

INNOVATIVE FUNDING STRATEGIES

The information in this document is intended to present examples of innovative funding mechanisms for creating and expanding housing programs, including permanent supportive housing. A variety of examples are presented to facilitate strategic discussions around whether and how the ideas presented can be incorporated in your H² plan. The following topics are covered:

- The Case for Funding Permanent Supportive Housing
- Summary of CMS's Recent Guidance on Medicaid Funding Housing-Related Services
- Case Studies of Innovative Permanent Supportive Housing Funding Strategies
- Potential Revenue Sources for Housing Trust Funds
- Public-Private Partnerships
- Public Hospitals and Health Systems
- Social Impact Bonds ("Pay for Success")
- Medicaid Funding Opportunities Under the Affordable Care Act
- Appendix 1: List of Additional Resources

The Case for Funding Supportive Housing

Permanent Supportive Housing (PSH) is a program model that combines affordable housing with tenancy supports and housing-based case management for people with chronic health conditions and disabilities.

A growing body of research shows PSH improves health outcomes and lowers system costs:

- Illinois saw a 39% reduction in total cost of services for 177 residents in its PSH programs two years after moving in, including services from Medicaid, mental health hospitals, substance use treatment centers, prisons and county jails, and hospitals. Mainstream services costs decreased by almost \$5,000 per person.¹
- In Denver, a longitudinal analysis of system costs of 19 PSH residents revealed 34% fewer emergency room visits, 40% fewer inpatient visits, 82% fewer detox visits, and 76% fewer incarceration days.²

Supportive housing is also considered to be very important for individuals living with HIV/AIDS (PLWHA). Existing research shows that housing supports increase stability and connection to care for PLWHA and are consistently linked to improved HIV treatment access, continuous care, better health outcomes, and reduced risk of ongoing HIV transmission.³

One option to explore to fund services that support housing stability is Medicaid. CMS cannot approve a state Medicaid service that covers "housing" room and board costs as part of a mandatory or optional benefit. However, it can cover services in supportive housing. States have expanded their services approaches to cover most "supports" included in "best practice" supportive housing definitions. [See *below for guidance from CMS on Medicaid funding for housing-related services.*]

¹ The Heartland Alliance Mid-America Institute on Poverty, "Supportive Housing in Illinois: A Wise Investment," April 2009: 11.

<http://www.illinois.gov/nursinghomesafety/Documents/Supportive%20Housing%20in%20Illinois%20-%20A%20Wise%20Investment.pdf>.

² Jennifer Perlman and John Parvensky, "Denver Housing First Collaborative: Cost Benefit Analysis and Program Outcomes Report," Colorado Coalition for the Homeless, December 11, 2006, http://www.denversroadhome.org/files/FinalDHFCCostStudy_1.pdf.

³ Housing Opportunities for Persons with AIDS, "HIV Care Continuum: The Connection Between Housing and Improved Outcomes Along the HIV Care Continuum," November 2014: 8. <https://www.hudexchange.info/resources/documents/The-Connection-Between-Housing-and-Improved-Outcomes-Along-the-HIV-Care-Continuum.pdf>.

One approach to identifying services and supports that can be covered by Medicaid is to compare needed services with coverable interventions, provider requirements, Medicaid care coordination, and other reimbursable administrative tasks to determine what can be covered.

Innovative Funding for Permanent Supportive Housing

CMS Guidance on Medicaid Coverage of Housing-Related Services for Individuals with Disabilities⁴

On June 26, 2015, the CMS released an informational bulletin intended to clarify the circumstances under which Medicaid reimburses for certain housing-related activities for individuals with disabilities, older adults needing long term services and supports (LTSS), and those experiencing chronic homelessness.

