



Supportive Housing as a Health Care and Health Policy Solution

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**NYS Medicaid Redesign Team Affordable
Housing Workgroup**
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Corporation for Supportive Housing



CSH is a national non-profit organization that helps communities create permanent housing with services to prevent and end homelessness.

CSH advances its mission through **advocacy, expertise, innovation, lending, and grant-making.**

Research Shows: Supportive Housing Improves Health Outcomes

- Denver study found 50% of tenants placed into supportive housing experienced **improved health status**, 43% had **improved mental health outcomes**, and 15% **reduced substance use** (Perlman and Parvensky, 2006)
- Seattle study found 30% **reduction in alcohol use among chronic alcohol users** in supportive housing (Larimer et. al., 2009)
- Supportive housing in San Francisco and Chicago had significantly **higher survival rates for individuals with HIV/AIDS** compared to control groups (Martinez & Burt, 2006; Sadowski et. al., 2009)

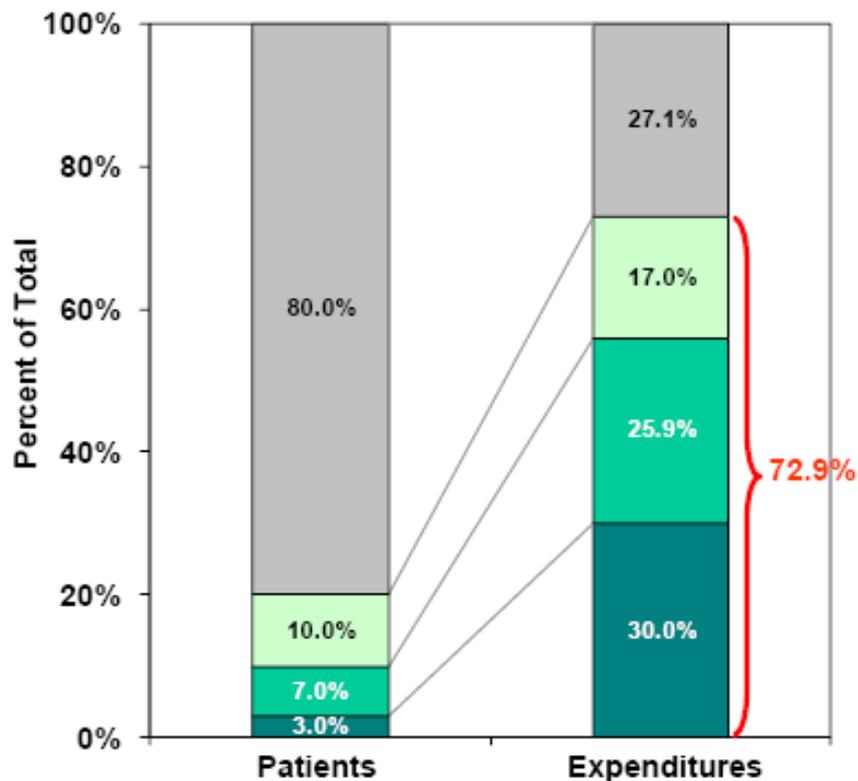
Research Shows: Supportive Housing Increases Impact of Multidisciplinary Care

- **Reduction in emergency room utilization**: 24% to 34% fewer visits (Sadowski et. al., 2009; Perlman and Parvensky, 2006; Linkins et. al., 2008).
- **Decrease in inpatient admissions and hospital days**: 27% to 29% fewer admissions and days (Sadowski et. al., 2009; Linkins et. al., 2008).
- **Reductions in detox utilization and psychiatric inpatient admissions**: Decreases up to 87% in use of detox services and decreases in psychiatric admissions (Larimer et. al., 2009; Mondello et. al, 2007).
- **Reduction in Medicaid costs**: 41 to 67% decrease in Medicaid costs (Massachusetts Housing and Shelter Alliance, 2011; Larimer et. al., 2009).



