COMMON GROUND

14 East 28th Street New York, NY 10016

Vulnerable Homeless Individuals and Medicaid Eligibility

Since December 2007, Common Ground has assisted communities in 8 states and Washington D.C. to administer 8,502 Vulnerability Index surveys to people living on the streets. Participating states include New York, North Carolina, Colorado, Texas, Michigan, California, Tennessee and Oregon.

To take a closer look at Medicaid coverage of those surveyed, we highlight responses from homeless individuals living in New York, Texas and California below.

	Total Surveyed	Total Reporting Medicaid	Total Reporting Medicare	Total Vulnerable*	Vulnerable Reporting Medicaid	Vulnerable Reporting Medicare	Chronic** Homeless Reporting Medicaid	Chronic** Homeless Reporting Medicare
US* TOTAL**	***8502***	***15.4%***	***7.5%***	***3529***	***21.1%***	***10.3%***	***17.7%***	***7.6%***
NY	1196	32.5%	3.1%	473	53.5%	6.1%	6.6%	0.6%
TX	1241	13.1%	8.1%	602	15.3%	10.8%	1.9%	1.2%
CA****	3432	12.1%	10.2%	1204	15.6%	14.6%	4.5%	3.9%

* Vulnerability determined by number of illnesses most closely related to mortality risk and length of homelessness.
** Using the HUD definition of chronicity: at least 1 year of homelessness.
*** United States Total includes the 8 states listed above and Washington DC.
**** In Los Angeles County's Project 50 initiative, 85% of the vulnerable homeless individuals were eligible for Medicaid, though enrollment required dedicated staff time to assist with completing eligibility packages.

In the context of rising health care costs, research has shown that nearly 2/3 of Medicaid recipients who are high cost due to frequent hospital admissions are homeless or unstably housed[1]. We have found that of homeless individuals surveyed across the United States, 12.1% (1031) reported 3 or more emergency room visits in the 3 months prior to the survey and 20.1% (1710) reported at least 3 hospitalizations or emergency room visits in the year before the survey.

Permanent Supportive Housing has been demonstrated to lead to sharp decreases in Medicaid spending, even by those formerly homeless individuals who frequently visited emergency departments and were repeatedly admitted for inpatient care. The literature summary attached illustrates the cost savings realized through the provision of permanent supportive housing.

[1] Raven, MC, Billings, JC, Goldfrank, LR, Manheimer, ED & Gourevitch, MN. (2009). Medicaid patients at high risk for frequent hospital admission: Real-time identification and remediable risks. Journal of Urban Health, 86(2), 230-241.

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Permanent Supportive Housing Decreases Medicaid Costs

Many authors have demonstrated the link between permanent supportive housing and Medicaid cost reductions. When homeless individuals are placed in permanent supportive housing, emergency department and inpatient costs decline by approximately 60% and overall Medicaid savings range from $1,130 to $17,625 per member per year. The table below summarizes Medicaid cost savings established across eleven separate studies; citations and summaries are on the following page.

Region	Lead Author	Comparison	Aggregate Medicaid Costs	Emergency Department	Total Inpatient	Psychiatric Inpatient	Outpatient	Nursing Home	Mental Health	Ambulance
New York, NY	Culhane[1]	Pre-Post	$1,130 Average Savings	.	.	.	.	.	.	.
New York, NY	Kaye[2]	Pre-Post	.	.	.	92% Reduction	.	.	.	.
San Francisco, CA	Kaye[2]	Pre-Post	.	58% Reduction	57% Reduction	.	.	.	.	.
San Francisco, CA	Martinez[3]	Pre-Post	.	56% Reduction	.15 Less Admissions	.	.	.	.	.
California	Corporation for Supportive Housing[4]	Pre-Post	.	59% Reduction	69% Reduction	.	.	.	.	.
Seattle, WA	Larimer[5]	Pre-Post	41% Reduction	.	.	.	.	.	.	.
Chicago, IL	Sadowski[6]	Usual Care	.	Decrease	2.7 Less Days	.	.	.	.	.
Chicago, IL	Kaye[2]	Usual Care	65% Reduction	Decrease	.	.	.	70.45% Reduction	.	.
Maine	Mondello[7]	Pre-Post		62% Reduction					41% Reduction	66% Reduction
Connecticut	Corporation for Supportive Housing[8]	Pre-Post	.	.	71% Reduction	.	Increase	.	.	.
Massachusetts	Housing and Shelter Alliance[9]	Pre-Post	$17,624.52 67.5% Reduction	.	.	.	.	.	.	.

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CITATIONS

[1]**Culhane, D.P., Metraux, S. & Hadley, T. (2002). Public service reductions associated with placement of homeless persons with severe mental illness in supportive housing. Housing Policy Debate, 13(1), 107-163.**
Data on 4,679 homeless people with severe mental disorders placed in supportive housing showed marked reductions in shelter use, hospitalizations (regardless of type), length of stay per hospitalization, and time incarcerated. Authors demonstrated a public cost reduction of $16,281 per housing unit per year across multiple service sectors, with a total reduction in Medicaid spending of $1,130 per person per year even accounting for the uptick in outpatient care costs.

