

Nevada Interagency Council on Homeless

Medicaid Wrap Services for the Homeless, Program Concept

This Program (budget) Concept Paper is to request funding for the Division of Health Care Financing and Policy (DHCFP) to support an expansion of habilitation services and supportive housing that is currently funded under 1915(i) authority.

The Nevada Interagency Council on Homelessness (NICH) Strategic plan includes the development of Medicaid funded wrap services for the homeless. The “hidden” costs, including the escalating health care costs to governmental entities, of individuals who have behavioral health needs and/or are homeless have become a national discussion. It has become evident that social factors play into an individual's overall health and those services to support stable living situations and assistance in completing activities of daily living assist in improved health outcomes. Policy shifts and partnering between federal agencies, the Departments of Housing and Urban Development (HUD), the US Interagency Council on Homelessness and the Centers for Medicare and Medicaid Services (CMS) have begun incentivizing the development of “permanent housing” and “housing first” principals, with a goal of housing the most vulnerable and providing supportive services to ensure the housing works. Along with the federal shift in policy, Medicaid programs under the authority of 1915(i) of the Social Security Act are able to pay for supported housing services and behavioral health habilitation services. The goal is to supplant some of the high health care costs of crisis driven systems. States are also recognizing that supportive housing and habilitation services directed at the right population can reduce Medicaid spending by detecting and managing chronic disease early, preventing or shortening hospital stays and emergency room visits. Therefore, CMS is allowing and encouraging states to work in collaboration with local government agencies to more comprehensively finance outreach and engagement, tenancy supports, and general case management/community navigation. The target population is individuals who are homeless, at risk of homelessness, or those with severe mental illness. Studies have shown that if an individual is able to find and maintain a safe and healthy living environment, hospitalizations and incarcerations are reduced and overall health outcomes improve.

The NICH including all the stakeholders involved in the NICH, working in collaboration with Divisions within the State Department of Health and Human Services, County level staff and with the technical assistance of agencies within the federal government have developed a program concept. This program concept would require State match (including blended funding through local governments) to be added to the DHCFP budget, enabling these services to be added to the Medicaid program. The majority of the service funding would be through the federal match applied to the Medicaid program.

The initial total computable budget projections (this includes all funding sources: State, County, and Federal) are expected to be \$3,693,943 for the last six months of State Fiscal Year (SFY) 2018 and \$7,387,886 for SFY 2019. This is based on the assumption that it would take 6 months of SFY 2018 to develop the program including CMS program approval, provider enrollment and training and claims system updates.

The projections are also based on an average caseload of 1500 individuals receiving the services at an average monthly cost of approximately \$410 for the wrap services.

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