**Supportive Housing
as a Solution for
Medicaid's High-
Need, High-Cost
Population**

New York's High-Need, High Cost Medicaid Population



- Billings' (2006) analysis of NYC Medicaid claims data found that:
 - 20% of adult disabled patients subject to mandatory managed care account for 73% of costs
 - 3% of patients accounting for 30% of all costs for adult disabled patients

A Small Number of Very High Risk Homeless Persons

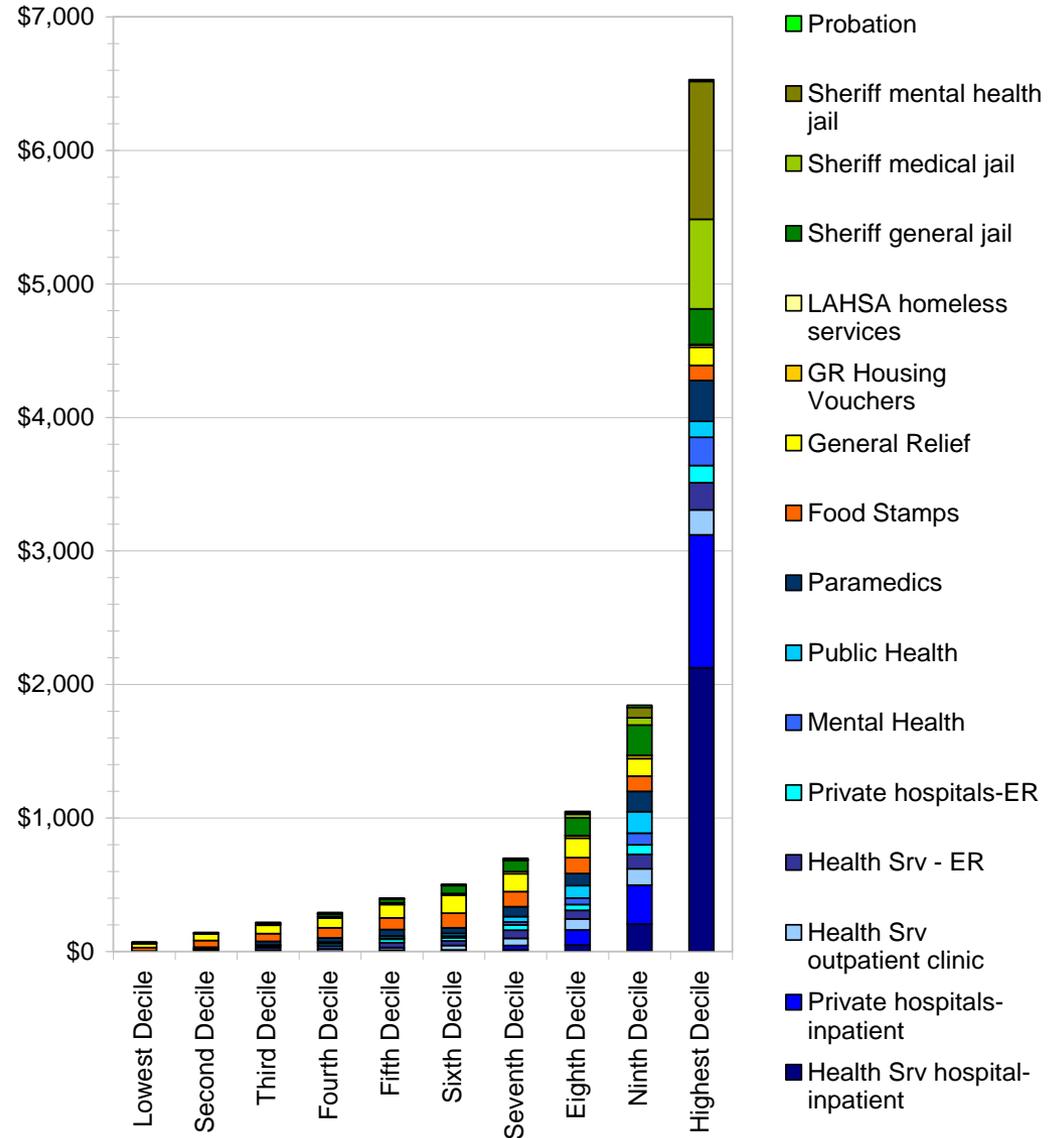
At risk for extensive need of health and justice system services

- The most expensive 10% of homeless persons have average monthly costs \$6,529, regardless of whether they are homeless or housed

