

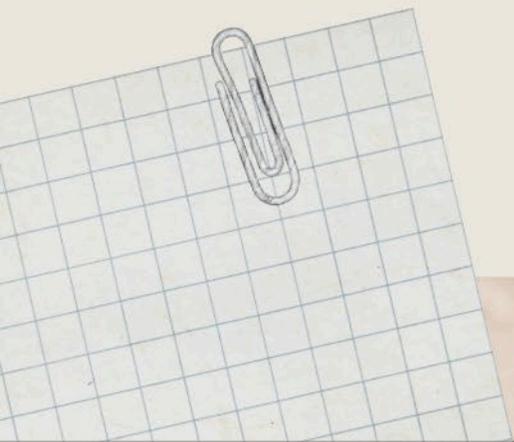
Housing Provider Rate Setting for ISL Client-Level Attribution

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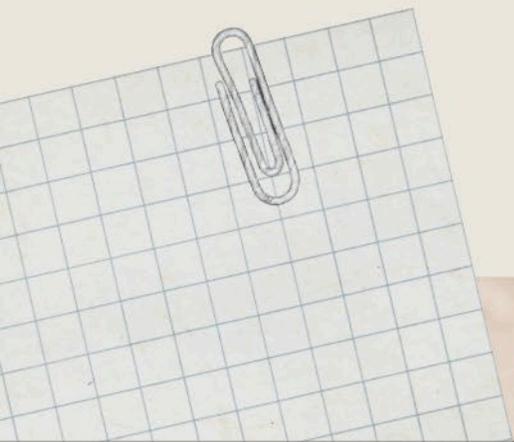
Housing Provider Rate Setting for ISL Readiness

A practical approach to setting housing rates that support client-level attribution and cleaner contracting



Learning Objectives

- A high-level review of ISL: what it is, why it matters, and when it applies
- An understanding of why operating subsidies and cost-based housing payments do not translate cleanly to ISL, and the advantages of moving housing providers to a per-diem reimbursement structure
- Clarity on the benefits of setting housing provider rates within the allowable limits of special funding streams such as Transitional Rent and Housing Vouchers and strategy for capturing other costs associated with housing people
- Understand how the CalMHSA rate-setting tool works



Individual Service Level

What ISL is:

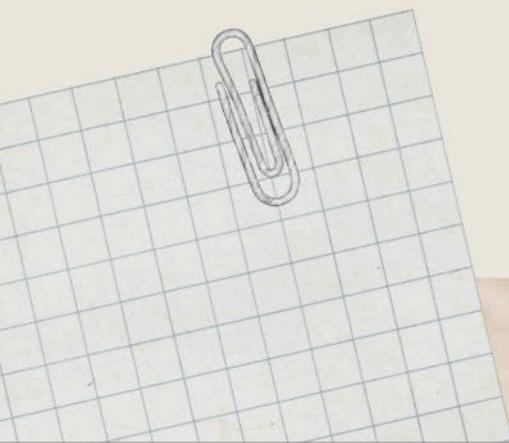
- ISL encounter reporting captures individual-level behavioral health services and expenditures that are not claimed and funded through Medi-Cal.

Why it matters:

- DHCS uses ISL to support performance measures, population health management, and fiscal oversight (as part of BHSA reporting).

When:

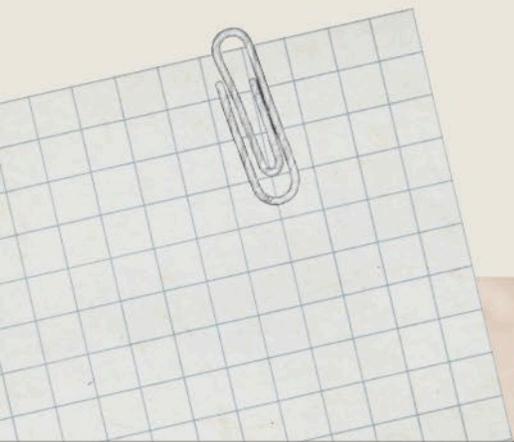
- Required reporting effective 1/1/2027



ISL Decision Rule

A service/cost is ISL when:

1. It can be tied to an identifiable individual; AND
2. It is not claimed and funded through Medi-Cal; AND
3. It is not otherwise excluded from the scope of ISL.