Housing related services are defined as a range of flexible services and supports available to individuals with disabilities and older adults needing LTSS:

- 1) Individual Housing Transition Services – services that support an individual’s ability to prepare for and transition to housing
 - Conducting a tenant screening and housing assessment
 - Developing an individualized housing support plan
 - Assisting with the housing application and housing search processes.
 - Identifying resources to cover housing transition expenses
 - Ensuring that the living environment is safe and ready for move-in
 - Assisting in arranging for and supporting the details of the move
 - Developing a housing support crisis plan
- 2) Individual Housing & Tenancy Sustaining Services - services that support the individual in being a successful tenant in his/her housing arrangement and thus able to sustain tenancy
 - Providing early identification and intervention for housing jeopardizing behaviors
 - Education and training on the role, rights and responsibilities of the tenant and landlord
 - Coaching on developing and maintaining relationships with landlords/property managers
 - Resolving disputes with landlords/neighbors and advocacy/linkage with community resources to prevent eviction or other adverse action
 - Assistance with the housing recertification process
 - Coordinating with the tenant to update and modify housing support plan
- 3) State-level Housing Related Collaborative Activities - services that support collaborative efforts across public agencies and the private sector that assist a state in identifying and securing housing options.
 - Developing agreements and working relationships with housing and community development agencies
 - Participating and contributing to state and local planning processes
 - Working with housing partners to create and identify opportunities for more housing, including coordinating housing locator systems and developing data tracking systems to include housing

⁴ U.S. Department of Health and Human Services, Centers for Medicare & Medicaid Services, “Coverage of Housing Related Activities and Services for Individuals with Disabilities,” Informational Bulletin, June 26, 2015. <http://www.medicaid.gov/federal-policy-guidance/downloads/CIB-06-26-2015.pdf>.

The Medicaid authorities and demonstrations through which states can be reimbursed for these services include:

- 1) 1915(c) HCBS waiver
- 2) 1915(i)
- 3) 1915(k), also known as Community First Choice (CFC)
- 4) 1915(b) waivers
- 5) Targeted case management (TCM)
- 6) Section 1115 waivers
- 7) Money Follows the Person (MFP) Rebalancing Demonstration Grants

[See Appendix 2 of this Worksheet for an explanation of these waivers and how they may be used.]

Washington state currently has a pending Section 1115 waiver application, which includes a benefit that is consistent with the language in CMS' guidance. The proposed eligibility criteria for beneficiaries in Washington's application include people meeting HUD's definition of chronic homelessness.

Case Studies

New York State: Leveraging State Medicaid Funding⁵

Background: New York's governor established the Medicaid Redesign Team (MRT) to identify methods to reduce costs and increase quality and efficiency in the Medicaid program. The implementation of the initial recommendations resulted in substantial cost savings.

- Beginning in Fiscal Year 2012-2013, the MRT launched a variety of initiatives redirecting a portion of the cost savings, including developing supportive housing targeted to high-cost Medicaid users.
- The MRT supportive housing initiative funds innovative pilot projects, capital, rental subsidies and supportive services.
- State Agency partners include: Homes and Community Renewal (HCR), Office of Temporary and Disability Assistance (OTDA), Office of Mental Health (OMH), Office for People with Developmental Disabilities (OPWDD), Office of Alcoholism and Substance Abuse Services, (OASAS), and the Department of Health's AIDS Institute.
- The state Medicaid Program allocates funds to those state agencies, which in turn award Medicaid dollars directly to permanent supportive housing (PSH) providers that are housing high users of Medicaid.

PSH Funding:

The MRT Supportive Housing initiative has leveraged significant Medicaid savings under the MRT initiative to create new affordable housing units. Pilots within the initiative are aimed at high-need beneficiaries, including persons living with HIV/AIDS and people with mental and substance abuse disorders.

The MRT Supportive Housing Allocation for FY 2015-2016 and FY 2016-2017 is \$127,000,000 per year, including \$47M each year for capital; \$5M each year for rental subsidies and supportive

⁵ ASPE, "Medicaid and Permanent Supportive Housing for Chronically Homeless Individuals: Emerging Practices from the Field," August 2014, available at: <http://aspe.hhs.gov/daltcp/reports/2014/EmergPrac.pdf> and Corporation for Supportive Housing, "Integrating Housing in State Medicaid Policy," April 2014, http://www.csh.org/wp-content/uploads/2014/04/State_Health_Reform_Summary.pdf.

services; **nearly \$40M each year for new supportive housing pilot programs**; and \$2.5M each year for tracking and evaluation.

