

Housing Through the ISL Lens

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WHAT'S DIFFERENT

ISL Adds an Individual-Level View on Top of What You Already Track

Traditional housing information

- Contracts
- Invoices
- Facility or program totals
- Beds, placements, or occupancy
- Program expenditures

ISL adds the individual-level view

- Who received the service or support
- What housing service or expense occurred
- When it occurred
- How it is measured
- The assigned value of the encounter

✓ *ISL does not replace fiscal or contract records. It connects qualifying activity to an identifiable individual.*

Three Conditions Decide Whether Something Is an ISL Encounter

1

Individual

The service or expense can be connected to an identifiable individual

2

Outside Medi-Cal claiming

It is a service or expense that is not captured through a Medi-Cal claiming pathway

3

County behavioral health responsibility

It is a service or expense that is delivered through the county's provider network or administered/contracted by the county and tied to a cost incurred by county behavioral health



All three conditions must be satisfied before the county reports an ISL encounter.

What ISL Is Not



Not a new reimbursement pathway

ISL does not create a payment or claim to DHCS.



Not a substitute for a Medi-Cal claim

If a service is claimable, it goes through the Medi-Cal pathway, not ISL.



Not a requirement to report every expenditure

Only activity that meets all three reportability conditions is reported.



Not a requirement to identify every individual served

Counties should strike a balance between maintaining low-barrier service models and seeking to meet ISL reporting requirements.

Capital Investment Is Different from an Individual Housing Service

Capital investment

- Property acquisition
- Construction
- Major renovation
- Facility investment

Generally not an ISL encounter

Individual-level housing service or expense

- Stay or placement
- Subsidy
- Deposit
- Moving support
- Placement hold
- Housing outreach tied to an individual

Evaluate under the reportability framework

Turning Housing Arrangements into Encounter Values

How rates, expenses, and allocations fit into ISL



Three Ways ISL Measures Activity



DAY

Day-based: 1 unit = 1 day

Includes shelter stay, hotel or motel, recovery residence, board and care patch, housing placement hold.



\$

Expense-based: 1 unit = \$1

Includes security deposit, moving expenses, landlord mitigation, operating subsidy.



MIN

Minute-based: 1 unit = 1 minute

Includes outreach and engagement.

✓ *The code's unit type tells the county what quantity to report. Encounter Value is the county's assigned dollar value for that encounter.*

Two Paths to a Day-Based Encounter Value

Path 1: Contract-derived payment value

- Provider invoice
- Direct expense
- Contracted per diem
- Identifiable payment amount

Using a dollar value that represents a per diem rate that is derived from a contract fee schedule

Path 2: No contract rates exist, utilization-based proxy value

- County-operated service
- Lump-sum contract
- Operating subsidy
- Capacity-based arrangement

Use a reasonable, consistently documented allocation methodology to establish an encounter value

✓ Apply the methodology consistently and retain documentation supporting how the value was established.

When Circumstances Can Change the County-Paid Rate

In this example, a single provider contract establishes different county payment amounts for the same type of housing support.

Illustrative Contract Fee Schedule Housing Subsidy			
Client Circumstance	Gross Contracted Rate	Client or Other Contribution	County-Paid Rate
Standard placement, no contribution	\$100 per day	\$0	\$100 per day
Standard placement with client contribution ¹	\$100 per day	\$10 per day	\$90 per day
Placement with dependent children ²	\$120 per day	\$10 per day	\$110 per day
Placement supported by another funding source ³	\$100 per day	\$40 per day	\$60 per day

¹ Client contribution: The county payment equals the contracted rate less the client contribution calculated under the contract.
² Household adjustment: The higher rate applies when the individual’s household composition meets the contract’s dependent-child criteria.
³ Other funding: The county payment equals the remaining contracted amount after the applicable supplemental funding contribution.

The applicable payment is determined by the contract and the individual’s circumstances.

Each scenario still represents a county-incurred behavioral health cost tied to an identifiable individual.

Variation in the local rate does not change the underlying type of housing support provided.

✓ The contract supports a range of possible values, but the amount applicable to a particular individual may vary.

