**PATH Guidance: Capacity and Infrastructure Transition Expansion and Development (CITED) Initiative**

***Updated March 2023***

# Introduction

CalAIM is designed to build a whole system, person-centered approach to care, in which clinical and social services are integrated to support people’s health and wellbeing throughout their lives. As a statewide, population health initiative, CalAIM will reach Medi-Cal members focusing particularly on advancing health equity by expanding resources available to populations and communities that have been historically under-resourced and under-served. CalAIM is an evolution of the work DHCS and its partners have been supporting in providing whole person care. California has been innovating in the delivery of integrated physical, behavioral and social services particularly through the Whole Person Care (WPC) and Health Homes Pilots in select regions of the state. Based on the success of these pilots and experience in Home and Community Based Services (HCBS) programs, a first stage of CalAIM implementation involves scaling impactful services from these initiatives statewide through Enhanced Care Management (ECM) and Community Supports (California’s nomenclature for the proposed list of state-approved In Lieu of Services/ILOS).

California has received targeted expenditure authority for the “Providing Access and Transforming Health” (PATH) initiative as part of its Section 1115 demonstration renewal to scale whole person approaches to care statewide with a clear equity lens, a strong foundation for integrated, comprehensive care, and a smooth transition from WPC and Health Homes that retains investments made by the state, local partners, and the federal government. PATH will provide funding for services to members during the transition to CalAIM and will also provide tools and resources to county and community-based providers including public hospitals, county, city and other government agencies, justice agencies, community-based organizations (CBOs), Medi-Cal Tribal and Designees of Indian Health Programs and others to ensure a successful implementation.

PATH is comprised of multiple aligned initiatives that will support implementation of ECM and Community Supports services in varying ways. See California’s approved 1115 Waiver [Special Terms and Conditions](http://dhcsgovstaging:88/provgovpart/Documents/CalAIM-1115-Approval-Letter-and-STCs.pdf) for additional detail on the various PATH initiatives.

**This document is focused on the PATH Capacity and Infrastructure Transition Expansion and Development (CITED) initiative**. This guidance captures the latest program design elements of this initiative as of March 2023; however, some aspects of the program design described here may change in future rounds. Updated guidance for this initiative may be disseminated in future webinars, guidance memos, FAQs, or application forms for this initiative. Any future guidance related to this initiative will supersede guidance described in this document and will be posted on the PATH section of the DHCS CalAIM website. Stakeholders are encouraged to visit the PATH website [here](http://dhcsgovstaging:88/CalAIM/Pages/CalAIM-PATH.aspx) and the PATH Third Party Administrator (TPA) CITED website [here](https://www.ca-path.com/cited) in order to view the latest guidance and application materials available for this initiative.

# Capacity and Infrastructure Transition, Expansion and Development Initiative

## I. Overview

The Capacity and Infrastructure Transition, Expansion and Development (CITED) Initiative will provide funding to enable the transition, expansion, and development of ECM and Community Supports capacity and infrastructure. Eligible applicants (described further below) will be encouraged to coordinate applications with local Managed Care Plans (MCPs) that they contract with or strongly intend to contract with to provide ECM/Community Supports services. Entities who receive CITED funding will be invited to participate in the PATH Collaborative Planning and Implementation initiative, which may be ongoing in their county or region.

**Applicants who wish to receive CITED funding must submit an application and funding request to the TPA through the application portal** [**here**](https://www.ca-path.com/cited)describing how they intend to use CITED funding. The DHCS-contracted TPA—Public Consulting Group (PCG)—will support the administration and management of the CITED initiative.

## II. Eligibility Criteria

Overall, CITED funding is intended to support ECM / Community Support providers or entities that demonstrate their intent to become ECM / Community Supports providers via signed attestation letters. **Applicants must be actively contracted** with an MCP or an MCP’s authorized subcontractor or network provider for the provision of ECM or Community Supports, **or have a signed attestation letter** from an MCP or an MCP’s authorized subcontractor or network provider that they **strongly intend to contract** with the Applicant to provide ECM/Community Supports in a timely manner. **MCPs are not eligible to receive CITED funding**.

Applicants may include, but are not limited to:

* County, city, and local government agencies;
* Providers (including but not limited to hospitals and provider organizations);
* Community-Based Organizations (CBOs);
* Medi-Cal Tribal and Designees of Indian Health Programs;
* Federally Qualified Health Centers (FQHCs); and
* Others as approved by DHCS as part of the application.