Source: Economic Roundtable, 2011

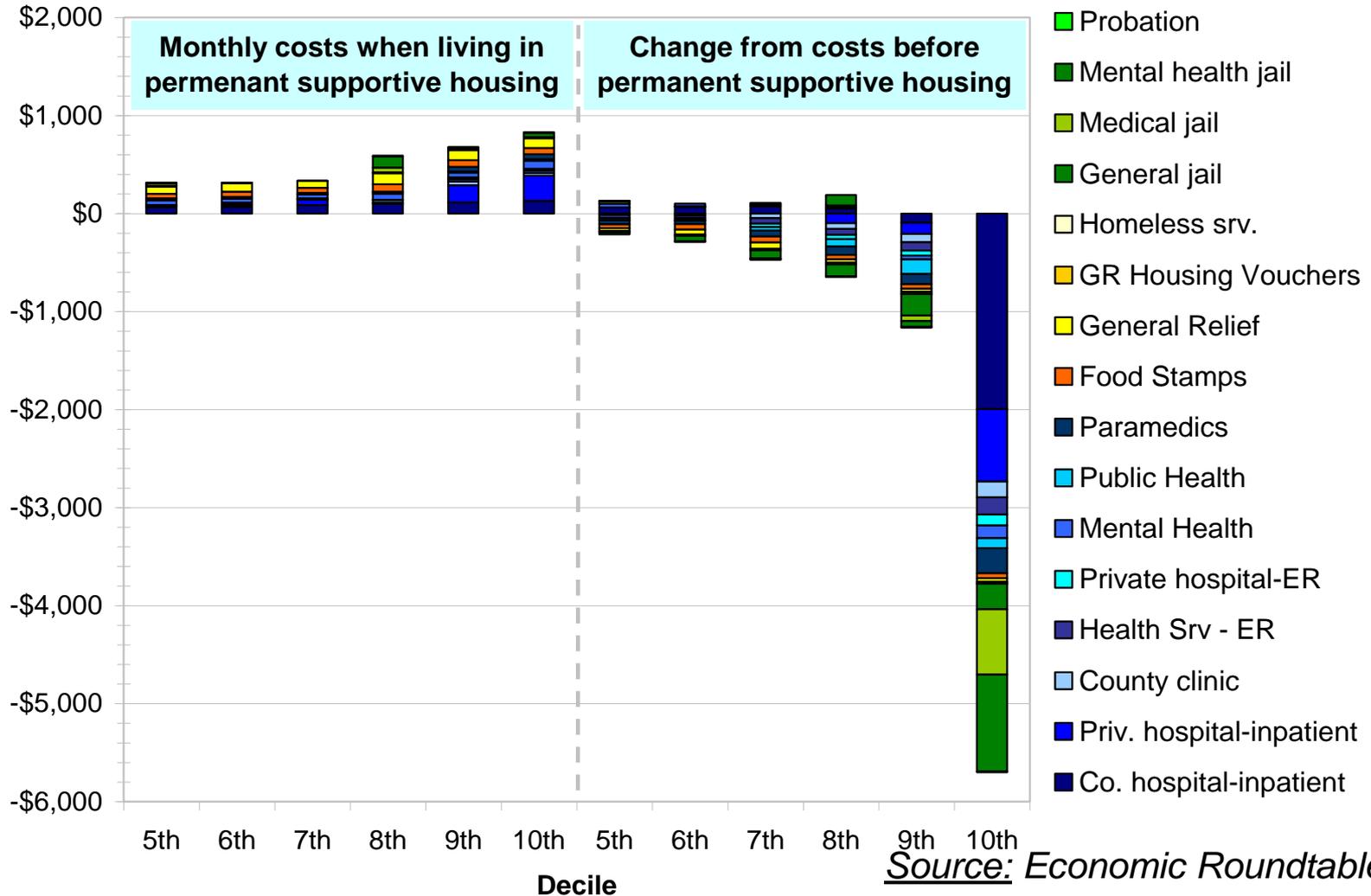
Average Monthly Costs in All Months by Decile for Homeless GR Recipients

*Source: 2,907 homeless GR recipients in LA County with DHS ER or inpatient records
Deciles based on costs in all months whether homeless or housed*