Translate Multiple Contract Rates into One Documented Daily Value

In this example, all rates within the contract fee schedule map to the same housing service and the same ISL reporting concept. When the EHR cannot efficiently maintain multiple rates associated with a single code within a single program, the county may use a representative daily value supported by a documented and consistently applied lookback methodology grounded in the contract rates.

Illustrative Prior-Fiscal-Year Lookback

County-Paid Contract Rate	Paid Client Days	Share of Total Days	Weighted Value
\$60 per day	600	15%	\$9.00
\$90 per day	2,400	60%	\$54.00
\$100 per day	600	15%	\$15.00
\$110 per day	400	10%	\$11.00
Total	4,000	100%	\$89.00

Representative daily value = total contract-derived payments ÷ total paid client days

\$356,000 ÷ 4,000 paid client days = **\$89 per day**

Process to Establish a Supportable County Methodology

1

Select the lookback period. Use a completed period that reasonably reflects normal contract operations, such as the prior fiscal year.

2

Identify the applicable contract rates. Include the county-paid rates that apply to the same type of housing support.

3

Count paid client days by rate. Determine how many client days were paid under each rate during the lookback period.

4

Calculate the weighted-average daily value. Divide total contract-derived payments by total paid client days.

5

Configure and document the value. Load the representative daily value into the EHR and retain supporting documentation such as contract, fee schedule, calculation, assumptions, lookback period, and effective date.

Reassess periodically and when the contract or utilization pattern changes materially.

✓

The EHR carries a reasonable representation of encounter value. Contract and fiscal records remain authoritative for payment and accounting.

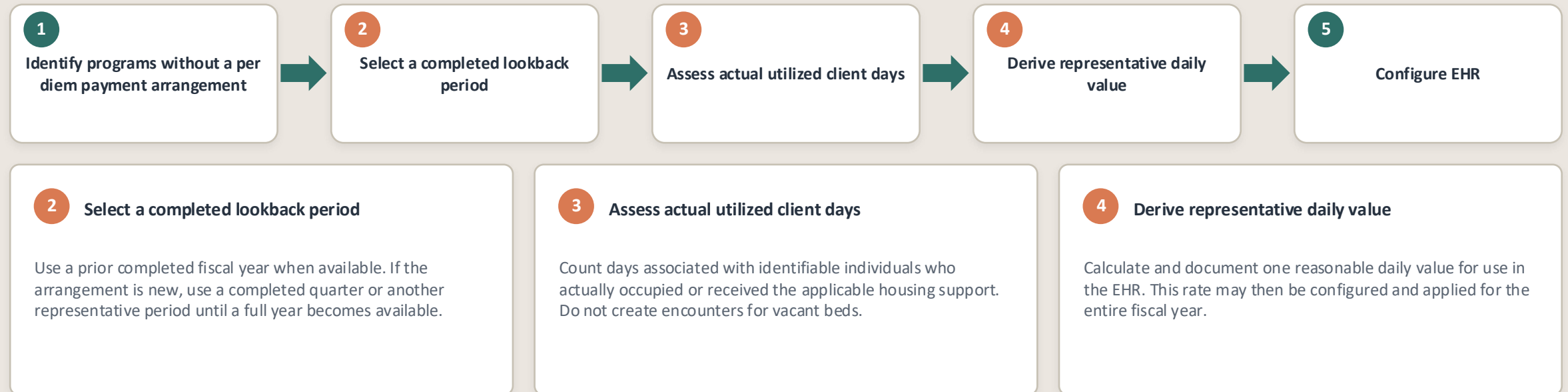
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Flag: This example is illustrative of how a county may go about operationalizing the ISL Encounter Guidance, Appendix A methodologies; it is not prescriptive.

DAY-BASED ENCOUNTER VALUES PATH 2: UTILIZATION-BASED PROXY

When No Fee Schedule Exists, Start with Utilization

Some payment arrangements support an entire program or facility without producing a client-specific daily fee; let's examine the flow to establish a utilization-based proxy encounter value approach.