In limited circumstances, organizations that do not directly provide ECM / Community Supports, but that support the delivery or administration of these services may also apply for CITED funding. Those entities must meet the following requirements:

* Organization must have a contract to support one or more providers of direct ECM or Community Supports services;
* Organization must demonstrate that they directly add value to the provision ECM/Community Supports, including through letters of support from ECM / Community Supports providers as appropriate;
* Organization must provide services in one or more of the following categories:
	+ Member outreach and engagement in ECM/Community Supports
	+ ECM/Community Supports service authorization supports
	+ Invoicing and billing support for ECM/Community Supports
	+ Data analytics, reporting evaluation supports
	+ Health information exchange services for ECM/Community Supports
	+ Others as approved by DHCS;
* Organization is subject to the same indirect rates (5%) and staffing guardrails as all other CITED applicants (see page 11 for additional information on indirect rates and staffing guardrails); and
* Organization must meet all other requirements as part of the CITED application.

## III. Application Process and Approach

Applicants that wish to receive CITED funding must submit an application with a specific funding request describing how they intend to use PATH CITED funds. Applications and funding requests should consider (1) needs identified in local MCP Needs Assessment and Gap Filling Plans (developed as part of the Incentive Payment Program [IPP]), (2) needs identified in local homelessness plans (developed as part of the Housing and Homelessness Incentive Program), and (3) needs identified in the PATH collaborative planning initiative.

Applications should also include strategies to avoid duplication and supplantation[[1]](#footnote-2) of other funding sources (e.g., IPP or other federal, state, local funds) as well as services paid for by Medi-Cal. Applicants are encouraged to coordinate requirements with local MCPs or the authorized subcontractor or network provider that they contract with or strongly intend to contract with to provide ECM/Community Supports services. **Applicants are strongly encouraged to seek IPP funding for their request from MCPs before seeking PATH funding from CITED**.

The applications will collect the following information from Applicants, at a minimum:

* Relevant **experience** providing or supporting the delivery ECM/Community Supports (or equivalent services prior to the start of CalAIM);
* **Funding request** and intended uses of CITED funds;
* Detailed **justification for why funds are needed** to support transition, expansion, development and delivery of and/or bolster capacity to support ECM and/or Community Support services;
* Description of **approach to sustaining items/activities/staff** funded via CITED after CITED funding ends;
* **Projected milestones and deliverables** for the requested CITED funding (DHCS expects the Applicant to articulate thoughtful milestones that can be used to assess progress in implementing the activities described in the application);
* Description of how the Applicant intends to **coordinate with MCPs** to ensure alignment and avoid duplication of funding, including whether the applicant previously sought IPP funds for the request
* Description of how funding request will align with CalAIM goals; and,
* Copy of at least one, **executed contract** in the State of California for activities related to the provision of ECM/Community Supports or a copy **of a signed letter from an** **MCP** **or an MCP’s authorized subcontractor or network provider, stating the strong intent to contract with the Applicant** in a timely manner for activities related to the provision of ECM/Community Supports. Applicants will be required to include this executed contract as an interim project milestone, as needed.

An Applicant that operates across more than one county may submit a single CITED application that includes funding requests to operate in multiple counties. All Applicants must indicate whether the funding requested in the application will be spent in one county or in multiple counties. If the funding will be spent in multiple counties, then Applicants will be required to estimate the percent of the total funding requested that will be spent in each county, for each item requested in the budget. Applicants requesting large funding amounts may be required to participate in interviews with DHCS prior to approval of funding.

## *i. Application Review Process*

Applications will be reviewed and approved during specified “application windows” established by DHCS. Application windows will occur at a minimum semi-annually from 2022 through 2025. Entities are permitted to apply for funding during multiple open application periods. If Applicants do not receive an award during one application window, they may be encouraged to apply in a subsequent application window.