The greatest cost savings can be achieved by prioritizing high-risk individuals

Housing homeless persons with disabilities reduces public costs



Source: Economic Roundtable, 2011

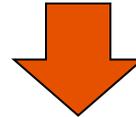
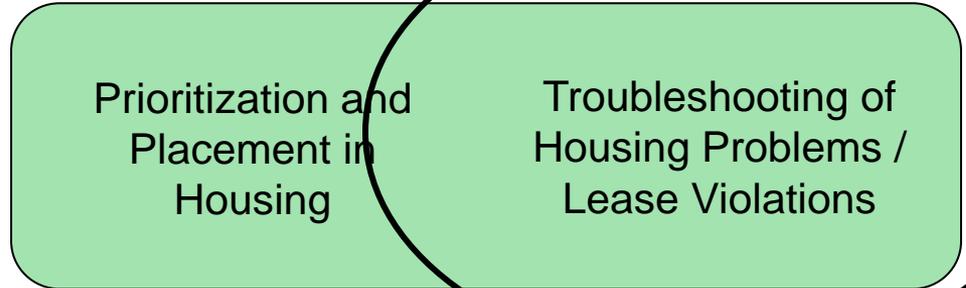
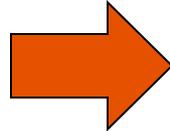
When people in the 10th decile are living in permanent supportive housing, jail costs decrease 97% and health care costs decrease 86%

Five Principles for Supportive Housing Production

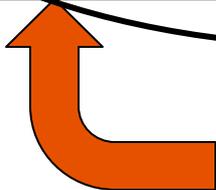
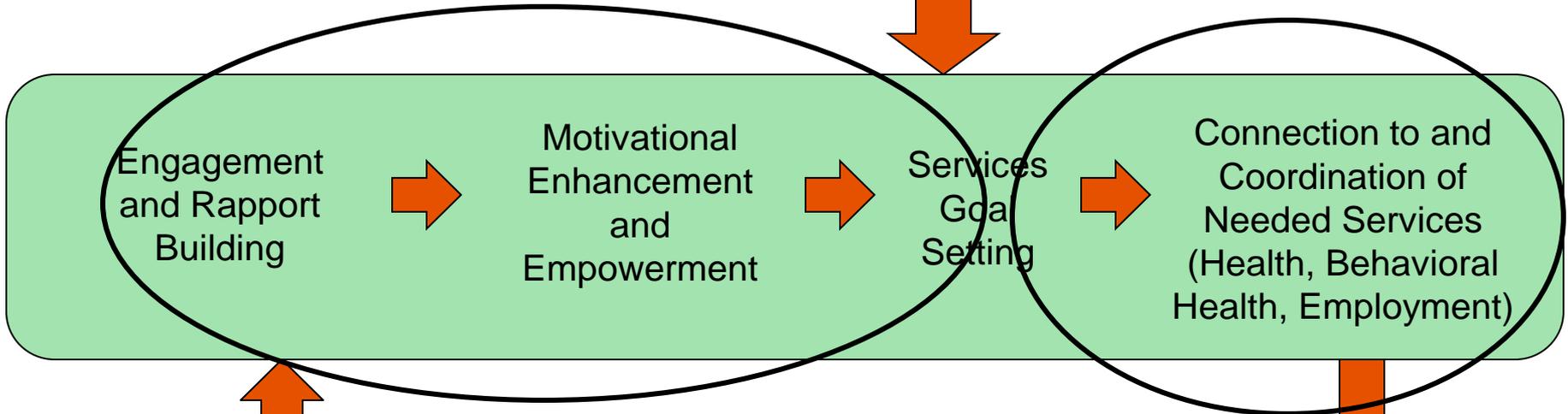
- Housing may be single site, integrated, scattered/clustered site
- Rental subsidy necessary to house very low income households
- Services on site or nearby and linked to medical home
- Accessible, particularly for a medically fragile population
- Innovative design features tailored to chronically ill populations considered

Three Functions of Services

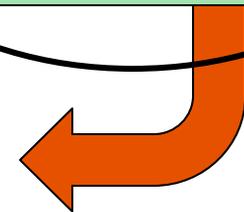
Tenants are chronically homeless, have complex health conditions, and are resistant to change



Housing Stability



Improved Health and Social Outcomes (Recovery)



Understanding the Services in Supportive Housing as Three “Stool Legs”