This approach may apply to: Operating subsidies • Lump-sum contracts • Capacity-based arrangements • County-operated housing services without an encounter-level rate

✓ *Path 2 translates program-level support into a documented encounter-level proxy. It avoids any attempt to turn the EHR into a financial accounting system.*

DAY-BASED ENCOUNTER VALUES PATH 2: OPERATING SUBSIDY EXAMPLE

Turning Program-Level Support into a Representative Daily Value

This example shows how a prior-year lookback for a lump-sum operating subsidy arrangement may account for both clients served and available capacity (i.e., unfilled beds). Only the client-attributable portion should be used in the encounter value methodology.

- 1

Start with the full arrangement
Identify the total operating support paid during the completed lookback period.
- 2

Separate utilized support from vacant capacity
Use a documented method to identify the portion associated with actual client utilization.
- 3

Divide by actual utilized client days
Do not include vacant days in the encounter denominator and do not create encounters for unidentified or nonexistent clients.
- 4

Configure and document the proxy
Load the representative daily value into the EHR and retain the contract, utilization data, calculation, assumptions, lookback period, and effective date.

Illustrative Prior-Fiscal-Year Lookback

Total operating support	\$500,000
Support associated with utilized client capacity	\$420,000
Support associated with maintained vacant capacity	\$80,000
Actual utilized client days	14,000 days

The \$80,000 vacant-capacity portion remains part of the provider financing arrangement. It does not create encounters for vacant beds.

Client-attributable operating support ÷ utilized client days = representative daily value

\$420,000 ÷ 14,000 utilized client days =

\$30 per day

Reassess when the contract, program capacity, occupancy pattern, or cost structure changes materially.

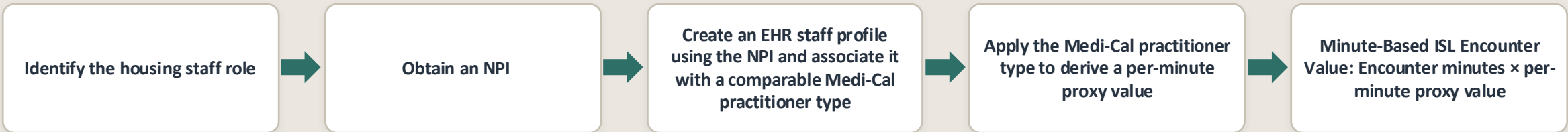
✓ The EHR may now be configured with a standardized encounter value, not an ongoing monthly or quarterly reconciliation of subsidy payments.

! **Flag: This example is illustrative of how a county may go about operationalizing the ISL Encounter Guidance, Appendix A methodologies; it is not prescriptive**

MINUTE-BASED ENCOUNTER VALUE – IN THE CONTEXT OF HOUSING

Use Existing Medi-Cal Practitioner Rates as the Standardized Proxy

In many situations, there are ISL-reportable support services provided to individuals who reside in county behavioral health-supported housing programs. In all contexts, CalMHSA strongly recommends using your county’s Medi-Cal practitioner rates to calculate the encounter values. Some housing support staff may have never interfaced with Medi-Cal documentation and will not have a taxonomy code. Let’s examine what is best to do in this regard.



Illustrative Staff Crosswalk	
Housing Role	Closest Comparable Medi-Cal Practitioner Type
Resident advisor	Other Qualified Provider

If no close practitioner-type match exists, use Other Qualified Provider as the standardized proxy and apply the selection consistently.

County-Assigned Other Qualified Provider Rate

÷

County's Documented Conversion to a Per-Minute Value

×

Reported ISL Encounter Minutes

=

Encounter Value

Crosswalk the role: Map the person who performed the service to the closest applicable Medi-Cal practitioner type.

Use the existing rate: Use the county's assigned Medi-Cal rate for that practitioner type as the valuation proxy.

Apply it consistently: Use the same crosswalk and per-minute methodology for comparable staff roles and services.

