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Lutheran Social Services of Northern California: Making a Difference to Unhoused Individuals

Introduction

Lutheran Social Services of Northern California (LSS) has a long history of serving its community, with its origins dating back to 1883.¹ In recognition that California has the highest homelessness rate in the country LSS has focused exclusively on preventing and ending homelessness in 10 counties in Northern California for the last 50 years. LSS offers a variety of services such as money management, supportive housing, employment counseling, job readiness training, and case management. As one of the largest homeless services agencies in Northern California, the non-profit organization's 123 employees serve families, seniors, adults with disabilities, and youth exiting the foster care system, all with the aim of securing and maintaining safe housing for their clients.² In 2023, LSS provided services to more than 4,500 individuals of various racial, cultural, and socioeconomic backgrounds across 10 counties in northern California.

Program Structure and Services

LSS directly delivers and is solely focused on housing-related services to individuals at risk of or experiencing homelessness. This sets it apart from other Lutheran Services in America (LSA) member organizations across the country, some of which oversee contracted provider

networks that deliver behavioral health services, child and foster care services, and even refugee resettlement services. Additionally, while some LSA members utilize donations and public and private grants to facilitate various programs, LSS's work is organized primarily through contracts with local and state government and has more recently expanded to work with Medicaid managed care through the state's Medi-Cal Transformation program.

LSS Integration with Medi-Cal to Advance Behavioral Health Care

Enhanced Care Management and Community Supports

In 2022, LSS was among the first provider organization in the state to partner with Medicaid managed care organizations (MCOs) under the Medi-Cal Transformation program.³ Also known as CalAIM, the Medi-Cal Transformation program seeks to expand Medicaid eligibility and increase access to integrated community-based behavioral health services leveraging more than \$10 billion in state investments. Through this transformation, California's seeks to create a more coordinated, person-centered, and equitable health system for all Californians.

LSS closely followed the submission and approval of California's 1115 waiver that

created the CalAIM program. Having already participated in the state's previous 1115 waiver that established California's Whole Person Care Pilots, LSS was well positioned to continue working with the state on its Medicaid transformation efforts. The pilots created under the state's initial 1115 waiver launched the California's efforts to coordinate physical health, behavioral health, and social services for Medi-Cal beneficiaries, including via housing related services.⁴ LSS was intentional in being an early implementor of CalAIM as it provided an avenue to reach homeless individuals who would not otherwise be served.

As part of this transformation process, community-based organizations, including LSS are providing enhanced care management (ECM), and community supports (CS) to Medicaid-enrolled individuals experiencing homelessness or unstable housing with unmet clinical and non-clinical needs. ECM services provided by the CalAIM program include coordination with medical and social service providers. LSS also offers care management and appointment scheduling through CS services like housing navigation and tenancy support. Supports also include housing deposits that are flexible enough to cover a wide array of essential expenses such as rent, beds, and medically necessary housing-related items like heaters and air conditioners.

LSS's CalAIM program accounts for 13% of the organization's budget. Currently, LSS serves Medi-Cal beneficiaries in Sacramento, San Joaquin, Shasta, Siskiyou, Stanislaus, Solano, and Yolo counties who are members of Anthem, Molina Healthcare, Partnership Healthplan of California, Healthnet, or Kaiser Permanente health plans.⁵

Under the Medi-Cal Transformation program, MCOs are mandated to contract with CBOs to provide enhanced care management and community support services. Payment structure for services under the Medi-Cal Transformation program is based on a per-member, per-month (PMPM) arrangement, which includes one in-person visit and three phone consultations per patient per month. Payments must be pre-authorized by the managed care plans, and reimbursement rates vary among plans. For documented outreach efforts, LSS receives approximately \$110, whether the targeted individual chooses to participate or not. In general, the PMPM rate for services is between \$375 and \$450 depending on the MCO partner that LSS works with. To ensure services are provided seamlessly, LSS and other community-based organizations (CBOs) collaborate with participating managed care plans, counties, and stakeholders through the Providing Access and Transforming Health (PATH) initiative, a five-year \$1.85 billion state-led initiative and technical assistance support program helping promote the implementation of ECM and CS services across the state.⁶

Despite this collaboration, LSS has faced challenges with receiving timely payment from MCOs, leading to a collection rate of just 40% of billed amounts. To address this challenge, in July 2023, LSS hired the billing firm Consultex to assist with the MCO billing process to streamline documentation and ensure proper reimbursement, increasing collection rates to over 75% of billed amounts.

County Specific Youth and Adult Programs

Outside of the CalAIM demonstration, LSS operates numerous programs in the counties they serve, many with a specific county and age focus. For example, LSS serves approximately 150 youth, ages 18-24, who are exiting the foster care system or who are already homeless by enrolling them into transitional supportive

housing programs in Contra Costa, Stockton, Stanislaus, Yolo, Redding, and Sacramento counties.⁷ In these youth programs, LSS program teams offer a tailored program that includes case management, employment skills training, and behavioral health services with the primary goal of helping clients become self-sufficient and secure sustainable housing.

