As part of the Housing and Homelessness Incentive Program (HHIP), Medi-Cal managed care plans (MCPs) had to submit an Investment Plan to the Department of Health Care Services (DHCS) to demonstrate how they would achieve HHIP targets and metrics. DHCS required that the Investment Plan be designed in collaboration with MCPs' local Continuums of Care (CoC) and/or county partners. Some MCP established work groups with their local CoCs and counties, participated in CoC meetings, and held ongoing planning discussions to identify needs and gaps in the local homeless system of care.

Investment Plans were created to help MCPs and CoCs and county partners identify the activities most needed in the local community to prevent and end homelessness. The Plans also were driven by activities and investments that would best help the MCPs meet HHIP metrics. The more an activity or investment would help MCPs meet HHIP metrics, the greater potential for pulling down a high percentage of incentive funds. See *Understanding HHIP Performance Metrics* in this Toolkit; see also The Housing & Homeless Incentive Program (HHIP).

MCPs and their local CoC and county partners know the initial activities they will fund to meet HHIP metrics. Many partnerships are in the process of developing agreements and contracts to finalize initial investments and activities, most of which are intended to help the MCPs meet the HHIP metrics and maximize the amount of HHIP incentive funds they'll receive. Though not required by DHCS, the next step for MCPs and their CoC and county partners is to create an Expenditure Plan. The purpose of an Expenditure Plan is to detail the ongoing investments MCPs will make in the local community once they receive their incentive funds from DHCS.

By March 2024, up to 100% of the potential HHIP incentive funds will be distributed to each MCP. Although the funds are flexible, there is an expectation that MCPs will invest the incentive funds back into their local communities to strengthen homelessness response systems. Now is the time for MCPs and their CoC and county partners to develop Expenditure Plans, which will create a road map to invest the HHIP funds towards preventing and ending homelessness.

MCPs and partners will want to develop Expenditure Plans that consider:

- The potential total amount of incentive funds that each MCP serving the local community may be eligible for (assuming they meet all HHIP metrics during Measurement Periods 1 and 2).

- Other sources of funding that may be available in the community (federal, state, municipal, or private funds).

- The HHIP investment activities that have already been identified by the community.

- Additional gaps and needs in the community's homelessness response most in need of additional financial investment that can benefit from a one-time infusion of funding/do not require ongoing funding (e.g., start up costs for a new program, supplies, training).

- In considering the best use of one-time, flexible funding that can be most impactful in the local community, partners may want to discuss the following questions:

  o Should additional funding be placed into existing investment activities or are there other needs in the community that have yet to receive funding as part of HHIP implementation?

  o What existing strategic plans in the local community should be referenced for new ideas?

  o Are there populations or sub-populations of the community that are not currently being served or who are underserved? If so, what new investments could address their needs?

  o Are there opportunities to leverage one-time funding into more permanent investments, such as new affordable and accessible permanent housing? Can MCPs invest in rehabilitation or renovation of a building that a homeless service provider could then operate as PSH moving forward?

In addition to determining the priority areas where the incentive funds will be expended, MCPs and their CoC and county partners will want to populate their Expenditure Plan with details that set the stage for new Memoranda of Understanding (MOUs), data sharing agreements, and contracts that will be necessary to implement the plan.

An Expenditure Plan should:
- Be specific when identifying areas of need. It should provide details such as population impacted, amount of funding required, and expected outcomes.
- Identify how the money should flow to the local community and who should receive it to ensure the greatest impact. For example: Should it go through the CoC? The county? Individual providers? Remain with the MCP?
- Outline the processes that should be in place for providing feedback, sharing ideas with the MCPs, and revising commitments for the areas of investment in the local community.

The **chart below can be used in the initial stages of expenditure planning** to support MCPs, CoCs, counties, and other partners to brainstorm and gather input regarding potential programs and strategies that might be funded using HHIP incentive funds, as well as the gaps or needs to be addressed by each idea, the partners who discussed and reached consensus on the ideas, and additional information or next steps needed to refine the ideas.

Priority Area	Potential Programs or Strategies	Gap or Need Addressed	Additional Information Needed or Next Steps to Refine Ideas	Discussion Participants

Once program and strategy ideas are agreed upon by relevant partners, the simple **Expenditure Plan template below** can be used to capture the community's initial plan for HHIP incentive award funds received. Additional columns can be added as needed (e.g., to indicate the targeted population, responsible parties, status, next steps, etc.), and communities may find that implementation plans may be useful for specific strategies.

Program or Strategy	Description of Activities (2-3 sentences per activity)	Funding to be Allocated ($ amount or percentage of total HHIP award)	Intended Funding Recipient(s) [or whether an RFP or similar process should be used to identify recipient(s)]	Goals, Performance Metrics, and Timeline