Housing has an online Medi-Cal Academy with training for housing and homeless service agencies interested in contracting with managed care plans to provide housing-related Community Supports. >>Access the site

The California Health Care Foundation publishes articles updating the field on issues related to CalAIM implementation. >>Read the articles

The California Department of Health Care Services maintains a website with policy guidance and resources related to CalAIM, as well as a Housing for Health page with updates on various DHCS-led housing-focused initiatives within and outside Medi-Cal.
>>Access the site | >>Access the page

Paving the Way for CalAIM Implementation

MidPen Housing Corporation[6] is a nonprofit affordable housing developer providing housing for 9,800 households across 12 counties in Northern California, including approximately 1,000 PSH units. MidPen employs a range of direct service roles—including service coordinators I and II, case managers I and II, senior service coordinators, and senior case managers—typically assigning one full-time employee per property and two to three full-time equivalents (FTEs) at higher-need sites.[3] MidPen is committed to serving people experiencing homelessness, individuals with special needs, and people with extremely low incomes (ELI); nearly 40 percent of the units in MidPen's pipeline of new projects will serve one or more of these higher-acuity populations.

Prior to CalAIM, MidPen had already worked with managed care plans under two precursor pilots that sought to integrate housing and health care. In San Mateo County, MidPen partnered with the Health Plan of San Mateo (HPSM) and the local housing authority under the Community Care Settings Pilot (CCSP) to coordinate medical and social services for low-income seniors and people with disabilities who were dually eligible for Medicare and Medi-Cal.[8] This collaboration resulted in project-based vouchers[9] at four MidPen properties and successfully transitioned medically complex seniors—often experiencing homelessness or exiting skilled nursing facilities—into community-based housing with integrated on-site services.

MidPen also participated in a Whole Person Care (WPC) pilot[10] in Monterey County in partnership with the Central California Alliance for Health (CCAH) and the local housing authority at a PSH community in Salinas. These pilots, together with MidPen's existing staffing and service programming, paved the way for CalAIM.

Even so, CalAIM required MidPen to make a significant investment to build essential infrastructure—including systems

for claims management and protecting residents' health information (HIPAA compliance).[11] MidPen also secured two Incentive Payment Program (IPP) grants[12]—one from CCAH in 2022 and another from HPSM in 2024—totaling over half a million dollars. These funds were instrumental in enhancing infrastructure, covering consulting fees, and creating a new CalAIM staff position. A CalAIM consultant—hired as a contracted position with a background in health and gerontology and experience working with earlier housing/health pilots—was also instrumental in building the necessary infrastructure and training the new CalAIM manager.

MidPen's Incremental Approach to CalAIM Implementation

As of March 2025, MidPen is directly contracted with HPSM and CCAH to provide Housing Tenancy and Sustaining Services (HTSS) across nine properties in three counties—San Mateo, Santa Cruz, and Monterey.[13] At these properties, 120 residents are authorized to receive HTSS,[14] meaning that MidPen is able to bill the managed care plans for providing HTSS to those residents. To be eligible for HTSS, residents must be enrolled in a Medi-Cal managed care plan, be experiencing or at risk of homelessness, meet defined clinical risk criteria, and have voluntarily consented to the services.[15] HTSS helps residents maintain safe and stable tenancy once housing is secured. Services include identifying early warning signs that may jeopardize a resident's housing stability; facilitating effective communication with property management; managing tenant relations and mediation; assisting with benefits access and navigation; providing support through life-skills coaching, housing recertification, and health and safety visits; and ensuring lease compliance.[16] Staff noted that the shift from being unhoused to living independently can be a significant transition and requires consistent support.

> There are definitely some people who are living in this building, and they're functioning independently just fine. I also have residents who are moving in after 30 years of being on the streets, and we're going over how to use the microwave. So it's a broad range.
>
> - Case Manager

MidPen has taken a measured, collaborative approach to CalAIM implementation by working closely with managed care plans to identify and secure authorizations for HTSS for residents in its PSH properties. MidPen generally does not rely on referrals from managed care plans.[17] Instead, staff proactively review the tenant population and reach out to those at high risk for housing instability, such as individuals with histories of homelessness, lease violations, or rent arrears. With the residents' voluntary consent, staff obtain initial authorizations for HTSS from the managed care plan. This targeted strategy has allowed MidPen to gradually build and refine the necessary infrastructure and service delivery processes, including expanding staffing models, while tailoring services to meet the unique needs of residents at participating sites.

This incremental approach also reduces the financial risk to the organization by allowing MidPen to validate reimbursement models and administrative processes on a smaller scale before broader implementation. Instead of directly funding

staff and services, HTSS revenue is set aside in a dedicated reserve. MidPen is now exploring whether those dollars could finance additional floating case manager positions instead of relying on grants or the core operating budget. As a result, MidPen has ensured that any necessary adjustments to staffing or service delivery could be made without jeopardizing the organization's overall fiscal health.