*Housing Provider
Reimbursement
Structures & ISL*

Why Some Housing Provider Reimbursement Structures Don't Translate Cleanly to ISL

The problem:

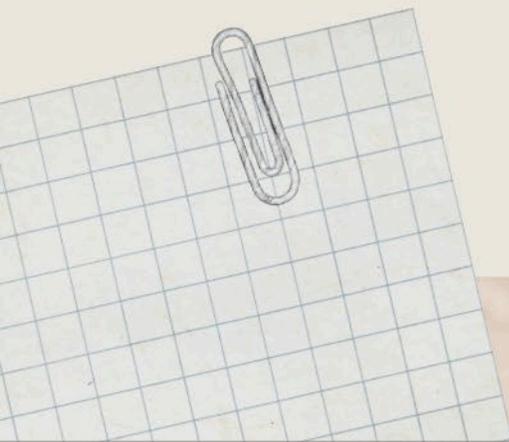
- Many housing providers are paid through operating subsidies or cost-based arrangements that are not designed for client-level attribution.

ISL implication:

- Payments that bundle housing costs with operating or program costs may fall outside ISL reporting when they cannot be tied to an individual.

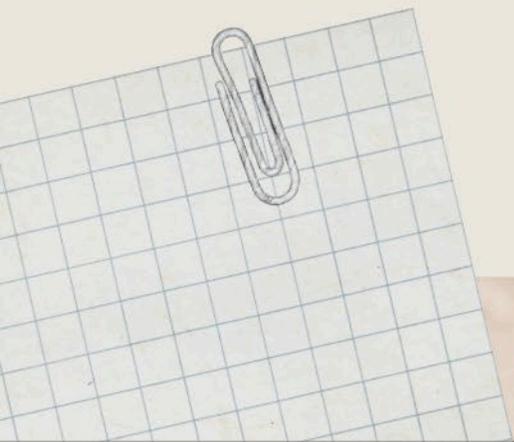
The ISL aligned approach:

- Move toward per-diem rates that can be directly attributed to an individual.



What “Per Diem” Means Here

- Per diem = per member per day (a daily rate that can be multiplied by bed days)
- It provides a clear method for assigning a paid amount at the encounter level for ISL housing codes.
- A per diem pricing approach allows daily valuation when ISL housing is reported using day-based codes, while remaining compatible with other ISL code structures.



*Let's talk about
some other key
considerations
for setting
housing rates*

Rate Setting Considerations

Limiting Considerations

- Reimbursable ceilings come into play when a client's housing is funded through a housing voucher or the Transitional Rent benefit.
- Ceilings are not fixed payment rates; DHCS *expects* actual costs typically below ceilings.

Housing Supportive Service Costs

- Most county-funded housing is complex and offers more than just a roof.
- Housing providers are often asked to support the client in a variety of ways.
- These supportive services need to be captured but also need to be separated from the actual costs of housing.

A Two-Tiered Approach

- Setting a per diem housing rate that conforms to specific funding stream limitations.
- Setting a per diem rate that funds the housing supportive service costs.



Rate Setting Tool

The “Two-Tier” Concept: Base Housing Rate + Optional Housing Services Supplement Rate

The rate-setting tool supports the creation of two rates:

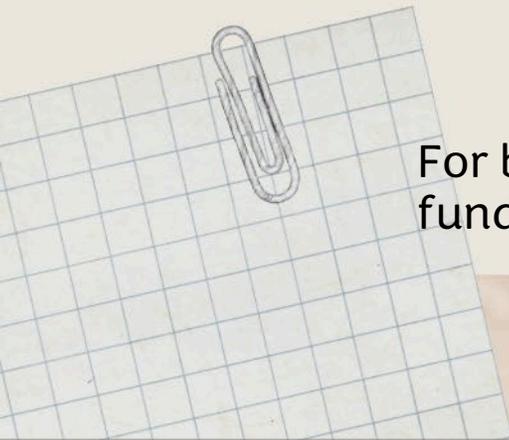
Base housing rate:

- A per-day (or monthly) housing rate built from provider costs and utilization that comply with Transitional Rent & Housing Voucher payment ceilings.

Housing Support Services Supplement rate:

- An optional, separate per-day (or monthly) rate that allows counties to continue supporting valued activities that may fall outside of the limits of other funding streams.

For both rates, treatment related costs or costs for activities that are billable to other funding streams (i.e. Medi-Cal) should NOT be included.



How the rate setting tool is organized:

Provider-facing inputs:

- Housing providers complete a provider-specific template capturing salaries & benefits, line-item operating costs, and utilization.
- Counties can solicit inputs across multiple contracted housing sites and aggregate all provider-submitted data into a single county tool.

In the demo we'll show:

1. What providers fill out vs what counties fill out
2. How costs + utilization are entered
3. How the HUD/SAFMR ceiling is applied using "lower-of" logic (the rate is capped at the applicable SAFMR ceiling for the unit)
4. How patch rate is built for non-TR allowable but county valued activities

Q&A

Thank You!