LSS initiatives go beyond the typical housing assistance model and utilize evidence-based interventions that both address behavioral health needs and health-related social needs to increase resilience and develop human capital.⁸ LSS case managers are selected to aid clients based on their lived experience or social service background rather than their licensure or degree.

Each staff member is responsible for approximately 40 adult clients while youth programs have caseloads of 15 clients per staff member. LSS also employs outreach workers who manage referrals from Medicaid managed care plans.

Addressing Health Disparities

LSS believes that the best outcomes are created when services are tailored to specific needs. Case managers help each participant develop a concrete plan to overcome any behavioral health concern or barriers to maintaining housing to ensure clients are sustainably housed. LSS operates specifically targeted housing and support programs including programs for formerly homeless LGBTQ+ seniors, foster youth, individuals with disabilities, and families. Meanwhile, in San Francisco, LLS operates a money management program for individuals with HIV.

College Initiative

LSS's College Initiative offers local community college students struggling with homelessness, housing insecurity, and food insecurity stable and affordable housing as well as assistance in addressing other health-related social needs like transportation.⁹ The College Initiative began in recognition that stress related to homelessness and food insecurity are major disruptors to academic success. Accordingly, this initiative is specifically designed to ensure these college students can succeed and build their futures with support.

Revenue and Financials

In the 2023 fiscal year, LSS reported revenue of \$14.8 million from contract services and an additional \$1.6 million from grants and contributions. The organization's principal funding sources include contract service fees from governmental agencies and contributions from various stakeholders. LSS notes that while these local and state contracts do subsidize most of the client housing and case management, living essentials such as food, clothing, and toiletries are dependent on donor gifts.¹⁰ LSS's FY24-25 budget is \$24.4 million.

Sponsorships vary by program.

For example, LSS's Youth Education and Employment Initiative, which strives to end youth homelessness in Sacramento and Stockton, is supported by the Anthem Blue Cross Foundation and the Kaiser Permanente Northern California Community Benefit Programs, among others. Anthem Blue Cross MCO also works with LSS to assist Medi-Cal eligible adults who are homeless or at-risk in the Sacramento County area by providing funding for needed housing and housing-related services.¹¹

Performance Measurement and Evaluation

LSS tracks its program performance by monitoring outcomes such as the number of individuals successfully housed and program graduation rates.

In LSS's Stockton-based intensive case management program, Project Hope, 75% of at-risk youth were able to maintain or increase their income and 90% of the youth participants successfully graduated from the program by securing permanent housing. Meanwhile, in Sacramento County's adult Building Bridges program, 98% of clients were transitioned into housing that lasted one year or more.¹²

For the Medi-Cal Transformation program, the state is evaluating outcomes and performance on a health plan/MCO level. Individual community-based organizations, like LSS, are held accountable by respective managed care plans.¹³ Under the CalAIM Incentive Payment Program (IPP), health plans can receive bonus payments for their performance based on numerous measures. Measurements eligible for bonus payments include the number of contracted ECM care team full time equivalents in their care network, the number of members enrolled in ECM or programs related to health equity, and the number of Black/African American members and other racial and ethnic groups with disproportionate rates of homelessness enrolled in ECM during the measurement period.¹⁴ Throughout the state, a total of 136,875 individuals received ECM services in 2023 from a total of 2,051 ECM providers. Additionally, roughly 128,700 members received CS services in the last 12 months.¹⁵

Conclusion

LSS of Northern California has long played a crucial role in addressing homelessness and its associated challenges by targeting health-related social needs and the root causes of homelessness for youth and adults. LSS is determined to expand its reach and help more individuals in need by partnering with Medicaid through California's Medi-Cal Transformation. Despite initial challenges related to billing with managed care organizations, LSS is confident additional partnerships with MCOs and other payors can be successful and create positive outcomes for those at-risk of homelessness.

Endnotes

- 1 [Who We Are](https://www.lssnorcal.org/who-we-are/). LSS of Northern California. <https://www.lssnorcal.org/who-we-are/>
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- 10 [What We Do](https://www.lssnorcal.org/what_we_do/overview.html). LSS of Northern California. https://www.lssnorcal.org/what_we_do/overview.html
- 11 [Anthem Housing Navigation Partnership](https://www.lssnorcal.org/what_we_do/adult_programs/anthem-housing-navigation-partnership.html). LSS of Northern California. https://www.lssnorcal.org/what_we_do/adult_programs/anthem-housing-navigation-partnership.html
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- 14 [CalAIM Incentive Payment Program \(IPP\) Submission 3 Progress Report](https://www.dhcs.ca.gov/Documents/MCQMD/IPP-Gap-Filling-Plans-2022/IPP-Submission-3-Progress-Report.pdf). 2022. <https://www.dhcs.ca.gov/Documents/MCQMD/IPP-Gap-Filling-Plans-2022/IPP-Submission-3-Progress-Report.pdf>
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