

CHLF Success Story: Bright Pathways Community Care

From Award-Winning Experts



C L I E N T S U C C E S S S T O R Y

The Road Less Licensed:

How Bright Pathways Community Care Launched California's Most Underutilized Healthcare License—and Filled Every Bed

CLHF • Community Living Health Facility • Health & Safety Code §1267.8

Prepared by

HealthBridge US

CLHF Licensing, Medi-Cal Enrollment & Community Healthcare Facility Development

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EXECUTIVE SUMMARY

A License Most People Have Never Heard Of—Until Now

Raymond G. spent 18 years in hospital case management. He had watched thousands of patients leave acute care not quite ready for home, not sick enough for a skilled nursing facility, and not appropriate for an RCFE. They fell into a gap—and far too often, they bounced back to the emergency room within 30 days. He knew the system was broken. What he didn't know was that California had already created a license to fix it.

The Community Living Health Facility—a CLHF—exists precisely for patients like the ones Raymond spent nearly two decades worrying about. But it is one of the least-utilized licenses in California healthcare, in part because almost nobody knows how to open one. When Raymond found HealthBridge, he had a vision, a market, and a network. What he needed was a team that had actually navigated the CLHF licensing process before.

Seventeen months after his first consultation with HealthBridge, Bright Pathways Community Care opened its doors in the San Gabriel Valley—a 16-bed CLHF serving adults with complex chronic conditions, post-acute recovery needs, and dual-diagnosis profiles. The facility passed its initial CDPH survey with zero deficiencies, reached full licensed capacity within seven months, and is now generating \$2.8 million in annualized revenue while consistently reducing readmission rates for its hospital partners.



"I had watched the same patients cycle through our ED for years. I knew there was a better answer. HealthBridge helped me build it—and now I get to see those same kinds of patients actually get better and go home."

— Raymond G., Founder & Administrator, Bright Pathways Community Care

WHAT IS A CLHF?

A Community Living Health Facility (CLHF) is a specialized residential healthcare facility licensed by the California Department of Public Health (CDPH) under Health & Safety Code §1267.8. CLHFs provide 24-hour inpatient care, observation, and treatment to adults who do not require the full level of care provided by a general acute care hospital or skilled nursing facility, but who need more support than can be provided in a traditional residential setting.

CLHFs are designed to serve individuals with complex chronic conditions, post-acute recovery needs, or dual-diagnosis profiles that fall between hospital-level and residential-level care. They are a critical step-down resource for hospitals seeking to reduce unnecessary readmissions and for patients who need medically supervised community-based living. Licensing a CLHF requires navigating one of the most nuanced and underutilized regulatory frameworks in California healthcare.

REGULATORY LANDSCAPE

Where the CLHF Fits in California's Care Continuum

One reason CLHFs remain underutilized is that most operators—and most consultants—default to the licenses they already know: skilled nursing facilities (SNFs) or residential care facilities for the elderly (RCFEs). The CLHF occupies a distinct and strategically valuable niche between these two, offering a level of medical oversight and community integration that neither can match at the same scale and cost structure.

Feature	CLHF	SNF	RCFE
Licensing Body	CDPH §1267.8	CDPH Title 22, Div. 5	CDPH §1569
Level of Care	Sub-acute / step-down medical	Skilled nursing & rehabilitation	Non-medical residential
Typical Census	6–16 beds	Typically 30–300+ beds	6–100+ beds
Staffing Requirement	RN on-site or on-call; aide staffing	Minimum RN hours per regulation	No licensed nurse required
Medi-Cal Reimbursement	Yes — CLHF-specific rate	Yes — SNF per diem rate	Limited / CBAS only

Hospital Step-Down Use	Ideal — specifically designed for this	Common but often overcapacity	Not appropriate for medical needs
Regulatory Complexity	High — niche and underutilized license	High — heavily regulated	Moderate

Raymond’s case management background made him uniquely suited to see the CLHF’s strategic value. Hospital discharge planners are desperately seeking step-down options that are medically appropriate, community-based, and Medi-Cal billable. A well-run CLHF checks every box—and with far less competition than the SNF or RCFE market.

THE CHALLENGE

Building Something California Barely Knew Existed

The CLHF license’s greatest strength—its specificity—is also its greatest challenge for new operators. Because so few CLHFs have been opened in California, there is almost no publicly available guidance on how to do it. CDPH licensing staff who field calls about CLHFs are sometimes unfamiliar with the specific requirements themselves. Attorneys who specialize in healthcare rarely know the license. The regulatory framework exists, but the institutional knowledge to navigate it is vanishingly rare.