During open application windows, the TPA will collect, review, and evaluate applications according to criteria developed by DHCS and will make application recommendations for DHCS approval. **DHCS will ultimately determine which applications are approved**. Criteria for evaluation may include but are not necessarily limited to:

* Clearly defined justification and statement of need for CITED funding that aligns with CalAIM goals;
* Description of how CITED funds will be used with a budget detailing specific information (i.e., FTEs, hire justification, salary amount, etc.) and the reasonableness of funding amount requested for stated need;
* How the Applicant intends to coordinate with MCPs and other stakeholders to ensure alignment and avoid duplication of funds;
* Approach to sustainability, including a sustainability plan for activities/items/staff post CITED funding;
* Whether the Applicant serves a population that has been historically underrepresented or underserved;[[2]](#footnote-3) and,
* Alignment with county level allocation targets, as appropriate.[[3]](#footnote-4)

During the evaluation process, if DHCS or the TPA have questions for the applicant, the Applicant will be contacted to provide the additional information requested. In addition, during this period DHCS may request that the Applicant alter or reduce funding amount requested, if it is deemed that there are components that should not be funded. Applicants will be contacted individually to update their information in a timely manner to be in alignment with the request.

Once DHCS and the TPA have evaluated all applications, the TPA will contact the Applicant of the decision, either approving (fully or partially) or rejecting the application. In the event that an application is rejected the TPA will provide written feedback to the Applicant describing why their application was not approved and provide steps, additional resources, and recommendations for resubmission. DHCS may consider permitting organizations to revise and resubmit applications within the same application window or in a future application window on a **case-by-case basis**. If an organization is requested by DHCS to revise or resubmit an application, they should complete all requested items, in a timely manner, as a component of resubmission in the current round.

## *ii. Funding Disbursement*

As part of the application and terms and conditions process, Applicants will be required to define and confirm interim and final milestones (see example below). Approved Applicants will be required to include an executed contract for the provision or support of direct ECM / Community Supports as an interim milestone, as needed. Approved Applicants will be responsible for submitting quarterly progress reports to the TPA, until the final project milestones are met. Schedules for CITED funding disbursement will be memorialized in the terms and conditions between the Applicant and the TPA. The TPA will distribute funding to approved Applicants following achievement of the milestones described in the terms and conditions.

Sample Milestones & Funding

|  |  |  |  |
| --- | --- | --- | --- |
| **Milestone** | **Funding Amount(s)** | **Metric(s)** | **Anticipated Date** |
| Contract Execution with MCP | 5% of requested amount or $5,000  | Signed contract approved and signed by both parties, incl. MCPs | 12/1/2023 |
| Job description posted online | $15,000 | 15 of 15 requested positions posted | 1/1/2024 |

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## IV. Sample Uses of Funding

The below table provides select examples of activities that may be funded using CITED funding. **The table is meant to be illustrative and is non-exhaustive.**

|  |  |  |
| --- | --- | --- |
| **Category** | **Sample Activities (not exhaustive)** | **Ineligible Activities (not exhaustive)[[4]](#footnote-5)** |
| **Increasing Provider Workforce** | * Assessment of current organizational capabilities, infrastructure and systems, and capacity to deliver ECM/Community Supports
* Identification of critical gaps and needs to be addressed for seamless provision of services to enrollees to ensure successful ECM/Community Supports participation
* Hiring, recruiting, onboarding, and training staff that will have a direct role in the execution of ECM/Community Supports responsibilities, including those serving Justice-Involved individuals post-release
* Increasing capacity to deliver new services/programs above and beyond current capabilities (e.g., offering a new Community Supports not previously offered under WPC)
* Increasing the number of community-based care managers that will provide ECM services to Justice-Involved individuals post-release
 | * Activities that are not related to the implementation of ECM/Community Supports
* Activities for which other federal, state, or local funding is available and allocated for use for the same purposes
* Using CITED to support staff salaries for individuals who spend less than 60% FTE on ECM/Community Supports
* Activities that are related to the delivery of pre-release services for Justice-Involved individuals *(please see* [*PATH JI Capacity Building*](https://www.ca-path.com/justice-involved) *for funding opportunities)*
 |
| **Modifying, purchasing and/or developing the necessary clinical, referral, billing, data reporting or other infrastructure and IT systems, to support integration into CalAIM**  | * Supporting health information exchange between entities responsible for providing ECM and/or Community Supports services
* Supporting the implementation of a closed-loop referral system
* Enhancing existing systems to support core monitoring/data reporting needs
* Transitioning former WPC Pilot infrastructure for integration into ECM/Community Supports and other managed care contracted services
* Modifying existing IT systems to support the provision of ECM services to Justice-Involved individuals post-release
 | * Enhancing internal data reporting systems
* Ongoing IT system licensing fees not specific to ECM/Community Supports
* Unreasonable or excessive technological equipment for in-office and field staff
 |
| **Providing upfront funding needed to support capacity and infrastructure necessary to deliver ECM and Community Supports services** | * Modifying existing physical infrastructure of ECM/Community Supports provider sites that are essential for an organization’s capacity to deliver ECM/Community Supports (e.g., replacing infrastructure that refrigerates fresh food)
* Purchasing hardware or office equipment necessary to support delivery of ECM/Community Support services or serve current or yet to be launched populations of focus (e.g., children, Justice-Involved individuals, long-term care, etc.)
 | * Real estate investments
* Providing “non-essential” equipment to serve clients (e.g., plants, artwork)
* Ongoing utilities payments
 |
| **Evaluating and Monitoring ECM/Community Supports service capacity to assess gaps and identifying strategies to address gaps** | * Staff time devoted to evaluating and monitoring (e.g., conducting a community health needs assessment to identify where there are gaps in capacity for certain Community Supports or ECM services for current or yet to be launched populations of focus (e.g., children, Justice-Involved individuals, long-term care, etc.)
 | * Evaluation and monitoring not related to ECM or Community Supports
 |
| **Developing a plan to conduct outreach to populations who have traditionally been under-resourced and/or underserved to engage them in ECM/Community Supports** | * Staff time devoted to development of an outreach plan
* Funding to hire contractors or vendors to support plan development
 | * Direct services or other services that would be paid by MCPs
 |

