



TEAM: COMMUNITY RESOURCES

Issue Experts:

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SUBJECT: ENHANCING WORKFORCE PRODUCTIVITY THROUGH FINANCIAL SUPPORT AND STRATEGIC BENEFITS PROGRAMS

REQUESTED ACTION:

- Retain Medicaid 1115 and 1915(b) waivers, which connects clients to Enhanced Care Management, Community Supports (Housing Navigation and Housing Sustainability services and create a legislative pathway for permanence of these services under CalAIM (California Advancing and Innovating Medi-Cal).
- Authorize federal agencies to establish flexible rules ensuring that participants receiving SNAP, TANF, Social Security, or other benefits are not penalized for engaging in financial empowerment programs, providing economic mobility without facing a benefits cliff.

HOW THIS SUPPORTS BUSINESSES:

Communities and business thrive when health is made a priority, and there are equitable economic opportunities. California received federal approval for the California Advancing and Innovating Medi-Cal (CalAIM) waiver that, in part, allows the state to draw down additional federal funding for two new benefits: Enhanced Care Management and Community Supports. These benefits are provided by managed care plans and are intended to provide cost-effective services to Medi-Cal members with complex needs that incur high costs. More importantly, these services improve health outcomes while reducing reliance on more costly medical services.¹ Examples of Community Supports include housing navigation, housing deposit assistance, and housing sustainability services to help to keep Medi-Cal members housed. The United States Interagency Council on Homelessness reports that homelessness is not only costly in terms of its negative impact on human life, health, and productivity, but moreover due to our lack of investment in communities that have been denied



opportunities to thrive, “people experiencing homelessness frequently require the most expensive publicly funded services and institutions”.² Getting individuals housed allows them the stability to achieve gainful employment and contribute to an economy that is inclusive and sustainable.

Nearly 80% of Californians living in poverty have at least one working adult, excluding families with only adults 65 and older.³ Many of these families are eligible for public benefits. Federal programs must have integrated rules to address the benefits cliff, to ensure investments reach individuals and incentivize workforce participation. The Center on Poverty at Columbia University found that every \$1 dollar invested in cash assistance resulted in savings and earnings of \$8 due to mitigating health disparities and increasing future earning potential.⁴ Existing benefits programs must implement flexible rules so that participants are not disincentivized from engaging in empowerment programs to maintain benefits.

HOW THIS SUPPORTS RESIDENTS OF OUR REGION:

Individuals and families know what they need to thrive. Over one in three households—Over 3.8 million (35%)—do not earn sufficient income to meet basic needs in California.⁵ Many of these households cannot afford housing, leading to housing insecurity. Housing support offered through Medicaid waivers allow families to get housed and stay housed, providing a pathway for personal growth and sustainability, with an initial investment using government spending.

Individuals must also receive integrated wraparound services provided through federal programs such as TANF, SNAP, and Social Security. Providing flexibility and having integrated rules allows individuals experiencing poverty the tools to experience the net benefits of the program without being penalized by rules from one agency, when another social services agency has competing guidelines for receiving benefits. Flexible rules and assistance allow individuals the agency to make the choices on what they need for their families to succeed.



APPENDIX:

1. California Legislative Analyst Office, March 6, 2025. "CalAIM Enhanced Care Management and Community Supports Implementation Update"
<https://lao.ca.gov/Publications/Report/5003>
2. American Security Project, May 2018 The Impact of Homelessness on Economic Competitiveness. ("For example, according to the administrative officer for the city of Los Angeles in a 2015 report, although only four agencies and departments had budgetary allocations for homeless programs, at least 15 regularly engaged with homeless people, with some departments incurring large costs. For example, the report cited that the Los Angeles Police Department estimated it spent from \$53.6 million to \$87.3 million in one year on interactions with homeless people and the Bureau of Sanitation spent at least \$547,000 in a year on cleanup of homeless encampments.")
<https://www.americansecurityproject.org/impacthomelessness-economic-competitiveness/>
3. Public Policy Institute of California August 2025 "Poverty in California"
<https://www.ppic.org/publication/poverty-in-california/>
4. Ananat, Elizabeth, Megan Curran, Irwin Garfinkel, Robert Paul Hartley, Anastasia Koutavas, and Buyi Wang. 2023. The costs of cutting cash assistance to children and families: Changing TANF work requirements could cost society up to \$30 billion per year. Poverty and Social Policy Brief, vol. 7, no. 2. Center on Poverty and Social Policy, Columbia University.
5. United Ways of California, 2025, The Real Cost Measure in California 2025,
<https://unitedwaysca.org/realcost/>