What Raymond Faced at the Start

- No template or roadmap: Unlike SNF or RCFE licensing, there is no well-worn path for CLHF applicants. Raymond had contacted CDPH twice and received different answers about basic requirements both times.
- Physical plant uncertainty: CLHF physical plant standards under Title 22 differ from both SNF and RCFE requirements—and the facility he was evaluating had been built for a different purpose, requiring significant modification analysis before committing to a lease.
- Medi-Cal rate mystery: CLHF Medi-Cal reimbursement is calculated differently from SNF rates. Raymond had no clear picture of what his revenue per patient would be—making financial projections nearly impossible without specialized knowledge.
- Staffing ambiguity: CLHF staffing requirements—particularly around nursing coverage and administrator qualifications—are not widely understood, and Raymond had received conflicting information from two different healthcare attorneys.
- Referral pipeline timing: Raymond’s hospital contacts were enthusiastic but informal. Converting those relationships into formal referral agreements required a credentialed, licensed facility—creating a classic chicken-and-egg problem.

- Carrying cost pressure: Raymond had identified a facility and was under pressure from the property owner to commit. Without a clear timeline to licensure, he had no way to evaluate the financial risk of signing a lease.

“Everyone I talked to either didn’t know what a CLHF was, or they knew just enough to be dangerous. I needed someone who had actually done this—not someone who would figure it out alongside me while the clock was running.”

— Raymond G., on the state of his project before engaging HealthBridge

OUR APPROACH

The HealthBridge CLHF Launch System

HealthBridge assigned a dedicated CLHF specialist team to Bright Pathways—a combination we deploy specifically for this license type, comprising a CLHF licensing consultant, a Title 22 physical plant advisor, a Medi-Cal enrollment specialist, and a clinical operations RN. The engagement ran across five concurrent workstreams, all coordinated through a shared project timeline with weekly milestone reviews.

Workstream 1: Feasibility & Pre-Application Strategy

CLHF Feasibility Analysis: Before Raymond signed a lease, HealthBridge completed a full CLHF feasibility study covering the target market’s demand for step-down placement, competitive CLHF and SNF bed supply in the San Gabriel Valley, projected Medi-Cal reimbursement rates based on anticipated patient acuity, estimated startup costs and break-even timeline, and Raymond’s personal qualifications against CDPH administrator requirements.

Site Evaluation: HealthBridge conducted a physical plant pre-assessment of the prospective facility against CLHF Title 22 requirements—producing a written modification estimate that allowed Raymond to negotiate tenant improvement allowances into his lease before signing.

CDPH Pre-Application Meeting: HealthBridge accompanied Raymond to his CDPH pre-application consultation, ensuring that questions were asked precisely, answers were documented, and the agency’s expectations were understood before a single dollar of startup cost was committed.

Workstream 2: CDPH Licensing & Physical Plant

License Application Package: HealthBridge compiled and submitted the complete CLHF license application including administrator qualifications and background clearance, organizational structure and ownership disclosure, admissions criteria and patient population description, disaster preparedness and emergency evacuation plans, and infection control and quality assurance program descriptions.

Policy & Procedure Manual: Our clinical team authored a 190-page CLHF-specific policy and procedure manual covering patient rights, nursing assessment protocols, medication management, care planning, restraint-free environment standards, incident reporting, and discharge planning—all tailored to CLHF Title 22 requirements rather than recycled from SNF or RCFE templates.

Physical Plant Compliance: HealthBridge worked alongside Raymond’s architect and contractor to review construction drawings before submission to CDPH, preventing two costly redesigns and ensuring that modifications to patient rooms, nursing station configuration, medication room security, and ADA accessibility met CLHF-specific standards.

Mock Survey Preparation: Two weeks before the CDPH inspection, HealthBridge conducted a full-day mock survey using actual CLHF inspection protocols. Eleven items were identified and corrected—ranging from documentation gaps in the policy manual to a medication room lock that did not meet Title 22 specifications.

Workstream 3: Medi-Cal Enrollment & Revenue Infrastructure

Medi-Cal Provider Enrollment: HealthBridge managed the complete Medi-Cal CLHF provider enrollment process with DHCS, including NPI registration, provider application submission, and coordination of the facility’s rate-setting process under the CLHF-specific Medi-Cal reimbursement methodology.

Revenue Cycle Design: Our team designed a billing workflow and claims management process optimized for CLHF Medi-Cal billing—including authorization tracking, level-of-care documentation requirements, and monthly cost report preparation protocols that support accurate rate-setting at the annual Medi-Cal rate review.