## *i. Funding to Support Staff Salaries*

CITED funding may be used to support staff salaries for administrative or service-related positions necessary to support delivery of ECM or Community Supports within certain guardrails as outlined below:

* CITED funding may only be used to support salaries for new positions, or existing positions with new responsibilities where **at least 60% of the FTE** is directly pertinent to supporting delivery or administration (e.g., specialists that conduct outreach) of ECM or Community Supports.
	+ Data-related positions do not require an FTE of at least 60% directly pertinent to ECM or Community Supports. However, the position must still be substantially related to supporting delivery or administration of ECM or Community Supports.
* Funding for salary support may only be requested for the portion of FTE that is directly pertinent to supporting delivery or administration of ECM or Community Supports. For example, an Applicant may not request funding for 100% FTE for a position where only 75% of the FTE is pertinent to delivery or administration of ECM or Community Supports.
* CITED funding for salary support will be capped at **18 months in duration** for new positions or **12 months in duration** in most cases for existing staff that are assigned new ECM and/or Community Supports responsibilities.
	+ If an entity is seeking salary support for an existing position with new ECM and/or Community Supports responsibilities for more than 12 months, then they must submit a justification and include in their application a financial analysis that describes when the entity anticipates the staff member to be fully ramped up and staffed on ECM and/or Community Supports responsibilities for the new position.
	+ Entities are limited to receive CITED funding for salary support for 18 months across all CITED rounds, unless they meet all four of the following requirements:
		- Are offering new or expanded ECM/Community Supports services that require new staff;
		- Provide a sufficient budget justification and sustainability plan for new staff;
		- Have relevant and reasonable milestones attached to funding disbursement; and
		- Have successfully transitioned previously CITED-supported staff to a sustainable source of funding.
* Indirect rates **will be capped at 5%**.
	+ Indirect costs are defined as administrative overhead expenses that are not readily identified with or directly pertinent to the funding request but are necessary for the general operation of activities outlined in the funding request.
	+ Indirect costs for CITED requests to support staff salaries may include but are not limited to:
		- Travel
		- Training
		- Goods and services (e.g., mail services, payroll services, procurement, or legal services, etc.)
		- Advertising
		- Communication costs
		- Operation and maintenance costs for supplies, facilities, and equipment
* Requests for salary support must be **reasonable relative to salaries for similar positions** within the region.
* CITED funding for direct salary support may include costs associated with fringe benefits, subject to the guardrails enumerated above.
* Applicants must provide a clear sustainability plan for each of the requested positions once CITED funding ends.
	+ CITED funding to support salaries should decrease over the timeframe of the funding request. A salary can be supported through CITED at 100% at the outset of the funding timeframe, but should transition over time to be supported through MCP funds for ECM and/or Community Supports.

