State Capitol
Sacramento, CA 95814

Assembly
California Legislature

Joint Informational Hearing of the
Assembly Committee on Housing and Community Development,
Assembly Committee on Health, and Assembly Select Committee on Homelessness

Coordination of Housing and Supportive Health Services

Wednesday, March 19, 2014
State Capitol, Room 4202
10:00 am – 12:30 pm

BACKGROUND

Overview:

The purpose of this hearing is to explore the effects that coordinating permanent affordable housing with supportive health services can have in achieving positive health outcomes. The Affordable Care Act (ACA) expanded access to health care for individuals who are homeless or at-risk of homelessness. The ACA offers a new opportunity to improve the health of these individuals but also presents challenges. This hearing will explore these opportunities and challenges.

Questions for members to consider:

1) Are there hurdles for establishing eligibility for the expanded coverage under the ACA? Are they higher for people experiencing homelessness?

2) Is California maximizing the flexibility available through the ACA to enroll people experiencing homelessness?

3) Who pays and who saves when permanent affordable housing is coupled with supportive health services (federal, state, local government)?

4) Are Medi-Cal beneficiaries able to access and benefit from the available mental health and substance abuse services?

What is permanent housing with supportive services?

Permanent supportive housing is housing that does not limit the length of a person's stay, is affordable to the tenant, and includes supportive services that help address the root causes of homelessness. Services offered depend on the individual's or family's needs, but often include

Printed on Recycled Paper

case management to help coordinate health care and mental health needs, life skills training, transportation, and vocational training.

Permanent housing with supportive services has been found to improve the wellness and health of tenants. Studies show improvements in the following areas:

1) **A reduction of tenant drug and alcohol use in supportive housing with Services.** Among Project 50 tenants in downtown Los Angeles, 86% of the 22 individuals with addiction issues were in treatment and/or using fewer drugs per case records.

2) **Improved Mental Health Symptoms of Status.** The National Center on Family Homelessness (2009) found that during follow-up interviews, adult-participants self-reported an average reduction of one mental health symptom from intake to the end of the follow-up period.

3) **Improved Physical Health.** Schwarcz et al., (2009) found, as documented in clinic records, greater glucose control among diabetics, and better adherence to antiretroviral medications,. Markedly better control of diabetes and other chronic conditions was also an outcome for the integrated service team serving street-homeless adults at the Center for Community heath in downtown Los Angeles.

4) **Improved Quality of Life.** Mondello et al., (2009) found that permanent supportive housing tenants in rural Maine reported significantly improved quality of life from before to after permanent supportive housing placement on all six dimensions measured during client interviews, which included work, learning, health, relationships, understanding of self, and independence.

ACA Background.

On March 23, 2010, President Obama signed the Affordable Care Act (ACA) into law (Public Law 111-148), as amended by the Health Care and Education Reconciliation Act of 2010 (Public Law 111-152). The ACA greatly expands health insurance coverage in California. Beginning in 2014, millions of low- and middle-income Californians will gain access to coverage through the expansion of and streamlined enrollment for Medi-Cal, and through premium and cost-sharing subsidies offered through the California Health Benefit Exchange (the Exchange, which is now known as Covered California). As a result of the coverage expansions under the ACA, between 89 and 91 percent of non-elderly Californians are predicted to have health coverage, and the number of uninsured is projected to decrease by between 1.8 and 2.7 million by 2019. According to the UC Berkeley Labor Center, over 1.4 million Californians are estimated to be newly eligible for Medi-Cal under the expansion.

Effective January 1, 2014, California expanded Medi-Cal coverage to single low-income adults without children. This expansion also brings new and simplified procedures for determining Medi-Cal eligibility. A person enrolled in Medi-Cal is eligible for many health services and the means for paying for them. For beneficiaries, Medi-Cal covers the hospital services that make up a big part of total health care costs, as well as doctor visits and other ambulatory health

services that may be delivered in hospitals or in clinical settings. Some Medi-Cal services can be delivered in other community settings, including in a person's home. Federal and state law requires all Medi-Cal services to be medically necessary, clinically efficacious, and cost-effective.

Medi-Cal and Supportive Services.

Many of the mental health and substance use treatment services needed by people in permanent supportive housing are benefits provided by the Medi-Cal program.

Starting in 2014, the array of mental health and substance use disorder services are expanding to better meet the needs of individuals eligible for Medi-Cal. The following mental health benefits will be available through Medi-Cal managed care plans or the fee-for-service delivery system:

- Individual and group mental health evaluation and treatment (psychotherapy)
- Psychological testing to evaluate a clinically indicated mental health condition
- Outpatient services for the purpose of monitoring drug therapy
- Outpatient laboratory, drugs, supplies and supplements
- Psychiatric consultation
- Specialty mental health services currently provided by County Mental Health Plans will continue to be available.

The following substance use disorder services benefits will also be made available to eligible Medi-Cal beneficiaries:

- Voluntary Inpatient Detoxification
- Intensive Outpatient Treatment Services
- Residential Treatment Services
- Outpatient Drug Free Services
- Narcotic Treatment Services

Effectiveness of Supportive Housing

Numerous studies support the idea that crisis public service use and cost is reduced when individuals who are chronically homeless receive permanent supportive housing. Culhane, Metraux, and Haley (2002), found that the cost of permanent supportive housing with services in New York City roughly offset the public costs to hospitals, mental health services, corrections, and the Department of Veteran Affairs that permanent supportive housing tenants would have incurred had they not been housed.

The biggest public cost savings occurs when people who are chronically homeless move into permanent supportive housing. Under the Department of Housing and Urban Development's definition, a chronically homeless individual is someone with a disabling condition who has experienced homelessness for a year or longer, or who has experienced at least four episodes of homelessness in the last three years.. A family with an adult member who meets this definition would also be considered chronically homeless. Flaming et al., (2009), which analyzed data on

over 10,000 single adult General Relief recipients in Los Angeles, found the individuals most costly to the public included those who are older, disconnected from employment for long periods, disabled, mentally ill, and substance abusers.

According to a data match between the Connecticut Homeless Management Information Services (HMIS) and Department of Social Services (DSS) Medicaid Database conducted in January 2012, providing supportive housing coupled with health care coordination to a cohort of 419 people who are homeless and high utilizers of Medicaid services could avoid more than $3.5 million in Medicaid costs per year.