Private Pay & Insurance Strategy: HealthBridge developed a private-pay rate schedule and insurance billing framework for residents whose payer mix included Medicare Advantage, commercial insurance, and private pay—ensuring Bright Pathways was not solely dependent on Medi-Cal from day one.

Workstream 4: Staffing, HR & Clinical Operations

Recruitment & Credentialing: HealthBridge developed CLHF-specific job descriptions, competency checklists, and interview frameworks for the Director of Nursing and key clinical staff positions—roles that require healthcare experience but exist in a regulatory context most candidates have never encountered.

Staff Training Program: Prior to opening, HealthBridge facilitated a two-day staff orientation covering CLHF Title 22 requirements, person-centered care, the CLHF patient population (including dual-diagnosis and complex chronic conditions), mandatory reporting obligations, and clinical documentation standards.

Care Planning & Clinical Workflows: Our RN consultant designed the facility’s admission assessment, individualized care planning, and discharge planning workflows—built specifically for the CLHF population and integrated with the electronic health record system Raymond selected.

Workstream 5: Hospital Partnerships & Referral Development

Referral Pipeline Strategy: HealthBridge worked with Raymond to convert his informal hospital relationships into a structured referral development plan—identifying the right contacts (case management directors, social workers, utilization review nurses) and creating a professional presentation package that explained the CLHF model to audiences who had never placed a patient in one.

Hospital Partnership Agreement: HealthBridge drafted a preferred placement partnership agreement with a regional health system that established Bright Pathways as a designated step-down destination for specific diagnostic categories, providing a structured and predictable referral pipeline before the first resident was admitted.

Admission Criteria Marketing: Our team developed a clinical summary document that translated the CLHF’s admission criteria into language discharge planners use—clearly articulating which patients are appropriate, what the facility can manage clinically, and how Medi-Cal authorization works—eliminating the confusion that often prevents CLHF placements.

“The hospital partnership piece was something I never could have done alone. HealthBridge helped me speak the language of discharge planners and turn friendships into contracts. We had a waiting list before we were fully licensed.”
— Raymond G., on HealthBridge’s referral development support

OUTCOMES & RESULTS

17 Months, Zero Deficiencies, Full Census

Bright Pathways Community Care opened in January 2024 and reached its full licensed capacity of 16 residents by August of the same year. Every key performance indicator exceeded projections set at the start of the HealthBridge engagement:

<p>17</p> <p>Months Concept to Open <i>from first consultation</i></p>	<p>0</p> <p>Survey Deficiencies <i>at initial CDPH inspection</i></p>	<p>\$2.8M</p> <p>Year-1 Revenue <i>annualized at 18 months</i></p>	<p>16</p> <p>Licensed Beds <i>at full operating capacity</i></p>
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Project Milestone Timeline

February 2023	Raymond G. engages HealthBridge; feasibility study and regulatory landscape review begin
March 2023	CLHF concept validated; corporate entity formed; site search initiated in San Gabriel Valley
April 2023	Facility lease secured; CDPH pre-application consultation attended with HealthBridge guidance
May 2023	Physical plant gap analysis completed; architect retained; Title 22 plan review submitted to CDPH
July 2023	Policy and procedure manual completed (190+ pages); Medi-Cal provider enrollment submitted
August 2023	Administrator and Director of Nursing recruited with HealthBridge support
September 2023	Staff hired and trained; all-staff CLHF regulatory orientation conducted by HealthBridge
October 2023	Physical plant construction and modifications completed; life safety inspection passed
November 2023	HealthBridge mock survey conducted; 11 items corrected before official inspection
December 2023	CDPH initial licensing inspection — zero deficiencies; CLHF license issued
January 2024	First five residents admitted; Medi-Cal billing operations live
March 2024	Census reaches 12 residents; hospital partnership agreement signed with regional health system
August 2024	Full licensed capacity of 16 residents; annualized revenue tracking at \$2.8M

Clinical & Quality Outcomes

Clinical performance at Bright Pathways has matched the strength of its operational launch:

- Zero deficiencies at the CDPH initial licensing survey—a result HealthBridge’s mock survey process directly enabled
- 30-day hospital readmission rate of 9.1%—compared to a statewide SNF average of 22.4%—a metric that has become a powerful referral marketing tool with hospital partners
- Average length of stay of 47 days, with 78% of residents discharging successfully to a lower level of care or home
- Zero substantiated CDPH complaints in the first 12 months of operation
- 97% resident and family satisfaction score at 6-month resident survey
- Medi-Cal authorization approval rate of 96% on initial submission—reflecting the strength of the clinical documentation framework HealthBridge designed

“Bright Pathways is exactly what our complex patients need. Their readmission numbers speak for themselves. We’ve made them a preferred placement for our highest-acuity step-down cases and we haven’t had a single reason to regret it.”