MRT Supportive Housing Pilot: Housing and Health Homes

- Will provide rental subsidies and/or on-site or community based services to provide housing for homeless or unstably housed Medicaid members that are enrolled in New York State's Health Home Program.
- Supportive housing providers were required to identify/receive commitment from one or more designated Health Homes to be a provider partner.
- Intent of Program: Identify best practices, procedures, and methods for supportive housing providers to collaborate with Health Homes to:
 - Identify/locate homeless/unstably housed enrolled health home members/individuals eligible for Health Homes;
 - Provide housing as a means to facilitate access to health services and improve the health status of health home members;
 - Coordinate efforts of the Health Home Case Manager and the Housing Specialist to implement the Health Homes Member's Plan of Care; and
 - Provide opportunity for housing providers/Health Homes to develop innovative services/methods to ensure Health Home members remain stably housed.
- Total amount available for procurement: up to \$8M (up to \$4M per year for 2 years). Maximum award made to successful applicant does not exceed \$400,000 per fiscal year.

Massachusetts: Leveraging Medicaid to Fund Supportive Services⁶

Background: The Massachusetts Behavioral Health Partnership (MBHP), Massachusetts' Medicaid behavioral health carve-out, partnered with the Massachusetts Housing and Shelter Alliance (MHSA) to develop a behavioral health managed care model that supports members who have experienced chronic homelessness and are now residing in a Housing First program.

- Includes eight strategic partnerships between behavioral health providers in the MBHP network and non-network housing programs that have federal or state funded housing vouchers that could be used for MBHP enrollees.
- The program provides nonclinical community-based support services to adults who are experiencing chronic homelessness so they can be permanently housed in the community. Community-based, mobile, multi-disciplinary teams of paraprofessionals deliver a range of services, including:
 - Assisting consumers in enhancing daily living skills;
 - Providing service coordination and linkage;
 - Assisting with obtaining benefits, housing, and health care;
 - Developing a crisis plan;
 - Providing prevention and intervention; and
 - Fostering empowerment and recovery, including linkages to peer support and self-help groups.

PSH Funding:

- MBHP worked with the state to create a new Medicaid benefit: the Community Support Program for People Experiencing Chronic Homelessness (CSPECH). MBHP designed the CSPECH benefit to allow Medicaid to reimburse for the care coordination and case

⁶ Corporation for Supportive Housing, "Integrating Housing in State Medicaid Policy," April 2014, http://www.csh.org/wp-content/uploads/2014/04/State_Health_Reform_Summary.pdf

management not included in a basic Medicaid plan, and to pay for these services using a bundled rate.

- The state included the CSPECH as part of an 1115 waiver that allowed MBHP to pay for medically necessary “diversionary services” to reduce avoidable hospitalizations.
- MBHP pays the service providers \$17 per day per person to receive a mix of the services. Bundling the services into a single payment structure streamlines provider administration and reimbursement.
- *Note: The MBHP’s use of a Medicaid benefit to fund supportive services is consistent with CMS’s recent Guidance on Medicaid-reimbursable Housing-Related Services.*

Los Angeles: Leveraging Non-Medicaid Resources to Increase Housing Inventory⁷

Background: The Housing for Health (HFH) Program is an ambitious program by the Los Angeles County Department of Health Services (DHS) to link housing, health, and behavioral health services for the same population through linkages with housing providers and DHS’s own network of County hospitals, clinics, and contracted service providers that are part of its health services safety net.

- HFH’s primary target population is people experiencing homelessness who are extremely vulnerable because of their health conditions or who are frequent users of County hospital emergency rooms or inpatient care.
- HFH draws from a variety of housing options, including PSH units, licensed residential care and recuperative care facilities, temporary housing for people experiencing short-term crises, and interim housing where people can stay while completing the application process for permanent housing.

PSH Funding:

- HFH leverages the services funding it receives from DHS to secure housing opportunities and additional funding resources.
 - Initially, the County did not pay for the cost of housing itself, securing HFH’s housing inventory by funding the associated property management and supportive services instead.
 - For example, HFH’s first PSH units were created by attaching DHS-funded service teams to tenant-based Housing Choice Vouchers provided by City and County public housing authorities. DHS also partnered with the City Housing Department to acquire and renovate houses and apartment buildings that were in foreclosure.
- In response to the 2013 federal sequestration, which froze the issuance of new housing vouchers, the County began funding housing directly. In addition, DHS worked with the County Board of Supervisors and the Conrad N. Hilton Foundation to launch an \$18 million Flexible Housing Subsidy Pool (FHSP) to provide housing subsidies lined with wraparound intensive case management services for at least 2,400 persons.
 - DHS contracted with Brilliant Corners (BC), a nonprofit organization, to administer the FHSP. BC has been able to maximize the impact of the FHSP dollars by searching for available rental units all over the County, assisting project participants in being matched to the right unit, contracting directly with landlords for units in scattered-site or project-based buildings, and offering special 2-month leases to landlords to take units off the market and hold them for future referrals.
- DHS has managed to finance HFH’s property management and supportive services from its existing budget