> I'm cautiously optimistic about using CalAIM revenue to fund staff at implementation sites. While we're leaning in as a provider, we are mindful that CalAIM is a demonstration pilot and only approved through 2026. If the funding ends, we could face challenges if roles aren't built into our core budget.
>
> - Senior Director of Resident Services

Building on its success at nine sites, MidPen is now rolling out HTSS at a tenth property.[18] To maintain an incremental approach, MidPen also partners with trusted third-party providers to offer supplementary services like ECM, medically tailored meals, and personal care activities when residents require additional assistance.

Improving Resident Care and Staff Support through CalAIM

Even though MidPen has taken a measured approach to expanding CalAIM, the investments have already strengthened the organization's ability to meet residents' needs for supportive services. To some extent, CalAIM HTSS builds on the services that MidPen already provides across its properties, but limited funding for supportive services through housing funding programs makes it difficult to offer them consistently due to understaffing. With CalAIM, there is now greater capacity to maintain continuous support.

According to several leadership and direct service staff, the value of HTSS is that it expands funding and requires regular and *intentional* in-person check-ins with enrolled residents. This allows service staff to establish a baseline of resident needs, identify patterns in behavior, and build trust with residents—aspects of care that are traditionally more challenging with lower-resourced resident services models. One case manager shared that the additional support and regular touchpoints through HTSS can make a significant difference in helping residents maintain their housing stability and achieve better health outcomes.

> Just seeing the value of more one-on-one time with some of the residents who need a little bit more support. The opportunity it provides to prioritize them. When you're on site, you're providing support services to every resident who's agreeable to come to you. It's voluntary. But I think that with the CalAIM program, it has helped us pivot toward those residents who are more at risk of being unstable in community housing.
>
> - Case Manager

Managed care plans are also starting to see benefits.

> Initially, some of the return on investment data was not promising, but to me that wasn't surprising…This is a very long, long game. Housing someone

> today is not going to mean they don't get hospitalized tomorrow…But we are seeing that at month 12, 18, for both our ECM [Enhanced Care Management] and Community Supports population, there has been a decrease in costs—it looks to be trending downward in things like emergency department encounters and in our inpatient admissions, both of which are good.
>
> - Managed Care Plan Representative

Staff outcomes have improved alongside those for residents. Case managers report better access to resources and a clearer understanding of their own roles, as well as those of partner organizations, which enhances accountability.

> CalAIM has helped us to hold partners and other people accountable. When it was CCSP, it was harder to hold other entities accountable for what services they were supposed to provide. CalAIM is clear by stating, 'We're doing housing tenancy services, and here are the things that need to be done.' I also felt like CalAIM provided us with more access to resources, because we understood exactly who we could reach out to and what these residents could get out of the care available to them.
>
> - Program Manager

Innovative Strategies in CalAIM Implementation

In this section, we outline how MidPen has implemented CalAIM Community Supports through four key strategies: addressing staffing and workforce challenges; meeting complex legal and HIPAA compliance requirements; streamlining claims management and standardizing processes; and optimizing partnerships with managed care plans. These approaches have not only helped MidPen overcome immediate operational hurdles but also offer lessons for other organizations integrating housing and health care services.

Addressing Staffing and Workforce Challenges

MidPen's experience with the WPC and CCSP pilot programs brought more resources to its properties and launched new collaborations between on-site staff and external partners. However, these partnerships often proved challenging due to unclear role definitions, complex reporting structures, and inadequate communication about residents' needs. The programs also increased staff paperwork and caseloads, raising the risk of burnout, while the ambiguity in responsibilities between on-site staff and external partners providing case management and other supportive services hindered accountability. Ultimately, the pilots underscored the need for a more centralized staffing model with dedicated direct service providers and managers working on CalAIM Community Supports.

MidPen has addressed these challenges through a dual staffing model that a) draws on existing direct service staff at CalAIM participating sites, and b) creates dedicated CalAIM positions. Table 1 shows the key CalAIM staff roles and their primary responsibilities, detailing how each position supports the implementation and management of HTSS services. A central CalAIM manager, a role created in 2024 that reports to the senior director

of Resident Services, oversees CalAIM program operations, monitors deliverables, manages vacancies, and coordinates partnerships with managed care plans.

At each property implementing CalAIM, general case managers and service coordinators handle day-to-day resident support and services and are responsible for enrolling residents in HTSS. Residents who become enrolled in HTSS continue working with their prior case manager to maintain a single point of contact, though in some cases an additional CalAIM-specific case manager is involved.