[2]**Kaye, N., Harris Sharman, C & Rosenthal, J. (2008). Chronic homelessness and high users of health services: Report from a meeting to explore a strategy for reducing Medicaid spending while improving care. National Academy for State Health Policy.**
This literature summary catalogues a host of Medicaid cost reductions across 3 states. In San Francisco, homeless individuals moved into permanent housing through the Direct Access to Housing program and experienced a 58% reduction in emergency department use, 57% fewer inpatient hospitalizations than in the first two years of housing than in the two years previous to housing placement, and a decreased average length of inpatient stay. After placement in Pathways to Housing in New York City, frequent users of psychiatric inpatient care showed a 92% reduction in the average number of days spent in psychiatric inpatient care from 327 to 27 days. In Chicago, researchers compared homeless individuals with HIV who were enrolled in the Housing or Health Partnership (CHHP) to a control group that received usual care. Individuals placed in housing made 65% less emergency room visits, spent 70.45% less days in nursing home care, and were hospitalized less than the control group.

[3]**Martinez, T.E. & Burt, M.R. (2006). Impact of supportive housing on the use of acute care health services by homeless adults. Psychiatric Services, 57(7), 992-999.**
This analysis examined the impact of permanent supportive housing on the use of acute care public health services by 236 homeless people with mental illness, substance use disorder, and other disabilities. Housing placement significantly reduced the percentage of residents with an emergency department visit (53 to 37 percent), the average number of visits per person (1.94 to .86), the total number of emergency department visits (56 percent decrease, from 457 to 202), the likelihood of being hospitalized (19 to 11 percent) and the mean number of admissions per person (.34 to .19 admissions per resident).

[4]**Corporation for Supportive Housing with The California Endowment & the California HealthCareFoundation. (2008). Frequent users of health services initiative summary report of evaluation findings: A dollars and sense strategy to reducing frequent use of hospital services.**
The Initiative targeted housing and case management services to frequent users of hospitals and realized in the two years following housing placement, compared to the year prior to housing: a 61% decrease in emergency department visits, a 59% decrease in emergency department costs, 64% decrease in inpatient admissions and 62% decrease in inpatient days for a total inpatient savings of 69%.

[5]**Larimer, M.E., Malone, D.K., Garner, M.D., Atkins, D.C., Burlingham, B., Lonczak, H.S., Tanzer, K., Ginzler, J., Clifasefi, S.L., Hobson, W.G & Marlatt, G.A. (2009). Health care and public service costs before and after provision of housing for chronically homeless persons with severe alcohol problems. Journal of the American Medical Association, 301(13), 1349-1357.**
In Seattle, chronically homeless individuals with severe alcohol problems were placed in housing and allowed to continue drinking alcohol. After housing placement, Medicaid costs decreased by 41%, including outpatient and inpatient care and emergency room visits.

[6]**Sadowski, L.S., Kee, R.A., VanderWeele, T.J. & Buchanan, D. (2009). Effect of a housing and case management program on emergency department visits and hospitalizations among chronically ill homeless adults. Journal of the American Medical Association, 301(17), 1771-1778.**
Authors compared the effects of housing placement with case management to usual care and found reductions in use of inpatient and emergency department care. Individuals placed in housing spent 2.7 days less in inpatient care per year, with small reductions in inpatient admissions and emergency department visits as well.

[7]**Mondello, M, Gass, A., McLaughlin, T & Shore, N. (2007). Cost of homelessness: Cost analysis of permanent supportive housing.**
Permanent supportive housing in Maine delivered manifold Medicaid savings in the year after housing placement as compared to the year before placement: emergency room costs decreased by 62%, ambulance costs decreased by 66%, and mental health care costs decreased by 41% even though formerly homeless individuals participated in 35% more mental health services after housing placement.

[8]**Arthur Anderson LLP, as commissioned by Corporation for Supportive Housing (2001). Connecticut supportive housing demonstration program evaluation report.**
An evaluation of a Connecticut permanent supportive housing demonstration program found that homeless and at-risk individuals decreased their use of inpatient care by 71% in the three years after housing placement (as compared to the two years before housing), while increasing their use of outpatient medical care and substance abuse and mental health treatment.

[9]**Massachusetts Housing and Shelter Alliance (2009). Home and healthy for good: A statewide Housing First program progress report.**
A statewide pilot program placed chronically homeless individuals in housing and reported a 67.5% decrease in average annual Medicaid costs, from $26,124.36 per year before housing to $8,499.84 Medicaid costs after housing. Authors cite the cost of Housing First at $8,691.