Health Affairs - Housing Is A Prescription For Better Health

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http://healthaffairs.org/blog/2015/07/22/housing-is-a-prescription-for-better...
Effectively managing a chronic health condition involves a myriad of tasks for anyone, ranging from scheduling and getting to frequent doctor appointments to regularly taking and refilling numerous medications and eating a healthy diet. Being homeless makes these basic tasks even more overwhelming, particularly if combined with additional chronic health and/or behavioral health conditions, which so many homeless individuals have.
Compared to individuals who are stably housed, people who are homeless are more likely to visit the emergency room, have a longer stay if admitted to the hospital, and be readmitted within 30 days. “Housing first” proponents suggest that in order for homeless individuals to effectively manage their health and mental health conditions, they must first be housed. More and more evidence shows that housing homeless individuals leads to reductions in health care utilization and costs.
Medicaid expansion under the Affordable Care Act (ACA) creates a new imperative at federal, state, and local levels to cost-effectively meet the needs of newly covered homeless individuals, recognizing the inarguable link between health care and housing. A recent Kaiser Family Foundation brief examining the early impacts of the expansion on the homeless population found significant increases in coverage for homeless individuals and new opportunities to improve access to care for this population.
Less certain are the most effective ways to use temporary and permanent housing to address the needs of newly covered homeless populations. Fortunately, many organizations and communities are exploring and testing new approaches that may serve as models for other organizations.
Community Collaboration To Prioritize Access To Health Care and Housing
For example, as part of CSH (formerly the Corporation for Supportive Housing) Social Innovation Fund Initiative, the San Francisco Department of Public Health, San Francisco Health Plan (SFHP), and the Tenderloin Neighborhood Development Corporation are partnering to provide supportive housing to the health plan’s most expensive homeless Medicaid members.
Through the pilot effort, the Kelly Cullen Community, a newly renovated housing development with an onsite federally qualified health center, reserved nearly one-third of its 172 units for SFHP’s highest-need, highest-cost homeless members. To date all of the reserved units have been filled.
Leveraging Medicaid dollars, SFHP uses care managers from its Care Support Program to provide ongoing care management to members once housed. This community-based model meets patients where they are and works closely with local social service providers who have experience in providing services to these members. A variety of funders, including city and state agencies, private banks, and CSH, supported both the construction of the building and the ongoing provision of housing services. Through a randomized controlled study of the pilot, researchers at New York University are measuring impacts on housing stability, mortality, tenant satisfaction, health status, and health care costs. Results are likely to be available later in 2015 and preliminary health care cost trends are promising.
Holistic Approach To State Budgeting
Just as important as front-line programs like the Kelly Cullen Community are more structural efforts to build support into state and local budgets. As one of his first tasks on entering office in 2011, New York Governor Andrew Cuomo commissioned an expert team to identify ways to reign in the state’s Medicaid program costs. Recognizing that homelessness was a leading driver of health care costs, the Medicaid Redesign Team (MRT) recommended that the state invest in supportive housing for high-need, high-cost Medicaid beneficiaries.
Since 2012, over $260 million in state-only Medicaid dollars have been allocated in the state budget to fund the creation of new housing units, rental subsidies, and housing pilot programs (together referred to as MRT housing) targeting thousands of New Yorkers. These efforts are coordinated across a variety of state agencies, including the Office of Addiction Services and Supports, the Office of People with Developmental Disabilities, the Office of Mental Health, and the AIDS Institute.
Significant dollars have also been allocated for developing a centralized database that can track MRT housing vacancies and streamline the placement process. Roughly $1 million are being used to evaluate these MRT housing programs and pilots. New York State anticipates recouping these expenses via savings from reduced health care utilization.
These two examples represent new approaches to financing supportive housing for Medicaid beneficiaries. Another viable approach is social impact investment, which typically uses Pay for Success (PFS) contracts (also referred to as social impact bonds) to leverage philanthropic and private investment to fill the gaps in what Medicaid cannot pay for.
Under this approach, investors expect to see returns generated from the downstream health care savings that result from housing intervention. These arrangements emphasize accountability and results — if the intervention is not successful and savings are not achieved, no government funds are expended.
Massachusetts launched the nation’s first PFS initiative focused on supportive housing in December 2014. Over the next six years, the state is planning to build 500 supportive housing units for 800 individuals who are chronically homeless.
Persistent Barriers
As these examples show, the need to improve health outcomes and provide more cost-effective care is driving innovative approaches to tackling homelessness and housing. However, a number of critical barriers still exist, limiting such efforts:
Restrictions On Using Medicaid Dollars To Fund Housing
Centers for Medicare and Medicaid Services guidance, as recently reinforced in state waiver negotiations, prohibits states from using Medicaid dollars to pay for housing, including capital development projects and rental subsidies. As a result, state and local officials generally look to other funding sources to provide housing resources.
Inadequate Incentives For Managed Care Organizations To Invest In Housing Services
On the surface, it seems that managed care organizations have incentives to invest in housing for high-risk members given the strong evidence for decreased health care costs associated with supportive housing interventions. However, current approaches to managed care rate-setting can minimize or erase this incentive, since rate-setting methodologies generally only give credit for Medicaid-reimbursable expenditures. As a result, health plans that invest in housing may actually incur future rate setting “penalties” for the cost-savings they achieve.
Limited Availability Of Affordable Housing And Supportive Services
Due to factors ranging from cuts to federal assistance programs to rising occupancy rates and cost of living in