Collecting the Information Without Creating Unnecessary Burden

Direct entry, service import, and integrated invoicing



Housing Providers May Be New to EHR Workflows

What providers know well

- Placements
- Occupancy
- Resident supports
- Invoices
- Housing expenses

What the county must know

- Individual identifiers
- Encounter dates
- Activity to ISL code crosswalk
- Units (i.e., duration of time or days)
- Encounter values
- All minimum required submission fields

✓ *Housing providers are experts in housing operations. An EHR is not normally the tool they use to manage a lease, bed, building, or placement.*

Three Possible Ways to Collect Housing Encounter Data

1

Direct EHR entry

Provider staff receive access, training, and local workflow instructions.

\$

Implementation cost

⌚

Administrative effort

- ✓ Provider EHR licenses
- ✓ Provider training
- ✓ New workflow adoption

2

Service import

Provider submits a structured file that the county imports into its system of record.

\$

Implementation cost

⌚

Administrative effort

- ✓ Uses existing provider records
- ✓ Uses a standardized import template
- ✓ County retains validation control

Often the lowest-lift starting point

3

County administrative entry

County staff enter encounters using provider invoices, service records, or other supporting documentation.

\$

Implementation cost

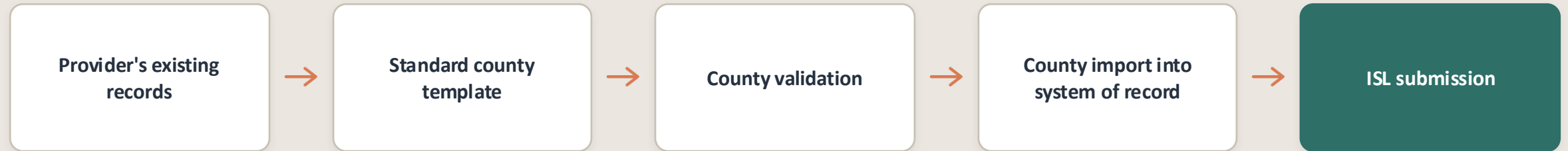
⌚

Administrative effort

- ✓ Minimal provider technology investment
- ✓ Significant county staff effort
- ✓ More difficult to scale

✓ Service import may offer the lowest-lift starting point, but the best model depends on provider capacity, county systems, cost, staffing, volume, and local workflow.

Why Service Import May Be the Lowest-Lift Option



- ✓ Avoids additional EHR licenses for housing providers
- ✓ Reduces EHR training needs
- ✓ If used for all housing providers, it supports streamlined batch processing
- ✓ Can use simplified spreadsheet-based workflows
- ✓ Allows county validation before import

A well-designed service import should capture the information the provider naturally maintains and allow the county to derive or append the remaining ISL reporting elements.

Ask providers for what they should reasonably be able to supply

Provider-supplied

- Individual identifier
- Dates of service
- Housing setting or activity
- Duration in days, minutes, or expense amount
- NPI – Staff or site
- Other minimum required elements per county policies

County-derived or appended

- Program name
- Final ISL code
- Required modifier
- Standardized rate or proxy
- Encounter value calculation
- Fields already maintained in the system of record



Caution: the provider-supplied and county-derived/appended approach above is illustrative only and meant to generate conversation amongst county teams as to which workflow in a service import context is best (e.g., requiring housing providers to use ISL codes rather than having the county derive them).

One Template Can Support Invoicing and ISL

A single invoice template can capture what is:

Included by the Provider for Reimbursement Purposes

- Contract line
- Service period
- Quantity
- Rate
- Amount
- Supporting detail

Invoice output

Included by the Provider for ISL encounter capture

- Individual identifier
- Dates of service
- Housing setting or activity (or ISL code)
- NPI of staff or site
- Duration in days, minutes, or expense amount
- Encounter value

ISL output

✓ *An integrated invoice template can reduce duplicative reporting efforts by collecting payment and ISL information through the same monthly workflow.*

! **Caution:** This illustration is not a complete list of ISL reporting elements. It is intended to help counties conceptualize the minimum information needed from their housing service providers to meet state and local ISL reporting requirements.

Five Design Principles for an Integrated Template

1

One row per reportable activity or expense

Keep the grain of the template at the individual encounter level.