⁷ ASPE, “Medicaid and Permanent Supportive Housing for Chronically Homeless Individuals: Emerging Practices from the Field,” August 2014, available at: <http://aspe.hhs.gov/daltcp/reports/2014/EmergPrac.pdf>.

- Most of DHS's contributions to HFH were already in its departmental budget, where they were covering the costs of care delivered in DHS's health service facilities that were not reimbursed through insurance.
- In addition, the advent of Healthy Way LA, the County's Low Income Health Program, and its federal Medicaid match for the costs of care, freed up those local resources, making them available for DHS to cover the cost of supportive services.
- DHS has also determined that its contributions to HFH are offset by major reductions in spending for emergency department use, hospitalizations, and re-hospitalizations by the target population, as well as stays in other high-cost settings such as jails and nursing homes.
- DHS uses a Request for Qualifications process for its property management and supportive services contracts, which has contributed to HFH's ability to take advantage of housing opportunities in a timely manner.
 - DHS established master contracts with 8 property management companies and about 20 supportive service providers. Once housing becomes available and HFH places its priority people into it, DHS adds specifics to those master contracts, entering into agreements for the number of people to receive supportive services or the number of units to receive property management services.

Minnesota: Coordinating with MCOs to Increase PSH capacity⁸

Background: Minnesota state legislation enacted in 2011 requires that Medicaid recipients with disabilities be assigned to a Special Needs Basic Care health plan unless individuals opt out of enrollment. Special Needs Basic Care Plans are responsible for:

- Covering both health and behavioral health services;
- Completing comprehensive health assessments and providing care coordination services to help patients get care from primary care providers, specialists, and other health care services;
- A benefit package that includes targeted case management services for people with serious mental illness.

PSH Funding:

Medica, one of Minnesota's Special Needs Care Plans for Medicaid recipients with disabilities, subcontracted with Hearth Connection, Inc., a non-profit, intermediary housing organization, to conduct a permanent supportive housing demonstration project targeting Medica's 88 highest cost users of Medicaid.

- Hearth Connection provides administrative support, fiscal oversight and research to a network of supportive housing providers.
- Medica decided to address the needs of its Medicaid enrollees experiencing long-term homelessness and chronic conditions and are frequent users of health systems.
- All 88 enrollees were identified through an algorithm created by Medica.
- Medica staff identifies potential enrollees and Hearth Connection locates the enrollee and determines eligibility for their program, including whether the person is homeless.
- If eligible, Hearth Connection facilitates payment of services and housing (using existing HUD resources and the existing state voucher program) and conducts staff training for both Medica and supportive housing providers.

⁸ ASPE, "Medicaid and Permanent Supportive Housing for Chronically Homeless Individuals: Emerging Practices from the Field," August 2014, available at: <http://aspe.hhs.gov/daltcp/reports/2014/EmergPrac.pdf>; State of Minnesota, "Reform 2020: Pathways to Independence- Section 1115 Waiver Proposal," resubmitted to CMS November 21, 2012: 58-59. <https://edocs.dhs.state.mn.us/lfsrserver/Public/DHS-6535E-ENG>.

- Medica pays for services within supportive housing, delivers care coordination, and conducts the evaluation of the project.
- The funds provided by Medica to the Hearth Connection, which in turn funds the PSH providers, are often called “alternative service dollars.”

Additional Funding Resources

Housing Trust Fund⁹

- Established sources of funding for affordable housing construction and related purposes.
- Generally established through ordinance or legislation, which dedicates a revenue source or establishes other obligations that create revenue.
- Revenue sources can be **private** funds or **public** funds, such as revenue from real estate taxes or fees, revenue from other taxes, interest earned on Government-Held and Market Rate Accounts, or revenue generated from Government Programs.