urban areas, opportunities to create affordable housing units—either through capital construction or voucher designation—are often limited. In addition, many individuals who need supportive housing, particularly those with mental health diagnoses and disabilities, require additional services to ensure their stability. Many communities struggle to provide the necessary supportive services to individuals once housed.

Opportunities

Despite these challenges, there is growing momentum among local, state, and federal policymakers to develop housing options for homeless individuals with complex health care needs. Areas of interest include:

Expanding Medicaid Coverage For Supportive Housing Services

While federal Medicaid dollars cannot cover housing costs, many of the supportive services that are critical to effective housing interventions such as care management and service coordination may be financed by Medicaid. Relevant Medicaid coverage options for these services include health homes, federally qualified health centers that provide services to newly eligible Medicaid enrollees, Medicaid state plan options of rehabilitative services, targeted case management, or 1915i home and community-based waiver services. Information on these approaches and examples from the field can be found in reports (primer and case studies) released in Fall 2014 by the Office of the Assistant Secretary for Planning and Evaluation. Further, via an informational bulletin released on 6/26/15, the Center for Medicaid and CHIP Services identified circumstances under which Medicaid can reimburse for housing-related services.

Further Quantifying The Medicaid Return On Investment

Although there is a body of literature supporting the business case for providing housing to high-cost, chronically ill homeless individuals, more can be done to solidify the reasonable financial impact that housing can be expected to have on Medicaid health care costs. Such information may better position state and federal government partners to make investments in housing-related services. One possible outcome could be shared savings agreements between the state and Medicaid health plans to further drive the investment in housing-related services.

Forging New Partnerships With Philanthropy And Private Capital Investment

There is growing interest in Pay for Success contracting (described above) to provide supportive housing. As such, the Center for Health Care Strategies, a non-profit health policy resource center, is partnering with CSH to offer technical assistance to entities interested in using Pay for Success to invest in supportive housing for high-cost Medicaid populations under a recently launched initiative supported by the Corporation for National and Community Service.

Is housing health care? Perhaps a more important question is whether or not investing in housing for the homeless improves health outcomes while saving taxpayer dollars. The answer to this question increasingly looks positive, making it more and more likely that these kinds of investments will grow in the future.

Tags: ACA, Chronic Condition, Community Health, homelessness, Housing First, Kathy Moses, Kelly Cullen Community, SFHP

Message by Emily Engel 0

On july 24, 2015 at 11:05 - 41 views, 2 replies, 2 followers

supportive housing MRT

Article by Kathy Moses and Rachel Davis (Health Affairs)

By Emily Engel, 7 months ago 0

Thank you for a comprehensive look at the challenges and opportunities surrounding the very complex, vital, and often overlooked subject of supportive housing.

By Alison Platt, 7 months ago 0

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