2

Use drop-downs for housing categories

Standardize setting and service-type entries to reduce coding errors.

3

Separate provider-entered from county-calculated fields

Make clear which cells the provider fills in and which the county completes.

4

Build in validation

Flag missing dates, identifiers, quantities, and duplicate entries.

5

Preserve an audit trail

Keep the encounter connected to its invoice or source record.

County Implementation Decisions

1 Who is responsible for collecting the provider file?

2 Who validates the individual identifier that is included?

3 Who selects or confirms the ISL code?

4 Who assigns the rate or encounter value?

5 Who corrects rejected records?

6 Who determines what documentation is necessary for EHR intake and aligned with its requirements?

7 Is there a need to address privacy and data-sharing obligations?

8 Who will update contract language and, if applicable, local policies and procedures?

A Practical Tour of the Housing ISL Codes

Choose the code that best describes what was provided



Five Categories Cover Nearly All Housing Activity



DAY

Board and care patches

ISL200–204, supplemental support levels above a base placement.



DAY

Housing stays and placement holds

ISL205, 210, 212–216, setting-specific stays and bed holds.



\$

Rental, service-cost, and operating subsidies

ISL206–209, 221–222, ongoing housing cost supports.



\$

Start-up, landlord, and other housing expenses

ISL211, 217–219, one-time or per-incident costs.



MIN

Housing outreach and engagement

ISL220, non-clinical outreach tied to an identifiable individual.

Select the Level That Matches the Support Being Covered

Board and Care Patch — Level 1 (Mild Support)

ISL200

Board and Care Patch — Level 2 (Moderate Support)

ISL201

Board and Care Patch — Level 3 (Enhanced Support)

ISL202

Board and Care Patch — Level 4 (Intensive Support)

ISL203

Board and Care Patch — Level 5 (Specialized Supervision)

ISL204

Note: a patch is supplemental support beyond the basic placement amount; it captures an enhanced-support payment, not the entire room-and-board amount.

Use the Most Specific Setting Code Available

Respite Residential

ISL205

Hotel/Motel Vouchers

ISL210

Recovery Residence — Interim Setting

ISL212

Recovery Residence — Permanent Setting

ISL213

Bed Hold Day

ISL214

Shelter

ISL215

Shelter Plus Programming

ISL216

Note: Interim generally means time-limited, whereas permanent generally means non-time-limited and supported by tenancy rights.

Use a Setting-Specific Code When One Clearly Applies

Rental subsidy

ISL206 — Interim setting

ISL207 — Permanent setting

Supports the direct cost of housing

Housing services cost supplement

ISL208 — Interim setting

ISL209 — Permanent setting

Supplemental housing-related service cost not otherwise captured

The Housing Services Cost Supplement is

- **not** additional rent,
- **not** an operating subsidy, and
- **not** a true-up payment when housing revenues are insufficient.

It is intended to pay for the additional housing-related supports and services the county asks a provider to deliver beyond simply providing the housing unit and is not included in the rent or operating subsidy rate.

Operating subsidy

ISL221 — Permanent setting

ISL222 — Interim setting

Site or project operating costs which may be reasonably attributed to individuals

One-Time and Per-Incident Housing Costs

Landlord outreach and mitigation

Damage reimbursement, unit-hold costs, and eviction prevention tied to an individual.

ISL211

Moving expenses, furniture, household goods

Costs to help an individual establish a basic household.

ISL217

Security deposits

The amount required by a landlord to secure a rental unit.

ISL218

Other housing expenses

Application fees, credit report fees, utility deposits, storage fees, pet deposits, rent or utility arrears.

ISL219

 **Caution:** Do not separately report an expense that is already included in another housing rate or bundled payment.

ISL220 Measures Staff Time, Not a Housing Payment



MIN

Minute-based

Each minute of applicable outreach and engagement time is one unit.



IND

Tied to an identifiable individual

Non-clinical housing outreach and engagement connected to a specific person.



≠

Not community-level outreach

Outreach and engagement directed at groups or audiences where there are no identified individuals is not an ISL encounter.