Applicants that receive CITED funding for salary support must attest that any funding received through CITED is not duplicative with other funding sources, including MCP reimbursement for ECM / Community Supports, and that they will take all necessary steps to prevent duplication of funding. DHCS recognizes that there is a period of ramp up required to hire and onboard staff involved in the provision of ECM and Community Supports. CITED funding can be used for salary support for staff members until they reach their expected panel size/case load. Once CITED funding is received, it is essential that the applicant ensures non-duplication with MCP reimbursement and notify DHCS if or when CITED funding becomes duplicative to determine next steps.

DHCS reserves the right to place additional guardrails on CITED funding for salary support at its discretion.

## *ii. Funding to Support Retroactive Investments*

In addition, CITED may provide retroactive funding on a case-by-case basis to support investments in infrastructure and capacity made by eligible organizations from January1, 2022 until the release of applications for the round of CITED funding for which the entity is applying. Applicants may apply for retroactive funding in any round of CITED. DHCS will review such requests on a case-by-case basis and reserves the right to reject retroactive funding requests or to approve them at a lesser amount than the entity’s initial investment or the Applicant’s requested amount. Any request for retroactive funding for salary support, will be considered part of the allowable maximum total 18 months of salary support funding across all CITED rounds. Retroactive funding requests will be subject to strict guardrails and requirements. Retroactive funding requests must:

* Be limited to the same permissible uses as other CITED funding;
* Be vetted against the same evaluation criteria as other CITED funding requests;
* Not be provided for investments that were made prior to January 1, 2022;
* Include attached receipts, invoices, or other documentation of the historical investments for which retroactive funding is sought; and
* Be subject to the same oversight principles as other CITED requests as described in the Initiative Oversight section below, including not duplicating or supplanting other federal, state, or local funding sources.

## *iii. Impermissible Uses of Funding*

CITED funding cannot be used to support the following uses or activities. This list is subject to change at the discretion of DHCS.

* Services otherwise covered through Medi-Cal
* Fuel or maintenance costs for transport vehicles
* Taxi/Ride-Share services to patients
* Activities for which other federal, state, or local funding is available
* Direct CalAIM services
* Real estate investments (property acquisition), developments, and other capital projects, except as explicitly permitted by DHCS
* Funding to cover ongoing financial losses
* Ongoing lease, rent, or utilities payments on behalf of patients/members
* Staff time devoted to non-ECM/CS related responsibilities or services
* Donations and contributions
* Entertainment (e.g., receptions, parties, food, conferences, sporting events, etc.)
* Fines and penalties
	+ Interest expense
	+ Debt restructuring and bad debt
* Costs of organized fundraising, including financial campaigns, lobbying, endowment drives, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions
* Goods or services for personal use
* Marketing materials not otherwise related to ECM/Community Supports
* Memberships and subscription costs not related to ECM/Community Supports
* Patent costs
* Insurance (e.g., liability, property, etc.)
* Incentives (e.g., gift cards, bonuses, stipends, etc. )
* Taxi/Ride-Share services for staff or Medi-Cal beneficiaries (this is a Medi-Cal benefit)
* Organizational business cards
* Employee background and drug tests
* Staff or Member/Patient Parking expenses
* Non-essential office equipment (e.g., flowers, artwork, etc. )
* IT infrastructure upgrades or enhancements that do not directly support organizational data needs to deliver ECM/Community Supports
* Clinical health screenings
* Banking and payroll fees

## V. Role of the TPA

DHCS contracted with Public Consulting Group (PCG) as the Third-Party Administrator (TPA) to support the administration and management of the CITED initiative. The TPA serves the following CITED responsibilities:

* **Designing and reviewing applications and funding requests.** The TPA develops a standardized CITED application and reviews all applications that are submitted. The TPA assessed the strength of applications using a standardized rubric and the criteria established by DHCS and based on those assessments the TPA recommends to DHCS which applications should receive CITED funding. DHCS ultimately determines which applications will be funded.
* **Marketing the opportunity to apply for CITED funds.** The TPA is responsible for coordinating with DHCS to market and publicizing the opportunity and application process for CITED funds. This may be accomplished through the use of existing channels (e.g., the CalAIM or TA Marketplace websites) or through the creation of new channels focused solely on CITED funding.
* **Maintaining public-facing documentation.** The TPA makes information on approved CITED applications publicly available.
* **Submitting progress reports.** The TPA is responsible for collecting quarterly progress reports from approved entities and submitting them to DHCS. Progress reports are expected to include activities that have been carried out under the terms of the grant and any required performance metrics.
* **Serving as the fiscal administrator.** Funding is made available upon achievement of application-specific milestones. Funds will be disbursed within 45 days of progress report approval.
* **Troubleshooting Issues as they arise**. The TPA is responsible for troubleshooting issues as they arise and elevating problems to DHCS as required.
* **Reporting on best practices and use of CITED funds.** The TPA is responsible for sharing with DHCS and interested stakeholder best practices gleaned from the administration of the CITED program.
* **Reporting on funding disbursements and monitoring target allocations.** The TPA provides reports to DHCS on disbursed funding in each funding window. The TPA is responsible for assessing whether counties are on track to hit target funding levels in each funding period. If the TPA identifies counties that did not hit target funding allocations in a particular funding window, then the TPA will proactively reach out to eligible entities in those counties to encourage entities to apply for funding in future rounds. If funding requests in a particular county exceed the target funding amount in a given funding period, then the TPA will be responsible for working with DHCS to assess whether target funding amounts will be adjusted or whether funding to a particular county needs to be paused.

## VI. Initiative Oversight

DHCS is committed to the robust oversight of all PATH initiatives and programs, including the CITED initiative. **CITED funds cannot be used to support infrastructure and capacity that are duplicative of other sources of PATH funding, or other federal, state, or local funding sources. CITED funds also cannot be used to supplant funding from other federal, state, or local programs.** Other Federal, state or local funding sources and programs that are complementary to or enhance PATH funds will not be considered supplanted by PATH funds or duplicate reimbursement. In addition, **CITED funds may complement but should not duplicate funding received from MCPs via IPP or reimbursement for ECM / Community Supports.** CITED is not intended to cover financial losses incurred due to negotiated reimbursement rates with MCPs or other entities for the provision of ECM and Community Supports. When Applicants apply for CITED funding, they will be required to attest that they will not use CITED funding to duplicate or supplant other funding sources or programs. Funding recipients will also be required to attest to non-duplication and supplantation on an ongoing basis as part of regular progress reports submitted to the PATH TPA and/or DHCS. Applicants will be required to explain how CITED funding will complement and enhance but not duplicate other federal, state and local programs in the CITED applications and regular progress reports. DHCS or the PATH TPA may conduct spot audits as needed to ensure that CITED funds are being used and reported appropriately.

## *i. Progress Reporting*

Awarded Applicants will be responsible for submitting quarterly progress reports to the TPA. Progress reports must describe progress towards the goals associated with the funding and interim and final milestones articulated in the application. Awarded Applicants will also be responsible for submitting final “close-out” reports within 90 days of meeting the final goals articulated in the application. The TPA may request additional information from awarded Applicants outside of the quarterly progress report and final close-out report. Awarded Applicants should maintain detailed documentation on expenditures to support potential audits, and this information may be requested to be included in the quarterly progress reports. Awarded Applicants who fail to submit progress reports or adequately document progress towards funding milestones may be precluded from receiving additional PATH funding. These progress reports will include the following at a minimum, in addition to other information requested by DHCS:

* Narrative description of achieved milestones, as defined in the Applicant’s application, or progress towards milestones during the reporting period;
* Reporting to inform progress towards milestones listed in the application;
* Summary of any deviation from the original submitted budget plans;
* Description of activities/milestones that were achieved during the reporting period detailing successes and lessons learned;
* Description of activities/milestones that were not achieved as expected during the reporting period, and an explanation indicating why they were not achieved, and how they will be in subsequent progress reports;
* Requests to modify activities/milestones and the budget, as needed, including the rationale for modification;
* Attestation of non-supplantation of CITED funding with other federal, state and local funds on an ongoing basis, and how PATH funds complement or enhance existing programs but does not supplant existing funding; and,
* Attestation of non-duplication of CITED funding with other federal, state and local funds on an ongoing basis.

## *ii. Auditing and Recoupment*

DHCS or the TPA, as appropriate, may perform spot check audits of CITED funding disbursements. DHCS and the TPA may utilize a Corrective Action Plan process for CITED funding recipients who are not meeting progress reporting or other requirements for receipt of PATH CITED funding.