The following examples may be considered as potential revenue sources for a newly established state or local housing trust fund:

- ARCH (A Regional Coalition for Housing) in King County, Washington
 - Grants and low-interest contingent loans from member cities.
 - Surplus land and/or reduced building permit fees from some cities.
- Bainbridge Island Housing Trust Fund
 - Donations from realtors and brokers with each home sale.
 - Matching of private contributions by City of Bainbridge Island general fund.
 - Until 2008, contributions from Washington Mutual for each mortgage it wrote.
- Miami-Dade County Homeless Trust
 - Federal and state funds, including 1% food and beverage tax at all restaurants that have a liquor license and gross more than \$400,000 per year.
- Santa Barbara Housing Trust Fund
 - Accesses lines of credit from local banks that loan money at lower interest rate.
 - Rates then brokered out to developers as construction funds.
- Nebraska Homeless Shelter Assistance Trust Fund
 - \$0.25 per \$1,000 of real estate sales as part of state’s Documentary Stamp Tax.
- Georgia’s Homeless Opportunity Fund
 - One-time \$22 million revenue bond financed through a rental car tax.
- Greensboro Nussbaum Housing Partnership Fund
 - Greensboro, North Carolina dedicates 0.7 percent of property tax levied to the Fund, which finances affordable housing and homeless programs.

Public-Private Partnerships

Public-private partnerships are government services or private business ventures funded and operated through a partnership of government and one or more private sector companies.

Case Study: Washington Youth and Families Fund¹⁰

- Created by the Washington State Legislature in 2004 to reduce and end family homelessness.

⁹ Center for Community Change, “Housing Trust Fund Revenue Sources,” <http://housingtrustfundproject.org/htf-elements/revenue-sources/>

¹⁰ Washington Department of Commerce, “Washington Families Fund,” 2013, <http://www.commerce.wa.gov/Documents/Washington-Families-Fund-2013-Fact-Sheet.pdf>

- Funds model programs and innovative strategies that address problems of homelessness at a systems and family level. 80 organizations have been funded.
- **\$55M** combined investment over 10 years: \$17M by the State; \$38.5M by 25 private partners.
- Developed a comprehensive systems change intervention to change how communities in Washington State address family homelessness using best practices and emerging concepts:
 - Prevention: Keep individuals and families linked to services.
 - Coordinated Entry and Assessment: Streamline access to housing and services.
 - Rapid Re-Housing: Get people into housing quickly. Support increases in housing supply.
 - Tailored Programs & Services: Deliver the right level of service at the right time.
 - Economic Opportunities: Support educational and employment opportunities.
 - Evaluation: Collect data to evaluate impact and improve the work being done.

Public Hospitals and Health Systems¹¹

Under the ACA, nonprofit hospitals are now required to complete a community health needs assessment (CHNA) every three years. The objective of the CHNA is to assess the most prevalent health needs and barriers to accessing health care and maintaining good health in the community. These needs assessments can demonstrate to hospitals the health benefits of stable housing and encourage financial investments aimed at increasing housing stability.

Case Study: St. Joseph Health System¹²

In Orange County CA, the **St. Joseph Hospital System has been investing in the construction of affordable housing based on its CHNAs, which revealed the major impact that lack of affordable housing has had on the health of its community.** There are currently 82 low-income housing units for seniors slated for development in Anaheim and there are plans to build a development for large families in the near future. Funding for the senior housing was secured from the City of Anaheim and loan funding for the land from SJHS.

St. Joseph is also a founding member of the Kennedy Commission, an organization devoted to advocating for affordable housing in Orange County, lending an important voice to efforts to expand affordable housing in the community. The chair of the County Board of Supervisors recently informed the partnership that its support resulted in the allocation of \$35 million from the county's general fund to support low-income housing over the next five years.

Case Study: Florida Hospital¹³

In November, 2014, the **Florida Hospital in Orlando, FL announced a \$6 million pledge to address homelessness in Central Florida, with the goal of housing 300 of Orlando's chronically homeless individuals in three years.** \$4 million will be earmarked to support PSH units using a Housing First model. The Florida Hospital's contribution will serve as the kick-off investment in the Central Florida Foundation's new "Impact Homeless Fund," a collaborative, public and private investment-solutions vehicle to help those facing homelessness in Orange, Osceola, and Seminole Counties.