For instance, at a Homekey site where approximately 20 of the 90 formerly homeless seniors are enrolled in HTSS, one case manager acts as the primary on-site contact for all residents, while a CalAIM floating case manager—funded through an IPP grant from the managed care plan—provides specialized support for residents enrolled in HTSS across three properties in San Mateo County. The floating case manager can also step in to assist with other complex cases. The centralized staffing structure ensures that a subset of residents at each site receives focused, individualized care without overwhelming existing workflows.

Structuring staff to include the CalAIM manager and floating case manager roles has significant benefits. The CalAIM manager has developed expertise in CalAIM program rules and provides centralized support for direct service staff, ensuring that CalAIM's complex requirements are effectively met. The CalAIM manager also provides training and guidance to the direct services staff who provide care to residents enrolled in CalAIM and acts as a central point of

Table 1: CalAIM Staff Roles and Responsibilities

STAFF ROLE	RESPONSIBILITIES
Senior Director	Business owner, supervises CalAIM manager, supports operations.
CalAIM Consultant	Contracted position funded through MidPen's general budget. Role supports operations and growth planning for 15–20 hours a week.
CalAIM Manager	Position created April 2024. Role oversees CalAIM operations, including monitoring deliverables from site staff, vacancy management and capacity building, administrative tasks, and partnership management.
CalAIM Floating Case Manager	Position created August 2024 and funded by IPP grant. Role "floats" among participating sites in San Mateo to backfill if/when there are staff vacancies, carries an individual case load, and supports complex resident needs.
On-site Case Manager at a property where HTSS is provided to some residents	Role provides general case management to a caseload of about 20 residents. Role may also provide HTSS for a subset of about five to 15 residents.
On-site Service Coordinator at a property where HTSS is provided to some residents	Role provides service coordination to a caseload of about 70–300 residents. Role may also provide HTSS for a subset of about three to eight residents.

contact. Most importantly, the CalAIM manager position oversees the process of completing and submitting Individualized Housing Support Plans (IHSPs) for all residents enrolled in CalAIM, which is required for HTSS reauthorization. Direct service staff are still responsible for completing and updating each resident's IHSP—which remains a challenging and burdensome task, especially when multiple reauthorizations are due at once. However, the CalAIM manager helps reduce administrative workload by reviewing all IHSPs and ensuring timely submission, allowing on-site staff to focus more on resident care.

> Prior to hiring the CalAIM manager, it was very difficult for program managers to balance everyday responsibilities of managing staff alongside keeping track of authorizations and reauthorizations for CalAIM Community Supports and training service coordinators on how to do IHSPs in order to provide HTSS. By having somebody who is focused on helping to assist both program managers and direct service staff on CalAIM, staff and residents alike have benefited tremendously.
>
> - Program Manager

As the implementation of HTSS is expanded to additional sites and residents, a dedicated manager has been able to help coordinate the pacing and timing of new enrollments in order to avoid overwhelming case managers.

MidPen further enhances its service delivery by partnering with external organizations. For example, at the Homekey site mentioned above, MidPen has a contract with a mental health provider, which also provides on-site case management and referral to external services. Due to the mental health provider's ability to refer residents to specialty services such as memory care, occupational therapy, and other non-HTSS Community Supports that MidPen does not offer, the mental health provider serves as the HTSS provider for about five of the 20 residents enrolled in HTSS at this site. Staff stress that close coordination and frequent communication between MidPen and partner agencies are essential to ensure alignment and a seamless resident experience. Despite variations in service models across properties, MidPen attempts to maintain a single, consistent point of contact for residents regardless of how many staff members are involved.

MidPen's flexible enrollment model allows on-site staff to enroll residents in CalAIM Community Supports even if they weren't initially authorized by the managed care plan to receive those services, expanding support for those requiring a higher level of care. For example, the staff at the Homekey site have identified residents with lease violations and rent arrears as prime candidates for enrollment in HTSS to help them sustain their housing.

The CalAIM floating case manager spearheads outreach and enrollment for these individuals. Working closely with the floating case manager, the on-site case manager reviews the list of potential candidates and selects the appropriate method for contact—whether a phone call, door knock, or warm handoff. The tailored outreach approach is designed to increase the likelihood of successful enrollment and ensure each resident receives the specific support they require. Table 2 provides a detailed, step-by-step workflow for how case managers and service coordinators guide residents through CalAIM HTSS authorization and reauthorization.

