



Policy and Procedure No: PR 28.0	Revision No: 0
Division: Care Management	
Department: Provider Relations	
Title: PHC-CA Responsibilities to Transitional Rent Community Support Providers	
Effective Date: 1/1/2026	
Supersedes Policy No: N/A	
Reviewed/Revised by: Sandy Johansson	Review/Revision Date: 9/7/2025
Approving Committee: Member Provider Committee	Date: 12/15/2025
Executive Oversight Committee Date: 12/16/2025	

Purpose:

To describe the obligations of PHC California (the Health Plan) related to contracted Transitional Rent Community Support Providers.

Policy:

1. The Health Plan contracts with Transitional Rent Providers to administer Transitional Rent Community Support. The plan remits Transitional Rent payments to providers and does not make rent payments directly to landlords. Transitional Rent providers may be:
 - a. County agencies, including county behavioral health agencies
 - b. Flex Pools
 - c. Affordable housing providers
 - d. Supportive housing providers
 - e. Continuum of Care (CoC)-affiliated entities
 - f. Social services agencies
 - g. Public health agencies (PHAs)
 - h. Other providers of services for individuals experiencing homelessness
2. The Health Plan's Transitional Rent Provider(s) are responsible for:
 - a. Identifying appropriate settings and units
 - b. Ensuring housing units are habitable
 - c. Helping enrollees to review, understand, and execute the lease agreement, and ensuring the lease agreement is compliant and legal
 - d. Structuring rent payment agreement with landlord or property owner
 - e. Issuing timely payments to the landlord or other housing provider

- f. Coordinating with other supportive services providers, which includes the Health Plan's ECM Team and may include a Housing Transition Navigation Services (HTNS) Provider, Housing Deposits Provider, Housing Tenancy and Sustaining Services (HTSS) Provider, and/or other Medi-Cal or non-Medi-Cal funded providers who may be involved in service delivery for the enrollee.

3. The Health Plan ensures Transitional Rent Providers have the experience and expertise required to perform the functions they assume in the delivery of Transitional Rent. The required experience and expertise differs based on whether the provider is directly furnishing the housing, issuing payment for the housing, or contracting with organizations that provide or issue payment for housing.

4. The Health Plan requires that its Transitional Rent Providers enroll in the Medi-Cal program if there is a state-level enrollment pathway for them to do so. If there is no state-level enrollment pathway, the Health Plan employs a process for vetting the Transitional Rent Provider.

5. In recognition that many enrollees in the Behavioral Health Population of Focus (POF) will transition to Behavioral Health Services Act (BHSA) housing interventions following the receipt of Transitional Rent, the Health Plan will offer to the county behavioral health agency, or its designated county department or agency, a contract to serve as a Transitional Rent Provider.

6. In the event the Health Plan is unable to contract with the county behavioral health agency, or its designated county department or agency, the Health Plan will make a good faith effort to contract directly with the county behavioral health agency's network of housing providers.

7. The Health Plan will use its non-risk payments from the Department of Health Care Services (DHCS) to pay its Transitional Rent Providers. (Note: the payments from DHCS to the Health Plan are separate from, and in addition to, usual capitation payments.)

- a. The Health Plan will reimburse to Transitional Rent Providers the actual cost of rent or temporary housing paid by the providers to the landlords or property owners, not to exceed amounts set by DHCS in a schedule of reimbursable ceilings.
- b. Whenever feasible, the Health Plan will use provisional supplemental payments from DHCS or other funds to pay Transitional Rent Providers prospectively, with reconciliation to follow, to allow for timely cash flow to Providers and ensure enrollees are housed as quickly as possible.
- c. The Health Plan will strive to expedite payment to Transitional Rent providers whenever an enrollee's housing needs are urgent and the Transitional Rent provider is unable to front the cost of the first rent payment. Enrollees with urgent housing needs include, but are not limited to, those who currently are experiencing unsheltered homelessness or are at imminent risk of unsheltered homelessness.
- d. The Health Plan will reasonably allocate administrative fees paid by DHCS between the Health Plan and its Transitional Rent Providers to cover administrative costs incurred in the provision of Transitional Rent Community Support.

8. The Health Plan ensures that Transitional Rent Providers do not require enrollees receiving Transitional Rent to cover a share of the cost of rent or housing.

9. In accordance with DHCS' Community Supports Policy Guide, the Health Plan prioritizes contracting with Flex Pools as Transitional Rent Providers, with the goal of efficient and effective administration and coordination of Transitional Rent and BHSA housing interventions.

Procedure:

1. The Health Plan Administrator or designee evaluates Transitional Rent Providers to ensure each provider has the experience and expertise required to perform the functions they assume in the delivery of Transitional Rent.
2. The Director of Credentialing, in collaboration with the Health Plan Administrator, is responsible for developing a process to vet Transitional Rent Providers that do not have a state-level Medi-Cal enrollment pathway. Factors considered may include:
 - a. Ability to receive referrals from the Health Plan for Transitional Rent
 - b. Sufficient experience in providing services for people experiencing homelessness
 - c. Ability to submit claims or invoices for Transitional Rent using standardized protocols
 - d. Business licensing that meets industry standards
 - e. Capability to comply with all reporting and oversight requirements
 - f. History of fraud, waste, and/or abuse
 - g. Recent history of criminal activity, including any criminal activities that endanger enrollees and/or their families
 - h. History of liability claims against the Provider
3. The ECM Program Manager or designee is responsible for reporting any deficiencies in the performance of Transitional Rent Providers to the Health Plan Administrator and Compliance Officer for action.
4. The Health Plan Administrator or designee is responsible for offering a Transitional Rent Provider contract to Los Angeles County behavioral health agencies, or to another county department or if that department is responsible for dispersing BSHA funds. The Health Plan Administrator or designee, if unable to contract with the county department responsible for dispersing BSHA funds, will conduct outreach to that department's network of housing providers. Additionally, the Health Plan Administrator or designee will seek a contract with either the county department responsible for the county's Flex Pool or the contracted operator of the Flex Pool.

Definitions:

1. Transitional Rent: a Medi-Cal benefit that provides up to six months of rental assistance in interim and permanent settings to enrollees who are experiencing or at risk of homelessness, have certain clinical risk factors, and have either recently undergone a critical life transition (such as exiting an institutional or carceral setting or foster care), or who meet other specified eligibility criteria.

2. Flexible Housing Subsidy Pools (“Flex Pools”): an arrangement in which a single entity manages landlord engagement, administers rental assistance, and coordinates related housing supports on behalf of multiple contributing funders.
3. Continuum of Care (CoC): a community-wide or regional coalition of stakeholders (nonprofits, government agencies, housing providers, behavioral health providers, and people with lived experience of homelessness) responsible for coordinating strategies to end homelessness in the CoC’s geographic area.
4. Mental Health Services Act (MHSA): a California state law passed by voters in 2004 as Proposition 63 to create a major, ongoing source of funding for mental health services.
5. Behavioral Health Services Act (BHSA): a California state law that replaces the Mental Health Services Act (MHSA) passed as part of Proposition 1 in March 2024. BHSA broadens the scope beyond mental health to explicitly include substance use disorder (SUD) treatment.

Monitoring:

This policy is updated as often as necessary and reviewed and approved at least annually by the Member Provider Committee.

Reference(s):

1. DHCS Community Supports Policy Guide Volume 2: Community Supports to Support Members Experiencing or at Risk of Homelessness, April 2025.

Regulatory Agency Approval:

Date	Version	Regulatory Agency	Purpose	Response
1/5/2026	28.0	Department of Health Care Services (DHCS)	2026 Transitional Rent Model of Care	Approved