Housing Stability Supports

- Focused on ensuring housing stability
- Troubleshooting housing-related issues
- Preventing lease violations and eviction

Care Management

- Focused on improving health care access and coordination and shifting service use from inpatient/crisis to outpatient/preventive
- Health care assessment, planning, coordination of services
- Can incorporate Wellness Self-Management

Rehabilitative/ Recovery Services

- Focused on skill-building around activities of daily living
- Education about behavioral health, medications
- Peer supports
- Recovery readiness services
- Relapse prevention

Enables Understanding of Link to New Payment Systems Under Medicaid

Housing Stability Supports

- Not Medicaid eligible

Care Management

- Consistent with services model under '**Health Homes**' State plan option

Rehabilitative/ Recovery Services

- Eligible under **Home and Community Based Services** (1915c or 1915i)

Informs One State's 1115 Waiver Request

Create health homes for high-cost beneficiaries.
Health home model will not be successful in reducing costs for many high-cost beneficiaries without matching need with proven services model.

Example: Medi-Cal Reform:

- ❖ Control Costs
- ❖ Obtain More Federal Funding
- ❖ Improve Health Outcomes
- ❖ Protect Safety Net

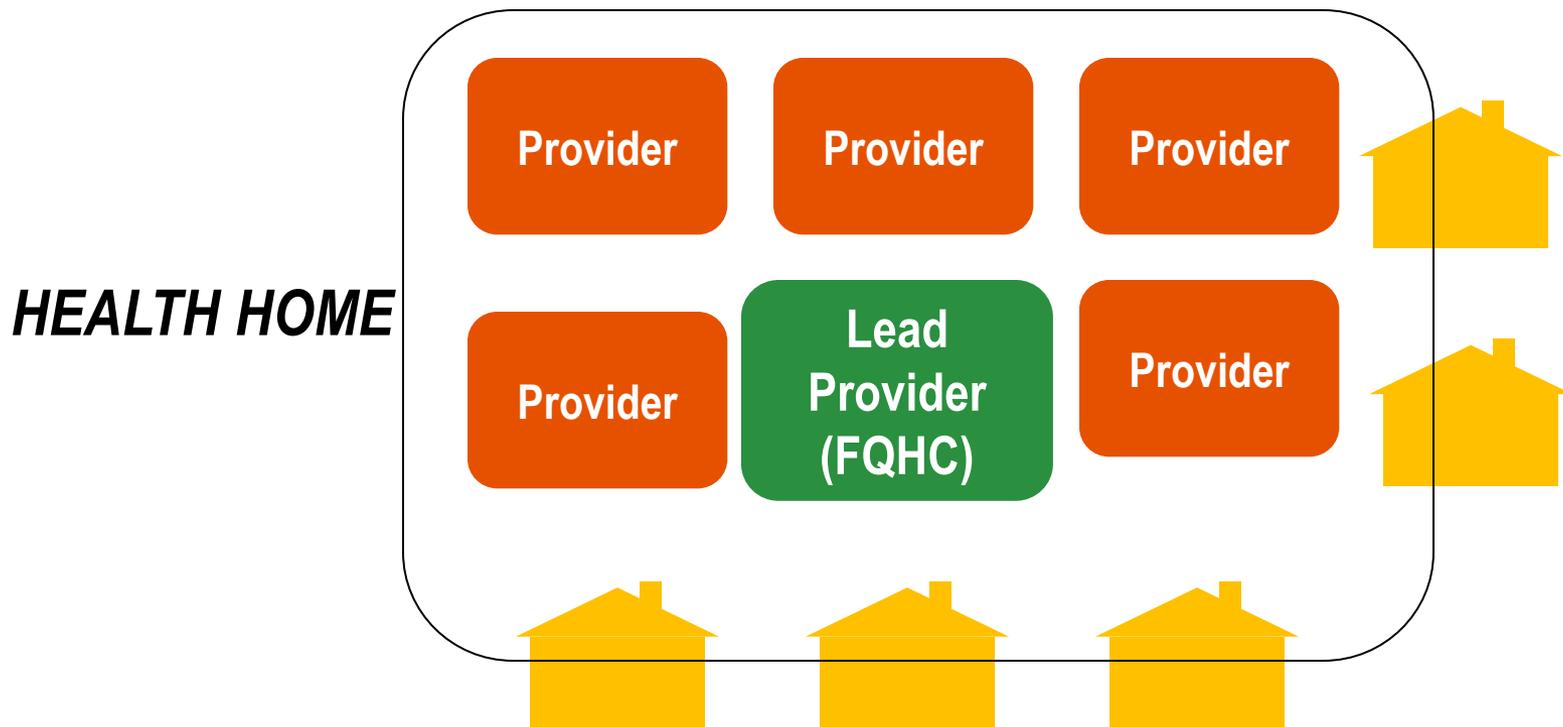
Enroll all beneficiaries into managed care.
Managed care will not be successful for many high-cost beneficiaries without mandating health plans provide intensive interventions for frequent users.