— Denise K., Director of Case Management, San Gabriel Valley Regional Medical Center

KEY SUCCESS FACTORS

Why Bright Pathways Succeeded Where Others Stall

Most CLHF projects that fail do so not because the concept is wrong—but because the operator underestimates the specialization required to navigate this license. Bright Pathways succeeded because Raymond G. brought the right vision and the right partner to the table simultaneously:

Niche License Expertise	Most healthcare consultants have never opened a CLHF. HealthBridge has. Knowing the license-specific quirks—from staffing ratios to physical plant requirements to Medi-Cal rate methodology—saved Raymond months of costly trial and error.
Hospital Partnership Strategy	Raymond’s background in hospital case management gave him credibility with discharge planners. HealthBridge helped him package that credibility into formal partnership agreements that generated a predictable referral pipeline before the first resident arrived.

Parallel-Track Execution	<p>By running licensing, physical plant, staffing, and Medi-Cal enrollment simultaneously rather than sequentially, Bright Pathways opened four months faster than comparable facilities that proceed one step at a time.</p>
Pre-Survey Investment	<p>The HealthBridge mock survey cost less than one week of facility carrying costs—and caught eleven correctable items. The result was a zero-deficiency initial survey that immediately elevated the facility's standing with referral partners.</p>
Right-Sized Model	<p>At 16 licensed beds, Bright Pathways operates at a scale that maximizes Medi-Cal revenue per resident while maintaining the staffing ratios and individual attention that make CLHFs superior to SNFs for the right patient population.</p>

INDUSTRY INSIGHT

Why Every Healthcare Operator Should Know About CLHFs

The CLHF license remains one of California's best-kept secrets in healthcare facility development. As hospital systems face mounting pressure to reduce length-of-stay and readmissions, and as Medi-Cal managed care organizations seek cost-effective alternatives to SNF placement, demand for CLHF-level care is growing—while the supply of licensed CLHFs has barely moved in a decade.

For the right operator—someone with clinical credibility, a hospital network, and the patience to navigate a niche licensing process—the CLHF represents a genuine market opportunity. Key reasons the CLHF deserves serious attention:

- Low competition: Fewer than 100 licensed CLHFs operate across all of California—a fraction of the SNF and RCFE supply—meaning well-run facilities face minimal direct competition
- Strong Medi-Cal reimbursement: CLHF Medi-Cal rates are set to reflect the actual cost of sub-acute medical care, producing a sustainable revenue model that many RCFEs cannot achieve
- Hospital alignment: Integrated health systems and Medi-Cal managed care organizations are actively seeking CLHF partners to reduce ED visits and unnecessary SNF days—making referral development faster and more relationship-driven than in saturated SNF markets
- Right-sized model: A 6–16 bed CLHF can be operated by a small, focused team with lower administrative overhead than a 100-bed SNF—making it accessible to independent operators and clinician-entrepreneurs

- Mission and margin alignment: CLHFs serve a patient population that genuinely benefits from this level of care—making it one of the rare settings where doing the right thing clinically and operating a financially healthy business are the same decision

About HealthBridge US

HealthBridge US is California’s leading consulting firm for community-based healthcare facility development and compliance. We specialize in the licenses most operators have never heard of—and the ones that are hardest to navigate without a guide who has done it before. Our team includes former CDPH licensing staff, healthcare RNs, Medi-Cal enrollment specialists, and facility development experts who have guided the launch of CLHFs, ICF-DDNs, hospices, home health agencies, and other specialized healthcare facilities across the state.

Our CLHF services include feasibility analysis and market assessment, physical plant evaluation and Title 22 compliance planning, complete CDPH license application preparation, policy and procedure manual development, Medi-Cal enrollment and rate-setting strategy, mock survey and pre-licensing inspection preparation, staff training and clinical operations design, hospital partnership and referral development strategy, and ongoing compliance support and annual survey preparation.

If you have ever wondered whether a CLHF could be the right opportunity for you—or if you’ve already started the process and hit a wall—HealthBridge is the team that knows the way through.

Ready to explore the CLHF opportunity?

Contact HealthBridge for a complimentary CLHF feasibility consultation.

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