Funding recipients may submit a final progress report indicating that not all received funds were spent during the project period. DHCS and the TPA will consider three possible scenarios if funding recipients do not spend all funds received for any reason, including:

* Permit the entity to ‘rollover’ a limited amount of unspent funding to other permissible uses for up to 12 months following project end date. Any entity submitting a funding rollover request may be required to meet additional reporting and milestone requirements and receive explicit approval from DHCS. The amount of funding that is rolled over and the duration of period for use may be determined by DHCS on a case-by-case basis;
* The entity may voluntarily return unused funds to DHCS; or
* The entity is unresponsive to requests from DHCS or the TPA and will not return unused funds to DHCS or respond to the request for funding to be applied to different permissible uses, in which case DHCS will seek an audit and possible recoupment of unused funds.

DHCS will only seek to audit entities and recoup funds in instances where:

* DHCS or the TPA reasonably believes potential, fraud, waste, or abuse;
* DHCS or the TPA reasonably believes that funding was spent on impermissible uses of funds;
* DHCS or the TPA reasonably believes that funding received by the entity may be duplicative with other funding sources;
* Funding recipient becomes ineligible to be a provider of ECM or Community Supports;
* Funding recipient reports using funding on an item or activity that was not documented in their approved grant application without seeking prior approval from DHCS;
* Funding recipient reports significant deviations (as determined by DHCS) in how funding was applied to various approved funding uses relative to what was described in their original budget template; and,
* Funding recipient did not spend all funds received and will not voluntarily return unused funds to DHCS or request for unused funds to be applied to other permissible uses.

## VII. Next Steps

DHCS continues to refine program design elements of the PATH CITED initiative. Updated design elements will be communicated in PATH Informational Webinars and may be memorialized in future guidance documents, FAQs, or released alongside application templates. These documents will be publicly posted on the [DHCS CalAIM PATH webpage](http://dhcsgovstaging:88/CalAIM/Pages/CalAIM-PATH.aspx) and [TPA CITED website](https://www.ca-path.com/cited) when available.

If you have questions regarding the PATH CITED initiative, please email cited@ca-path.com or call 866-529-7550.

## *\*Timeframe for PATH CITED Application Windows*

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Activity**  | **Month 1** | **Month 2** | **Month 3** | **Month 4** | **Month 5** | **Month 6** | **Month 7** | **Month 8** | **Month****9** |
| Updated guidance released |  |  |  |  |  |  |  |  |  |
| Round application period open |  |  |  |  |  |  |  |  |  |
| Round application review period |  |  |  |  |  |  |  |  |  |
| Round application announcement & terms and conditions acceptance |  |  |  |  |  |  |  |  |  |

\*Exact dates will be announced when known. Please visit the CITED website for information on the current round timeline. Funds will be disbursed within 45 days of acceptance of the first progress report.

1. Other Federal, state or local funding sources and programs that are complementary to or enhance PATH funds will not be considered supplanted by PATH funds or duplicate reimbursement. If applicable, Applicants must describe how similar or related services and activities supported by other Federal, state or local funding sources are complemented or enhanced by efforts funded by PATH. For example, if other funding 1) does not fully reimburse activities, 2) may allow additional/different populations to be served or 3) may allow additional/different services to be provided beyond those funded by PATH. To the extent that otherwise allowable PATH activities are reimbursed by other Federal, state or local programs, PATH funding must not duplicate such reimbursement. [↑](#footnote-ref-2)
2. Examples of populations that have been historically underrepresented or underserved may be found in the White House “[Executive Order On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government](https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/executive-order-advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government/)”, and include for example: Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality. Other populations may be considered as underrepresented or underserved. [↑](#footnote-ref-3)
3. DHCS defines target allocation amounts for each county for each application window of CITED. These targets encourage an equitable distribution of PATH funding for entities across the state. These targets are primarily used by DHCS to identify parts of the state that may be under-applying for PATH funding, and these targets are not hard caps on the amount of funding that can be distributed to entities in a particular county. Allocations are based on a variety of factors assessed at the county level, including Medicaid enrollment, managed care plan revenue, and measures of housing access. Non-WPC counties receive an upward allocation adjustment to account for historical administrative and delivery system infrastructure funding provided to WPC counties. Multi-county funding requests proportionally count towards the target allocation amounts. The TPA is responsible for monitoring the amount of funding administered to each county and proactively supporting entities in counties that are not on track to hit target allocations. [↑](#footnote-ref-4)
4. A more comprehensive list of impermissible uses of CITED funding can be found below. [↑](#footnote-ref-5)