Table 2: CalAIM HTSS Authorization and Reauthorization Workflow

Phase	Key Activities	Example
Assess Eligibility	On-site case manager creates list of high-risk residents. CalAIM manager assesses Medi-Cal eligibility.	The on-site case manager creates a list of residents with lease violations, rent arrears, and/or challenges with Property Management. The on-site case manager reviews the list with the CalAIM manager to verify HTSS eligibility. The CalAIM manager confirms Medi-Cal eligibility via the managed care plan provider portal.
Resident Outreach	On-site case manager meets with resident to explain CalAIM HTSS. Resident voluntarily consents to receive HTSS.	After confirming HTSS and Medi-Cal eligibility, the case manager reaches out to the resident to explain CalAIM HTSS and obtain consent. The on-site case manager completes the HTSS enrollment packet with the resident. Resident outreach is captured in Salesforce.
Submit Initial Authorization Request	CalAIM manager prepares and sends documents to managed care plan.	CalAIM manager submits authorization request to the managed care plan via the health plan provider portal or fax.
Initial Authorization Approval	Managed care plan reviews authorization requests.	The managed care plan reviews the authorization request and signs off within three to five business days, authorizing HTSS as "reasonable and necessary" (medical necessity) for the resident.[19] Any denials or modification requests come back with clinical rationale.
Deliver Services	Upon HTSS authorization approval, on-site case managers: • Conduct intake assessments • Create Individualized Housing Support Plans • Conduct bi/monthly HTSS check-ins (e.g., housing stability coaching, benefits navigation, life-skills support) • Coordinate with property management and partner agencies	On-site case managers provide a minimum of one touchpoint each month and loop in external partners as needed for added support, medical care, or crisis intervention.[20] All resident interactions and coordination with property management and external partners are documented in Salesforce.
Reauthorization and Continuity	At six or 12 months, on-site case managers update IHSPs with progress and justification for reauthorization. CalAIM manager tracks deadlines to avoid service gaps.	The CalAIM manager pulls upcoming authorization expirations from Salesforce, reviews all IHSPs, and submits reauthorization packets at least two weeks before deadline, ensuring no lapse in service.

MidPen also employs several back-office positions to support CalAIM implementation. These new positions include a data analyst, overseen by the director of Data Analytics and Reporting, who collaborates with the CalAIM manager on reporting and claims submission; a Salesforce technical architect responsible for infrastructure needs; and a HIPAA consultant dedicated to compliance and systems integration. Additionally, in-house legal counsel works alongside the HIPAA consultant on contracts and MOUs, while IT and accounting teams provide ongoing support for Salesforce, HIPAA adherence, and CalAIM revenue management. These positions, structured as fractions of FTEs with defined deliverables and end dates, have been funded through grants and internal resources during the startup phase—all with a goal of reaching financial break-even on a fully loaded cost basis.

Meeting Complex Legal and HIPAA Compliance Requirements

The complexity of becoming a Medi-Cal billing entity, as well as the variation in reporting requirements across managed care plans, meant that MidPen had to create a customized solution for back-office processing for CalAIM implementation.

> One of the challenges that MidPen has had in scaling our CalAIM program is because the vendors and suppliers who have worked well within the health care systems cannot make a business in the CalAIM world because they cannot universally apply it statewide. They have to come up with customized solutions for MCP [managed care plan] by MCP by MCP. CalAIM is not going to take off if you leave it to the housing developers and the localized service deliverers to figure it out. They need support.
>
> - Vice President and Corporate Counsel

In implementing the delivery of Community Supports services through managed care plan contracts as part of CalAIM, MidPen is transitioning from a traditional housing provider to a dual-role organization that also functions in some ways that are more similar to a health care provider. Under previous models like the CCSP and WPC pilots, MidPen operated as a Business Associate[21] under HIPAA by partnering with local health agencies designated as HIPAA-covered entities,[22] which required MidPen to enact only basic compliance measures. With CalAIM, however, MidPen must now function as a HIPAA-covered entity itself, subject to much stricter privacy and security standards to protect patient health information (PHI). This shift has necessitated extensive staff training and the development of new policies and procedures, including enhanced data security and standardized electronic transactions.

To address these elevated compliance requirements, MidPen engaged a specialized HIPAA consultant with extensive expertise in health care compliance. The consultant has been instrumental in reviewing and updating existing policies, identifying critical data security gaps, and establishing best practices for managing electronic transactions. Collaborating closely with MidPen's legal and IT teams, the consultant has also led training sessions to ensure all staff understand the new protocols and their responsibilities under the stricter HIPAA framework—an essential step in building a robust compliance infrastructure.

> We've put a lot of security and encryption into our systems that I think is going to have a long-lasting positive impact for MidPen as an organization. Our data is now more secure than it was before we got involved with CalAIM, and that's a huge benefit.
>
> - Director of Data Analytics and Reporting

MidPen has adopted a hybrid entity[23] approach by designating its Resident Services division as a HIPAA-covered function, while keeping its Property Management and Housing Corporation operations outside the full scope of HIPAA compliance. By clearly differentiating roles, MidPen ensures that only CalAIM-specific supportive services—those that handle PHI—are subject to the full rigor of HIPAA compliance. As MidPen's vice president and corporate counsel noted, applying full HIPAA compliance across all functions would create operational bottlenecks, "bringing operations to a grinding halt."

