

PROVIDER READINESS GUIDE

Transitional Rent Readiness Guide

What your organization needs to deliver and bill Transitional Rent cleanly — now that it's a mandatory Community Support for every Medi-Cal managed care plan.

Why this matters now

Since **January 1, 2026**, every Medi-Cal managed care plan is **required** to offer Transitional Rent to eligible members in the behavioral-health population of focus. It's the first Community Support to become mandatory — so plans are actively standing up networks, and providers who are billing-ready have the advantage.

Up to 6 mo.

Rental assistance per eligible member, in interim or permanent housing settings

All MCPs

Mandatory benefit statewide for the behavioral-health population of focus

ECM-linked

Transitional Rent requires the member to be enrolled in Enhanced Care Management

THE BASICS

What Transitional Rent is

Transitional Rent provides up to six months of rental assistance to Medi-Cal members who are experiencing or at risk of homelessness, have certain clinical risk factors, and have recently gone through a critical life transition. It acts as a bridge to permanent housing — keeping members connected to care and helping them avoid returning to homelessness. It is delivered alongside the other CalAIM housing services, not in isolation.

ELIGIBILITY

Who qualifies

A member generally needs to meet all of the following. Confirm the exact criteria with the member's managed care plan, since plans operationalize eligibility and authorization.

- ✓ **Behavioral-health population of focus** — the population the mandatory benefit is built around.
- ✓ **Experiencing or at risk of homelessness** — including unsheltered status or risk criteria defined by DHCS.
- ✓ **Clinical risk factors present** — qualifying health or behavioral-health conditions.
- ✓ **Recent critical life transition** — e.g., exiting an institutional or carceral setting, foster care, or another high-risk situation.
- ✓ **Enrolled in Enhanced Care Management (ECM)** — a hard prerequisite, not a nice-to-have (see below).

The ECM requirement is the trip-wire

Transitional Rent cannot stand on its own — the member must be enrolled in ECM. In practice this means your housing and care-management workflows have to be connected: the ECM care plan, the housing support plan, and the rent disbursements all need to live against one member record, or you'll be reconciling three systems every month. This is the single most common reason a Transitional Rent claim or invoice stalls.

THE CORE CHECKLIST

Transitional Rent readiness checklist

Work through these five groups before your first member. If every box is checked, you can deliver and bill Transitional Rent without scrambling.

1 Eligibility & enrollment

- ✓ A documented process to verify the member is in the **behavioral-health population of focus**.
- ✓ Confirmation and documentation of **homelessness / at-risk status** and the qualifying **critical life transition**.
- ✓ **Active ECM enrollment** confirmed before Transitional Rent begins.
- ✓ Plan **authorization / referral** obtained and on file.

2 Documentation & care planning

- ✓ A **housing support plan** tied to the member's ECM care plan and goals.
- ✓ Visit / coordination notes that show **ongoing tenancy support**, not just a rent payment.
- ✓ A clear **audit trail** connecting eligibility → authorization → service → disbursement.

3 Payment & disbursement tracking

- ✓ Tracking for the **up-to-6-month limit** per member, with months remaining always visible.
- ✓ **Landlord / unit details** and lease documentation captured and stored.
- ✓ Each **rent disbursement** recorded with amount, date, payee, and supporting documentation.
- ✓ Alignment with the **DHCS Transitional Rent Payment Methodology** (reimbursable ceilings & administrative fees).

4 Coordination with the housing services

- ✓ A path to pair Transitional Rent with **Housing Transition Navigation** and **Tenancy & Sustaining**.
- ✓ **Housing Deposits** handled without duplicating first/last-month rent (DHCS removed that overlap as of 7/1/25).
- ✓ A plan for what happens at month 6 — the **exit to a permanent subsidy or sustainable tenancy**.

5 Billing & encounter readiness

- ✓ The member record produces a **clean, submission-ready claim or invoice** in your plan's format.
- ✓ Disbursement and service data are structured so the **plan can report encounter data** to DHCS without rework.
- ✓ Records are retained and **exportable** for audit at any time.

AVOID THESE

Common pitfalls

- ✔ **Starting rent before ECM enrollment** is active — the claim won't hold.
- ✔ **No disbursement audit trail** — payments tracked in a spreadsheet that can't tie back to the authorization.
- ✔ **Duplicating first/last-month rent** with a Housing Deposit after DHCS removed that overlap.
- ✔ **No month-6 exit plan**, so members fall off a cliff and tenancy fails.

HOW IT CONNECTS

Transitional Rent doesn't work alone



The member who needs Transitional Rent usually needs the services on either side of it too. Running them as one connected record — with ECM underneath — is what keeps the whole sequence billable.

CareAutomate ships pre-configured for Transitional Rent.

ECM care plan and Community Supports in one member record, with the disbursement and 6-month tracking Transitional Rent needs — next to Navigation, Deposits, and Tenancy & Sustaining.

[Book a 20-min walkthrough →](#)

Sources & disclaimer. Based on DHCS Community Supports Policy Guide (Vol. 2), the DHCS Transitional Rent Payment Methodology (Oct 2025), and DHCS program announcements current to early 2026. This guide is educational and does not constitute billing, legal, or compliance advice. Transitional Rent eligibility, authorization, and payment are operationalized by each Medi-Cal managed care plan — always confirm current requirements with the member's plan and the latest DHCS guidance before delivering or billing services.