HOUSING AS HEALTH CARE: LONG-TERM SOLUTIONS ARE AVAILABLE



The Challenge

Medicaid is increasingly a major component of State budgets.

□ 5% of Medicaid enrollees account for 40-50% of Medicaid expenditures; so-called super utilizers.

Many of the super-utilizers have significant needs in the social determinants of health; income, education, job insecurity, food insecurity, social exclusion and housing.

A key social determinant is housing.

Medicaid cannot pay for housing.

What Can We Do?

Convene stakeholders. This can include local government agencies and officials, state cabinet officers, Continuum of Care providers, health care and social service agencies, housing developers, public housing officials and State Medicaid.

□ Consider options. Examine the different federal options available to state Medicaid agencies to cover supportive services, including tenancy support, and ensure that the most vulnerable populations have access.

Prioritize Savings. Savings from reduced hospital and emergency department services, as well as other health care savings, must be prioritized to support additional support services and *housing*.

What is Supportive Housing?

Definition: Supportive housing is affordable housing that targets lowincome populations and provides needed wrap-around services.

□ Types of supportive housing services:

- Tenancy supports
 - Intake and eligibility
 - Case management/care coordination
 - Representative payee services
 - Deposits, furniture and household items
 - Onsite monitoring and eviction protections
- Health care
 - Primary care/behavioral health care
 - Medical case management
- Referrals to social support services

Medicaid can pay for many of these services.

Stable Service Funding is Critical

Supportive Housing Without Medicaid:

- Capital Financing. Usually a stable sources (e.g. tax credits) though limited.
- Operating. Some sources of rental subsidies are stable, but there are <u>few</u> <u>new dollars entering the system.</u>
- Services. Very unstable. Made up through multiple funding sources most of which are short-term or one-time grants.
- Supportive Housing With Medicaid
 - o Capital Financing.
 - Operating.
 - Supportive Housing and Health Services. Stable.

Medicaid in the Mix

Medicaid 101

Federal and state funded

o State administered

Largest payer of Long-Term Services and Supports

Source: KFF CMS data 2013



Medicaid LTSS Options

Medicaid programs can use specific federal regulations to establish LTSS programs, often called "waivers," because the Secretary allows states to waive certain sections of the Social Security Act. Each can provide "habilitative" services and each has different benefits and flexibilities.

- □ 1915(i) Home and Community-Based Service State Plan Option
 - Aged or disabled below 150% of poverty
 - Broad flexibility
 - o Statewide/no enrollment cap
 - No cost effectiveness test vs. nursing home care
 - No waiver needed by the Secretary, just CMS approval of State Plan option.
- Health Homes State Plan Option
 - Medicaid eligible. Two or more chronic conditions or one serious MH dx.
 - Broad flexibility.
 - Can be geographically targeted.
 - Enhanced federal match for first 8 quarters.

Medicaid LTSS Options (con't)

1915(c) Waivers

- Aged and disabled individuals or those with MH dx requiring institutionalization.
- Broad flexibility.
- Must meet institutional level of care.
- May target populations and geographic areas.
- Must be more cost effective than institutionalization.

1115 Research and Demonstration Waiver

- Broad eligibility and flexibility.
- Usually limited to 3 or 5 years.
- Must meet federal "budget neutrality" test.
- Long negotiation process with CMS.

Managed Care

- Broad eligibility.
- Must require Managed Care Organizations (MCOs) to cover services through the contract and capitated payment model.
- Support services can be provided "in lieu" of medical services, but must be linked to improved health outcomes.

Follow the Money

Cycle of Spending



Key Considerations

- No wrong door!
- Person-centered care planning
- Medicaid dollars support building community capacity
- Prioritize Medicaid Savings
 - State general fund savings More Housing
 - Medicaid savings More Supportive Services



For More Information:

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Questions?

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