Although it has taken significant investments, CalAIM implementation has bolstered the organization's data security, HIPAA compliance, and operational coordination, leading to more standardized processes and enhanced automation. Together, these improvements have fostered stronger interdepartmental collaboration and trust. Even if the waiver expires, the long-term benefits of these investments will continue to support and strengthen the organization's overall capacity.

Streamlining Claims Management and Standardizing Processes

Given that the initial authorizations for HTSS are typically issued for a defined period—usually six or 12 months—service providers must secure reauthorizations to continue delivering support beyond this window. In PSH, which is designed to offer long-term, uninterrupted assistance to residents, any lapse in obtaining a timely reauthorization can lead to a cascade of negative consequences. Failure to complete the reauthorization documentation—including updating IHSPs and justification statements—can delay critical services for residents. This challenge affects settings where MidPen directly delivers HTSS, as well as where Community Supports and ECM are provided by external partners.[24]

In response to inconsistent documentation and authorization requirements across managed care plans, MidPen has streamlined and standardized internal policies and procedures in three key ways, thereby ensuring continuity and reliability of services across all partnered locations.

First, MidPen built a centralized Salesforce customer relationship management (CRM) system in 2011 that initially served to streamline case management by tracking resident encounters and logging case notes. This system evolved into a platform capable of handling in-house claims processing, which allowed MidPen to be an early adopter and implementer of CalAIM.

Second, in 2023, MidPen transitioned to a clearinghouse model.[25] This model consolidates the diverse file format requirements from various managed care plans into a single, standardized protocol, ensuring that all claims data are consistent and compliant before secure transmission via SFTP.[26] By delegating the complex tasks of data transformation and secure transfer to the clearinghouse, MidPen has significantly reduced manual

adjustments and error rates, accelerating the claims submission process and reinforcing HIPAA compliance. Together, the Salesforce system and the clearinghouse model have helped maintain a claims approval rate of over 99 percent.

Third, MidPen standardized its internal policies by adopting the most rigorous requirements from one managed care plan across all partnerships. For example, when one managed care plan mandated detailed outreach, rigorous documentation, and precise authorization procedures, MidPen extended those standards across all its properties where HTSS are offered to residents. This uniform approach eliminates the need to tailor protocols for each managed care plan, effectively reducing administrative burdens—particularly for direct service providers.

Looking ahead, MidPen is investing in automation—implementing an approach that automatically pulls, formats, and uploads claims files and health plan authorization data—freeing up staff time and enabling the scalable rollout of HTSS across more properties and residents.

Beyond this logistical complexity, there are inherent challenges in aligning services with people's dynamic needs, and the difficulty of doing that work at the intersection of housing and health systems. Managed care plans recognize that reauthorization decisions under CalAIM are complex. Determining when a member has stabilized enough to "graduate" from needing HTSS is challenging, as the spectrum of needs varies widely. As one managed care plan representative shared, some members may require ongoing, potentially lifelong housing support, while others might only need temporary assistance until they stabilize.

> It's really tricky because it's very difficult to create eligibility criteria. It seems as though there is a time in which a member is stable enough that they graduate from needing tenancy and support. We also know it's much more expensive to re-house someone than to just sustain their housing. There will be members who need housing tenancy and support potentially forever because they have higher needs, more complex medical conditions, or behavioral health conditions or substance use disorders. And then there are members who have struggled with housing because of housing affordability, displacement, familial issues, and they might need housing tenancy sustaining services for a year, and then they're stabilized again.
>
> - Managed Care Plan Representative

From the managed care plan perspective, reauthorizations under CalAIM raise complex challenges, particularly when applying the traditional concept of "medical necessity" to housing services. Medical directors, whose expertise is primarily in clinical care, are tasked with authorizing services that extend far beyond conventional health care—such as determining whether housing is medically necessary—even when a resident's condition, like well-controlled diabetes, might not clearly justify such an intervention. This requirement, mandated by DHCS, forces clinicians to make decisions in areas where they often feel out of their depth, highlighting an expansion in their scope of practice. As a result, there are growing concerns at managed care plans that these medical professionals may not be the best equipped to

evaluate housing needs, prompting questions about whether the current reauthorization framework works.

Optimizing Partnerships with Managed Care Plans

Strong partnerships with managed care plans are essential to the success of MidPen's CalAIM implementation. Over the past five years, starting with the CalAIM precursor pilots, MidPen has built partnerships with its managed care plan partners—HPSM in San Mateo and CCAH in Santa Cruz and Monterey Counties. Both MidPen staff and representatives from these plans emphasize that mutual education and open communication are key; they invest time in understanding each other's operations, staffing models, and data systems through regular check-in meetings and shared best practices, which helps them navigate a complex, ever-changing regulatory environment.

