

Assembly Bill 804

Supportive Housing as Healthcare
Assemblymember Buffy Wicks (AD-14)

SUMMARY

AB 804 requires the Department of Health Care Services to seek federal approval to make housing support services a Medi-Cal benefit. This new benefit builds upon an existing program to take advantage of federal dollars to tackle California's homelessness crisis while also avoiding costly acute care and improving health outcomes.

ISSUE

As recently as December 2024, a statewide homelessness point-in-time count found more than [187,000 Californians experiencing homelessness](#). These residents—our neighbors—lack adequate access to resources to find and keep stable housing. This housing insecurity leads to poorer health outcomes. Unless individuals experiencing homelessness can stabilize in housing, health treatment is often ineffective. Research indicates that an unhoused patient's [acute care costs continually increase so long as they remain homeless](#), regardless of the quality of treatment.

Medi-Cal's CalAIM program began striving to bridge this healthcare gap in 2022. Through CalAIM's Community Supports, Medi-Cal members are connected to housing, assisted with funds for first and last months' rent, and provided tenancy support services to remain housed.

However, these managed care-funded services are inconsistent, difficult to administer, underfunded, and often time-limited. And right now, California does not take advantage of federal matching funds. A statewide benefit would be more equitable, consistent, and available to more eligible Medi-Cal enrollees.

SOLUTION

AB 804 sets the state on the path to providing housing support services as a covered Medi-Cal

benefit. This will bolster current housing as healthcare services, providing stable funding to allow these benefits to continue assisting California's unhoused population. The legislation specifically requires California's Department of Health Care Services to seek federal approval for this benefit no later than March 31, 2026. This approval will allow the state to provide continuity of care when the current CalAIM federal waiver expires.

Targeted funding ensures that more Californians are kept out of homelessness; it also has the potential to save our government [more than \\$46,000 per year per person](#). For every dollar the state spends on these housing supports, the federal government matches it—at a baseline of 50% and at a level of up to 90% for the expansion population. Many other states, including [Arizona, North Dakota, and Washington](#), are already taking advantage of these federal funds.

AB 804 will help provide consistency of care and wraparound healthcare services that will keep people safer and healthier. It is a preventative care measure that will be both cost-saving and life-saving. Such permanent support can be the difference between thousands of Californians remaining safely housed or returning to homelessness.

SUPPORT

Corporation for Supportive Housing (sponsor)
Housing California (sponsor)
Western Center on Law & Poverty (sponsor)

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