¹¹ Patient Protection and Affordable Care Act (PPACA), Pub. L., No. 111-148, 124 Stat. 119: March 23, 2010

¹² Kevin Barnett, DrPH, MCP, "Best Practices for Community Health Needs Assessment and Implementation Strategy Development: A Review of Scientific Methods, Current Practices, and Future Potential," Public forum convened by the Centers for Disease Control and Prevention, Atlanta, Georgia, July 11-13, 2011: 2. <http://www.phi.org/uploads/application/files/dz9vh55o3bb2x56lcrzyel83fwfu3mvmu24oqqvn5z6qaeiw2u4.pdf>.

¹³ Corporation for Supportive Housing, "Florida Hospital Pledges Millions to End Homelessness," November 12, 2014, <http://www.csh.org/2014/11/florida-hospital-pledges-millions-to-end-homelessness/>.

Social Impact Bonds (SIBs)¹⁴

- Contractual agreements to deliver verifiable social outcomes in exchange for payment. If the promised outcomes are not achieved, no payment is made.
- Upfront funding is secured from the private sector and philanthropic foundations.
- Government pays for services only if and when a service provider achieves clearly defined, measurable results.
- Also known as “Pay for Success (PFS)” or “Pay for Performance (PFP)”.

SIB Efforts Targeting Homeless Populations

Massachusetts¹⁵

In June 2015, the Massachusetts Housing and Shelter Alliance (MHSA) announced the launch of the Massachusetts Alliance for Supportive Housing (MASH) as a Pay for Success (PFS) initiative with the goal of placing nearly half of the state’s chronically homeless population in supportive housing. MASH will be run as a partnership between the MHSA, the Corporation for Supportive Housing (CSH), and the United Way of Massachusetts Bay and Merrimack Valley. The PFS initiative will operate roughly 500 units across Massachusetts over two years. As of mid-July 2015, the initiative had already placed 43 individuals into permanent supportive housing.

California¹⁶

In August 2015, Santa Clara County launched California’s first Pay for Success Project: Project Welcome Home. The project aims to improve housing stability and supportive services for the chronically homeless by providing community-based clinical services and permanent supportive housing to 150-200 chronically homeless individuals who are frequent users of the County’s emergency rooms, acute mental health facilities, and jails. Project Welcome Home received nearly \$7 million in upfront funding from private and philanthropic funders, who will only be repaid by the government if the Project successfully assists participants to achieve continuous stable housing.

¹⁴ Kristina Costa, “Fact Sheet: Social Impact Bonds in the United States,” Center for American Progress, February 12, 2014, <https://www.americanprogress.org/issues/economy/report/2014/02/12/84003/fact-sheet-social-impact-bonds-in-the-united-states/>.

¹⁵ Massachusetts Housing and Shelter Alliance, “Pay for Success Initiative Begins Moving Tenants Into Housing,” *The North Star* Summer 2015, 11(2): 1.

¹⁶ Gary Graves, “Paying for Success: The Santa Clara County Experience,” National Council on Crime & Delinquency, June 16, 2014, <http://www.nccdglobal.org/blog/paying-for-success-the-santa-clara-county-experience> and Third Sector Capital Partners, “Pay for Success in Santa Clara County- Acute Mental Health: Frequent Users Care Coordination Project,” PowerPoint Presentation, February 6, 2015, <https://www.sccgov.org/sites/mhd/MentalHealthBoard/SystemPlanning/Documents/2015/SPFC-Feb-handouts/Pay-for-Success-MH-Presentation-to-BHB-SCC-MH-PFS-Overview-02-06-15.pdf>.

Innovative Financing: Practice Example

Hennepin Health (Minnesota)¹⁷

Background:

- Administered by the County, including health care and human service systems.
- Designed to enroll and deliver care to adults newly eligible for Medicaid under ACA.
- Tiering system: matches people to appropriate types of care at different levels based on health/social needs; more intensive services for high needs.

Finances:

- Hennepin Health (HH) receives Medicaid funding on capitated basis (i.e., fixed payment per-member per-month for total cost of care, including all Medicaid-covered services other than long-term care).
- Shared savings pool funded from savings from having a more efficient care model: By the end of year 1, HH reported savings “all over the place,” including 29% reduction in inpatient hospitalizations and 24% reduction in emergency department visits

MEDICAID FUNDING OPPORTUNITIES UNDER THE AFFORDABLE CARE ACT¹⁸

The Affordable Care Act (ACA) created significant potential to improve and expand access to treatment and services for homeless people. The ACA supports integrated services, provider coordination, comprehensive preventive care, behavioral health care, health education (including substance abuse education), and evaluation activities.