MidPen's CalAIM consultant emphasized that housing developers need to understand how to effectively collaborate with health plans—their primary payers—by learning to communicate in the language of the health plan. She noted that health plans often lack insight into the specifics of how affordable housing operates, including its funding mechanisms and service provision.

A key advantage of working with MidPen for a managed care plan is that MidPen serves as both the housing developer and the Community Supports service provider within its properties, streamlining coordination and communication and reducing the risk and complexity for managed care plans that may arise when dealing with separate entities for property development and service delivery. Given that managed care plans are already navigating significant operational risks, having a single, unified partner like MidPen minimizes potential miscommunications and delays. Moreover, plan representatives shared that MidPen consistently demonstrates reliability by following through on its commitments—even amid construction delays or unexpected challenges—further solidifying its reputation as a trusted partner in affordable housing development and service delivery.

> MidPen has been a strong partner in essentially, what they say they are going to do, they do. There can be a lot of delays in building and issues, and MidPen has been a good partner in delivering upon what they say they're going to deliver…They're a trusted partner in the housing space.
>
> - Managed Care Plan Representative

Managed care plans are motivated to engage with housing providers and participate in CalAIM Community Supports due to both mission-driven goals and the promise of long-term cost-effectiveness. Managed care plan representatives highlighted that their involvement in CalAIM builds on the successes of previous pilots, like WPC, which demonstrated a positive impact by keeping members with complex needs out of emergency departments and stabilizing their housing situations.

Conclusion

MidPen's journey underscores how a phased, incremental rollout of CalAIM Community Supports implementation—beginning with its participation in early pilot programs—allowed the organization to build key infrastructure and refine flexible service delivery models before expanding to multiple properties.

The lessons learned from those precursor pilots, combined with MidPen's strategic investments in claims management, HIPAA compliance, and data analytics, have established a solid foundation for CalAIM implementation. Table 3 summarizes the key implementation challenges MidPen has faced and the targeted solutions—with practical examples—that they have employed to address them.

Today, the environment is more conducive for housing providers to adopt CalAIM, with nonprofit and county-based "hubs" acting as intermediaries to connect providers with managed care plans, handling much of the administrative work and taking on some of the associated risks. Housing providers interested in adopting CalAIM should first assess existing resources to avoid unnecessary investments in developing complex internal systems.

MidPen's experience also underscores the key policy reforms that would increase their ability to deliver HTSS to more residents. Clearer guidance—such as standardized authorization periods, uniform referral processes, and enhanced data-sharing protocols—would simplify CalAIM implementation and align stakeholders' efforts, especially for developers operating across multiple counties. Grant programs, like those provided through IPP and PATH CITED,[27] have proven invaluable for funding infrastructure development, such as technology upgrades and staff training, which help streamline claims management and ensure HIPAA compliance. Sustaining these grant funding streams, whether through renewed allocations or the launch of similar initiatives, is essential to support ongoing infrastructure enhancements and capacity building.

There are also legislative efforts in the current session that seek to strengthen the delivery of Community Supports, including the "housing trio." Senate Bill 324, *Medi-Cal: Enhanced Care Management and Community Supports*, would require DHCS to annually review and adjust its guidelines so that ECM and Community Supports services are reimbursed at rates that accurately reflect their actual costs.[28] Assembly Bill 804 would make the "housing trio" services a covered Medi-Cal benefit—subject to appropriation and federal approval—so that any Medi-Cal enrollee experiencing or at risk of homelessness could access them under the State Plan.[29]

Finally, policy shifts at the federal level may have broader implications for Medicaid and the state waivers. Institutionalizing CalAIM beyond its current 2026 timeframe could give organizations the long-term certainty they need to invest in and scale efforts to provide Community Supports and improve resident outcomes in PSH properties across California.

Table 3: Challenges and Solutions with Examples

Challenge	Solution(s)	Example
Steep Learning Curve	Hire expert consultants and provide ongoing, targeted training to staff.	MidPen engaged a CalAIM consultant to help staff master new billing, compliance, and process requirements.
Enrollment Complexity	Develop tailored outreach strategies and personalized engagement methods to identify and enroll eligible residents.	At all properties implementing CalAIM HTSS, staff identify residents with lease violations or rent arrears and use personalized outreach—phone calls, door knocks, or warm handoffs—to enroll them in HTSS.
Complexity of Service Delivery	Clarify roles by maintaining a primary case manager even when multiple service providers are involved, ensuring streamlined resident support. Staff case managers on-site to help facilitate better communication and relationships with residents.	At a Homekey site, most HTSS residents continue working with their existing MidPen case manager, ensuring they have a single point of contact. In some cases, a floating case manager handles the HTSS work for residents who require an additional layer of care and support. This dual staffing approach creates a more seamless experience for residents.
Reauthorization Process	Use dedicated staff to manage reauthorization paperwork.	The CalAIM manager handles reauthorization deadlines, reducing administrative workload and freeing case managers to focus on resident support, while accommodating varied managed care plan timelines.
Inefficient Claims Processing	Build and evolve a centralized Salesforce CRM system to streamline case management and support in-house claims processing.	MidPen built a centralized Salesforce CRM in 2011 to track resident encounters and log case notes. Over time, this platform evolved to handle in-house CalAIM claims processing that now incorporates automation to enhance efficiency.
Variability in Reporting Requirements and Expectations	Use a clearinghouse model to standardize file formats and automate secure data transmission via SFTP.	MidPen uses a clearinghouse that consolidates various file format requirements from different managed care plans into one standardized protocol—reducing manual adjustments, cutting errors, and reinforcing HIPAA compliance, with a claims approval rate exceeding 99 percent.