Code Selection Reminders

- ✓ Start with what was actually provided.
- ✓ Select the code based on the service or expense, not the funding source.
- ✓ Do not separately report components already included in a bundled amount.
- ✓ When uncertain, follow the county's code-review process.
- ✓ Use the most specific applicable code.
- ✓ Use the code's assigned unit type.
- ✓ Do not default to a general code when a housing-specific code applies.

Putting ISL Into Practice: Common Housing Questions

The questions counties are asking most often



Does Every Housing Program Belong in ISL?

SHORT ANSWER

No.

A housing program may be important, county-funded, or mapped to Housing Interventions without every activity becoming an ISL encounter. Apply the reportability framework to each individual-level service or expense.

Capital construction

generally not reportable

Individual security deposit

Reportable

General landlord recruitment

generally not reportable

Client-specific landlord mitigation expense

Reportable

Community outreach

generally not reportable

Housing engagement with an identifiable individual

Reportable

What If the Provider Uses One Bundled Rate?

SHORT ANSWER

Report the bundled housing encounter once, using the code that best represents it.

Do not itemize food, household goods, routine operations, or included supports a second time. Use a separate encounter only for a distinct service or expense outside the bundle that independently qualifies. Maintain the contract or rate documentation supporting what the bundle includes.

What If Different Providers Have Different Rates?

SHORT ANSWER

Different encounter values may be reported for the same ISL code.

Multiple providers may deliver the same housing service under different contract rates. Because the ISL code identifies the service being reported, the same ISL code may be used even when encounter values differ across providers. Encounter value reflects the applicable contract rate or county-established methodology associated with that service.

What If One EHR Program Includes Multiple Contracts?

SHORT ANSWER

First, determine whether combining the contracts in one EHR program still supports accurate mapping, reporting, and rate assignment.

1 Understand the configuration

An EHR program and a provider contract are not always one-to-one. A contract may support multiple EHR programs, and less commonly, one EHR program may contain activity associated with multiple provider contracts.

2 Test whether the structure still works

Before developing a combined rate methodology, confirm the shared program can still:

- ✓ Apply required County Portal program mappings
- ✓ Produce reliable BHOATR information
- ✓ Distinguish services and expenses when needed
- ✓ Assign supportable encounter values

Program mapping, BHOATR reporting, ISL encounter reporting, and encounter-level coding operate at different levels and should be evaluated separately.

3 Apply a documented methodology

If the shared program remains effective, evaluate fee schedules and rates across the contracts. For each ISL code, consider the Path 1 approach described earlier in these materials:

- ✓ Select a completed lookback period
- ✓ Identify contract-derived rates that roll up together
- ✓ Count paid client days by rate
- ✓ Calculate a weighted representative value
- ✓ Configure and document the value in the EHR

What If the Provider Does Not Use an EHR?

SHORT ANSWER

Direct EHR entry is not the only available operating model.

Structured service import, an integrated invoice template, or county administrative entry from provider-submitted records are all valid approaches. The county must still be able to produce complete and valid encounter data and maintain supporting documentation for what was reported.

What If Provider Documentation Practices Differ?

SHORT ANSWER

The county should define the local submission and documentation expectations.

DHCS ISL documentation requirements may continue to evolve. Counties should establish clear local policies and procedures that define the documentation, data elements, and supporting records housing providers are expected to maintain and submit as part of their contractual responsibilities.

Six Steps to Housing ISL Readiness

1

Identify housing programs and include them as necessary on your Stop, Start, Continue inventory

2

Map their services across the primary reporting categories and identify the payment structures

3

Match activities to housing ISL codes

4

Select the collection workflow to upload encounter data into the system of record

5

Update invoice, contract, or submission expectations

6

Test, validate, and refine before go-live



Start with the highest-volume and most structured housing arrangements, then work outward to exceptions.

Bring Your Housing Examples

Rates, bundled arrangements, provider workflows, operating subsidies, and code-selection questions

Submit your questions to [ISL Ticket — California Mental Health Services Authority](#)

Thank you!

