Recommendations and Next Steps | Health in Housing Study

February 2016

The Providence Center for Research Outcomes and Education (CORE) has completed the Health in Housing study, one of the first and most comprehensive evaluations of a health and housing integration initiative that has served to better support Medicaid recipients living in publicly subsidized housing. While a number of questions remain, the results of this study are clear and compelling. The study provides further documentation that housing positively affects health outcomes, and that access to integrated services in affordable housing further reduces health care costs and significantly reduces use of expensive health care services, such as emergency department visits. These results undeniably inform and necessitate policy, program development and funding changes that should be implemented in the early stages of health care reform at the national and state levels. Priorities for these changes are outlined below.

National Recommendations

1. **Increase Medicaid Flexibility to Allow Investment in Affordable Housing and Related Services**

   Under current program rules, federal Medicaid resources can be used to fund certain housing-related services, but cannot be used for housing capital development or long-term rental assistance. They also lack clarity regarding their use to support coordinated services models. Center for Medicare and Medicaid Services (CMS) should consider investing federal Medicaid dollars in cost-saving housing investments, including the development of affordable housing, service coordination models and rental assistance. This would require CMS to change its ruling on which housing-related activities and services qualify for federal Medicaid funds. Such a change would likely require a national demonstration of Medicaid investment resulting in cost savings.

   As a first step, Congress could direct the U.S. Department of Health and Human Services (HHS) to develop a pilot with up to 10 states (on a voluntary basis) to expand development of affordable housing, develop a coordinated service model and expand the rental assistance program. A pilot would be launched using a blend of state and federal Medicaid resources and private health care sector investment, with specific investment strategies to be decided at the state level. As part of the pilot initiative, if Medicaid cost savings are documented, HHS should allow participating states to keep a percentage of the cost savings to promote project expansion and replication. This proposed pilot program is further detailed in the third chapter of Enterprise’s Policy Platform, An Investment in Opportunity.
2. **Include Affordable Housing in Hospital Community Improvement Plans**

The IRS, in support of more upstream investments into the social determinants of health, should require that community health needs assessments by nonprofit exempt health organizations regularly include affordable housing in its assessments and community improvement plans.

3. **Invest in Housing and Urban Development Section 4 Resources**

The Department of Housing and Urban Development (HUD) should invest more in Section 4 grant dollars to build the capacity of community development organizations, and Health and Human Services should invest through the Health Resources and Services Administration to provide more technical assistance and support for housing organizations to collaborate on housing and health.

**Oregon and State-Level Recommendations**

According to the Corporation for Supportive Housing, only eight states allow state Medicaid dollars to fund services related to supportive housing while only four states allow state Medicaid dollars to support the creation of new housing units (June 2015).

Under Oregon’s Medicaid policy, Flexible Services are allowed to pay for health-related, non-State Plan services intended to improve the care delivery and enrollee health. Flexible Services may include, but are not limited to: training/education for health improvement or management; support group activities; care coordination, navigation, or case management activities; home/living environment items or improvements such as air conditioners, athletic shoes; transportation to medical appointments; programs to improve general community health; housing supports such as shelter, utilities, critical repairs; and assistance with food or social resources such as job training or social services.

Although these recommendations are based on findings in Oregon, other states should implement similar recommendations to increase the use of Medicaid dollars for housing supports.

1. **Create Affordable Housing with Medicaid Dollars**

This study demonstrates that affordable housing was associated with reduced Medicaid expenditures. For the 1,625 Medicaid members in the CORE claims analysis, average total health care costs were $48 less per member per month after moving into affordable housing. If this cost reduction is annualized for the 1,625 clients in the study population, we could estimate a total annual Medicaid cost reduction of $936,000. As of September 2015, 537,543 Oregonians were Medicaid-enrolled, housing-cost burdened (paying more than 30 percent of their income on housing), low-income renters. Considering these facts, and thinking beyond the study data at hand, we anticipate even more health care cost savings with greater affordable housing availability and integrated supportive services.

The Oregon Health Authority (OHA) should expand its current Medicaid waiver to include using Medicaid dollars to invest in the development of affordable housing that research has shown helps to reduce Medicaid costs and improve tenant health. Oregon Housing and Community Services and OHA should collaboratively determine how Medicaid funds are used for affordable housing development. Permanent supportive housing and housing for seniors and people with disabilities should be prioritized for use of this funding.
2. **Increase Use of Flexible Services Funding for Health and Housing**

In Oregon, as currently allowed in Oregon’s Medicaid Waiver, Flexible Services funding can be used to pay for a number of preventative health services previously not eligible for reimbursement under Medicaid including: training/education for health improvement or management, self-help or support group activities, care coordination, health navigation, case management, home/living environment items or improvements, transportation, programs to improve general community health, housing supports related to social determinants of health and assistance with food or social resources.

The Oregon Health Authority should provide incentives for Coordinated Care Organizations (CCO) and Medicaid payers to use Flexible Services dollars for rental assistance, eviction prevention, rapid re-housing, services such as health navigation, benefits enrollment, and improved access to primary care, mental health services and dental care and coordination of these services. Flexible Services should be treated as health-related services and counted as medical costs for the purpose of the CCO’s Medical Loss Ratio.

3. **Increase Use of Medicaid Funding to Support Health and Housing Integration Projects**

Health care reform, and especially the accountable care movement, is increasingly driving health systems to think upstream in order to avoid expensive downstream utilization. CORE’s *Health in Housing* Study documented that housing with integrated health services was associated with an average of $115 per member per month in reduced Medicaid expenditures, despite the fact that many residents were not aware of or using the services. Thus, increasing awareness and use of existing resources such as Resident Services Coordinators should create even stronger impacts.

Oregon and all states should adopt or clarify state Medicaid policy to allow use of Medicaid funding to support integrated health services and service coordination, and increased funding for Resident Services Coordinators, housing based care managers, or other care coordinator functions to manage and encourage use of these services in publicly subsidized housing.

4. **Establish a Coordinated Care Organization (CCO) Metric to Address Housing Stability**

The CORE *Health in Housing* Study, along with others, clearly establishes the relationship between housing and individual and population health outcomes. A number of strategies have been proposed to support measurement of housing stability including use of a screening tool to identify housing status and access to coordinated services, the relationship between housing status and service utilization and the relationship between housing status and health care costs.

Oregon Health Authority and the state Metrics Committee should approve the identification of a housing-based metric that should be measured by CCOs and create a methodology by which housing stability, as it relates to health care outcomes and related costs, will be measured.
Housing Provider-Level Recommendations

1. **Improve Access to Mental Health and Dental Care Services**

   The CORE *Health in Housing* Study found that 82 percent of the residents surveyed received needed medical care, but that mental health and dental care services were much less accessible. Only 45 percent of residents who needed mental health care and 64 percent of residents who needed dental care received these respective services.

   Dental and mental health care must be integrated into affordable housing settings, and housing owners should explore new connections, resources and partnerships with mental health/dental care providers to provide better access to these needed services.

2. **Using Resident Services Coordinators to Increase Awareness**

   The study data suggests that the availability of health services is a key driver of reduction in medical costs and emergency department usage, even though some residents at those sites were not aware of or utilizing those services. Affordable housing owners should use existing resources, such as Resident Services Coordinators, to expand awareness of and connection to existing health services and resources. Increasing awareness and use of these services would likely magnify the impact they have on costs across the population.

For additional information, please contact:

Amanda Saul, Senior Program Director, Enterprise Community Partners

Asaul@enterprisecommunity.org

Cheryl Gladstone, Senior Program Director, Enterprise Community Partners

Cgladstone@enterprisecommunity.org