Table 3 is continued on the next page.

Table 3: Challenges and Solutions with Examples (Continued)

Challenge	Solution(s)	Example
Data Analytics and Integration Gaps	Invest in a robust analytics team and partner with data aggregators to bridge information silos.	MidPen is exploring partnerships with organizations to integrate health and housing data, enhancing program evaluation and outcome tracking.
Claims Management Variability across Managed Care Plans	Develop uniform internal processes that meet the strictest external requirements.	MidPen adopted the more stringent claims rules from one managed care plan and applied them across all partnerships to streamline data submission and reduce errors.
Coordination with External Partners	Establish regular communication, clear role definitions, and shared accountability.	Weekly check-ins between MidPen staff and third-party service providers, such as a mental health provider at a Homekey site, ensure coordinated service delivery and smooth transitions for residents requiring additional support.
Facilitating Access to Specialty Care	Collaborate closely with third-party service providers who can facilitate access to non-HTSS Community Supports, ECM, and/or specialty care for residents who need additional services.	At a Homekey site, MidPen partners with a mental health provider from San Mateo County, which provides dedicated on-site case management. Typically, MidPen serves as the primary HTSS provider; however, if a resident needs a specialty referral (e.g., memory care, occupational therapy), the mental health provider provides HTSS and other supportive services for the resident.
Financial and Operational Challenges	Maintain diversified funding streams and monitor staffing costs closely.	CalAIM revenue is kept in a separate account at MidPen, allowing the organization to subsidize costs from other sources and manage gaps between reimbursement rates and service expenses.
Reimbursement Rates Lower than Actual Service Costs	Scale CalAIM incrementally and subsidize service delivery costs from non-CalAIM sources.	Reimbursement rates vary significantly across managed care plans and fall short of covering the fully loaded cost of a case manager, which may exceed $84,000 annually for 15 HTSS enrollees. As a result, MidPen must piece together funding from various sources to sustain its CalAIM service delivery.

ENDNOTES

1. See the California Health Care Foundation's Medi-Cal Enrollment Tracking Tool: **https://www.chcf.org/publication/medi-cal-enrollment-tracking-tool/**

2. To implement CalAIM, the California Department of Health Care Services received needed federal authorities, including approval of California's Medicaid State Plan, a Section 1915(b) waiver, and a Section 1115 demonstration waiver. For more information, see: **https://www.chcf.org/publication/medi-cal-waivers-state-plan-amendments/**

3. "Housing trio" services are three key Community Supports services—of a total of 15—designed to assist individuals experiencing or at risk of homelessness in securing and maintaining stable housing. While Community Supports services are an optional benefit, they have been widely implemented in response to state incentives and encouragement. **https://www.dhcs.ca.gov/CalAIM/ECM/Pages/Home.aspx**

4. Enhanced Care Management (ECM) is a benefit for all eligible managed care plan members.

5. We interviewed a wide range of staff across the organization. This included leadership in resident services, data analytics and reporting, policy and advocacy, and legal and corporate counsel; property-level staff, such as case managers and program managers; and CalAIM-specific personnel including a CalAIM consultant, HIPAA privacy and security consultant, CalAIM manager, and CalAIM floating case manager.

6. MidPen is organized into three distinct entities, each playing a specialized role in its overall operations. The MidPen Housing Corporation is the development arm and property owner; the MidPen Property Management Corporation serves as the property management agent, handling leasing, maintenance, and day-to-day operations; and the MidPen Resident Services Corporation is responsible for the delivery of supportive services to the residents.

7. Although MidPen delivers on-site services through its own case managers, it also relies on essential third-party contracts for PSH service provision.

8. Learn more about the Community Care Settings Pilot: **https://www.chcs.org/media/HPSM-CCS-Pilot-Profile-032916.pdf**

9. Project-based vouchers are a form of rental assistance under the Section 8 Housing Choice Voucher Program where the subsidy is tied to a specific unit in a rental property, rather than being portable like tenant-based vouchers.