Looking Ahead in NY: New Players, New Paradigms?

- To better address high cost, high need Medicaid beneficiaries will supportive housing's services be assembled in a modular fashion and how will new stakeholders participate in delivery and funding models?
 - Health Homes/Managed Care Plans bear some costs of expanding access to supportive housing for priority Medicaid cohorts?
 - Home and Community Based Services, Nursing Home Diversion waivers to reimburse rehabilitative services?
 - State grant or federal MH or SA block grant funds to pay for rental subsidies and housing stability supports?

Looking Ahead: Supportive Housing Linked to Health Homes

- Adopting Health Homes State plan option should encourage and improve integration of care management with affordable supportive housing



•Looking Ahead: Policy and Program Design Considerations

**Health Homes
(and/or
Managed Care
Mandate) Must
Include
Stratified
Approach that
Identifies
People Needing
Intensive
Interventions:**

- Community-based interventions
- Predictive modeling or other means of identifying people needing intensive interventions.
 - Based on number of avoidable ED visits or risk of mortality.
 - Takes into account social barriers to appropriate healthcare access.
- Linkage to community services, particularly housing, for people who are homeless or unstably housed.
- Assessment of physical and behavioral health conditions.
- Enhanced motivation to engage clients.
- Multidisciplinary team and/or referral to primary care and mental health/substance abuse professionals.

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**Appendix
Supportive Housing
and Health Care –
Best Practice
Examples and
Outcomes**

San Francisco, CA

Direct Access to Housing (DAH)



- Program takes people who have concurrent mental health, substance abuse and mental health conditions directly from streets into permanent housing. All are high users of public health system.
- FQHC (HCH grantee) provides on-site primary health care, mental health and other support activities to the 600 tenants; billed through Medicaid and HRSA
- Weekly case coordination with all service providers of tenants
- Positive outcomes:
 - 58% reduction in ER use
 - 57% reduction in inpatient episodes
 - Decrease in number of days per psychiatric hospitalization

Portland, OR - Central City Concern's Community Engagement Program



- Scattered-site supportive housing linked to ACT teams for chronically homeless adults with co-occurring mental illness and substance abuse
- Provides wrap-around support and peer recovery model (including consumer-run drop-in center)
- Evaluation findings:
 - Tenants had average of 3.7 years homeless and used \$42,075 in emergency services annually
 - After 1 yr, service utilization decreased to \$17,199, with housing and services that cost \$9,870 (Total cost of \$27,069)
 - Total annual cost savings per person: \$15,006

Illinois Dept. of Mental Health : Systems Rebalancing – LTC to PSH

- DMH developed a systems rebalancing initiative to facilitate:
 - Transitioning individuals with mental illness and residency in Long Term Care (nursing homes) to permanent affordable and supportive housing in the community
 - Address Olmstead issues
- Initiative dovetailed with federal demonstration transformation grant “money follows the person”
- Legislature appropriated \$7 million from Hospital Tax-Lock Box for Permanent Supportive Housing development
- Initiative created “bridge” subsidy to address gap between the time a consumer could leave the nursing home or other institution and the time they can access a Housing Choice Voucher (HCV) in the community with no pre-determined length

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Seattle, WA – DESC's 1811 Eastlake Avenue



- Supportive housing for 75 homeless alcoholics who are high users of detox, treatment, health and corrections
- Tenants identified through pre-generated list of high Medicaid-funded crisis services
- Evaluation demonstrates that six months after placement, the project resulted in a 63% reduction in costs associated with use of crisis alcohol services (detox)