10. Whole Person Care (WPC) pilots were implemented through a federal Section 1115 Medicaid demonstration waiver—known as "Medi-Cal 2020"—to provide counties with funding and authority to coordinate health, behavioral health, and social services for high-need Medi-Cal beneficiaries. **https://www.chcf.org/blog/whole-person-care-pilots-set-stage-calaim/**

11. HIPAA is the Health Insurance Portability and Accountability Act, passed in 1996 to protect the privacy and security of individually identifiable health information. HIPAA establishes standards for handling, transmitting, and storing protected health information (PHI).

12. The Incentive Payment Program supported the implementation and expansion of Enhanced Care Management, Community Supports, and other CalAIM initiatives by providing incentives to Medi-Cal managed care plans. **https://www.dhcs.ca.gov/Pages/IncentivePaymentProgram.aspx**

13. MidPen is also in discussions with Kaiser Independent Living Systems, with an expected contract that would allow MidPen to serve Kaiser members in Santa Cruz and San Mateo Counties and expand into Santa Clara County. While MidPen has provided Housing Transition Navigation Services to some residents in Santa Cruz County, its primary focus has been providing Housing Tenancy and Sustaining Services.

14. Residents consent to receive Community Supports services, such as HTSS, which are authorized under CalAIM and subject to approval by their managed care plan.

15. Individuals who are prioritized for a PSH unit or rental subsidy resource are also eligible for HTSS. See the California Department of Health Care Services Community Supports Policy Guide Volume 2 for complete eligibility criteria. **https://www.dhcs.ca.gov/ru/Documents/MCQMD/DHCS-Community-Supports-Policy-Guide-Volume-2.pdf**

16. See the California Department of Health Care Services Community Supports Policy Guide Volume 2 for a complete list of HTSS services. **https://www.dhcs.ca.gov/ru/Documents/MCQMD/DHCS-Community-Supports-Policy-Guide-Volume-2.pdf**

17. While MidPen generally does not rely on managed care plan referrals, 40 units across five properties are filled by residents who are directly referred—or indirectly referred by a third-party service provider—by the managed care plan for HTNS and/or HTSS.

18. As of 2025, HTSS was provided to 120 of MidPen's roughly 1,600 PSH residents.

19. A managed care plan reviews the authorization request and determines that HTSS are "reasonable and necessary" (i.e., meet medical necessity) before authorizing services. **https://www.dhcs.ca.gov/ru/Documents/MCQMD/DHCS-Community-Supports-Policy-Guide-Volume-2.pdf**

20. MidPen does not directly submit or sign off on authorizations for Community Supports or ECM provided by third-party service providers. For services not directly provided by MidPen, on-site case managers refer eligible residents (e.g., for medically

tailored meals or ECM), schedule regular care coordination meetings with third-party Community Supports and/or ECM service providers, share progress updates, and document all interactions in Salesforce to ensure an end-to-end referral process.

21. A Business Associate under HIPAA is any individual or organization that performs functions or activities on behalf of a covered entity—such as health care providers, health plans, or health care clearinghouses—and, in doing so, handles or discloses protected health information (PHI). These functions can include billing, data analysis, IT support, or any service that requires access to PHI. Because business associates are not part of the covered entity's workforce, they are required to sign a Business Associate Agreement (BAA) that outlines their responsibilities for safeguarding PHI and ensuring compliance with HIPAA's privacy and security rules.

22. A covered entity under HIPAA is an organization or individual that directly handles protected health information (PHI) and is therefore subject to the HIPAA Privacy, Security, and Breach Notification Rules. **https://www.hhs.gov/hipaa/for-professionals/covered-entities/index.html**

23. A hybrid entity is a HIPAA designation that applies to an organization that provides both HIPAA-covered and non-covered functions. **https://www.networkforphl.org/wp-content/uploads/2019/02/Hybrid-Entity-FAQs-updated-link.pdf**

24. MidPen case managers will continue providing HTSS even when reauthorizations are pending or initially denied to prevent service disruptions, whereas external Community Supports and ECM providers typically pause service delivery until a valid authorization is restored.

25. A clearinghouse is a third-party entity that acts as an intermediary between health care providers and payers (insurance companies) to facilitate the electronic processing of medical claims. **https://www.hrsa.gov/about/faqs/what-clearinghouse**

26. SFTP, or Secure File Transfer Protocol, is a method used to transfer files securely between computers by encrypting data during the transfer process.

27. The Capacity and Infrastructure Transition, Expansion, and Development (CITED) initiative is a component of CalAIM's Providing Access and Transforming Health (PATH) program. PATH CITED provides funding to build the capacity and infrastructure necessary to deliver Enhanced Care Management (ECM) and Community Supports services. **https://www.ca-path.com/cited**

28. See: **https://legiscan.com/CA/text/SB324/id/3114133**

29. See: **https://legiscan.com/CA/bill/AB804/2025**

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