To expand services covered through Medicaid, a state can adopt waivers or propose state plan amendments (SPAs) to the Centers for Medicare and Medicaid Services (CMS).

- A **waiver** is an exception to restrictions on what services can be reimbursed through Medicaid.
- A **SPA** is a proposed set of changes that when accepted become part of the amended state plan.

Medicaid Waivers, Amendments, and Funding Opportunities

Option	Did it exist pre-ACA?	Who qualifies?	What services are covered?
(1) HCBS- 1915(i) SPA	Yes	Individuals who can live in the community but need a range of services to do so.	Case management, personal care, adult day health, home health aide, and psychosocial rehabilitation.
(2) HCBS-1915(c) Waiver	Yes	Individuals whose disability level meets eligibility for institutional care.	Case management, home health aide, personal care, adult day health, and respite care.
(3) 1915(k) Waiver - Community 1 st Choice	No	Individuals who would otherwise need institutional care.	Home attendance assistance with daily living and health related tasks.
(4) 1115 Waiver	Yes	Proposed by State.	Proposed by State.

¹⁷ ASPE, “Medicaid and Permanent Supportive Housing for Chronically Homeless Individuals: Emerging Practices from the Field,” August 2014, available at: <http://aspe.hhs.gov/daltcp/reports/2014/EmergPrac.pdf>; State of Minnesota, “Reform 2020: Pathways to Independence- Section 1115 Waiver Proposal,” resubmitted to CMS November 21, 2012: 58-59. <https://edocs.dhs.state.mn.us/lfsrver/Public/DHS-6535E-ENG>.

¹⁸ Families USA, “State Plan Amendments and Waivers: How States Can Change Their Medicaid Programs,” Issue Brief, June 2012, http://familiesusa.org/sites/default/files/product_documents/State-Plan-Amendments-and-Waivers.pdf.

Option	Did it exist pre-ACA?	Who qualifies?	What services are covered?
(5) Health Homes	No	Individuals with chronic health conditions or serious mental illness.	Care management and coordination, transitional and follow-up care, referrals.
(6) Center for Innovation Demonstration Project	No	Proposed by State.	Proposed by State.
(7) Rehabilitation Option	Yes	Individuals who need to attain/retain independence or self-care abilities.	Medical and remedial rehabilitation services, including diagnosis and screening.

(1) Home and Community-Based Services (HCBS)-1915(i) State Plan Amendment

- Allows Medicaid beneficiaries with disabilities to receive services in their home or community as an alternative to institutional care such as nursing homes.
- CMS will allow states to provide HCBS benefits for specific populations through a state plan amendment, provided the state can meet all federal requirements:
 - Beneficiaries must be elderly or people with disabilities.
 - Beneficiaries must have incomes not more than 150% of FPL or up to 300% of SSI.
 - Beneficiaries must meet access to care criteria (less than that of institutional care).
 - Beneficiaries must have a choice in providers.
 - The benefit must be implemented state-wide.
 - The state must serve all beneficiaries who meet the benefit's eligibility criteria. It cannot limit the number of people who will be served, nor limit based on diagnosis, type of illness, or condition.
 - The state must demonstrate it can provide its share of the cost of the program.
- Provides a 50/50 federal-state reimbursement rate (or higher, depending on the state) to fund case management, personal care, adult day health, and home health aide services.
- For individuals with mental illness, it also covers psychosocial rehabilitation services.
- Existed before the ACA, but the ACA expanded its scope by:
 - Making individuals earning up to 150% of the Federal Poverty Line eligible under it
 - Giving states additional flexibility in the range of covered services proposed
 - Giving states flexibility in defining the targeted population group
 - Eliminating eligibility wait lists by removing the cap on the number of enrollees

Relevance: This amendment could be used to provide care to some of the most vulnerable tenants in supportive housing.

- Significant overlap between chronically homeless people and those who would qualify for services under this SPA.
- Many services covered under 1915(i) overlap with those commonly provided by supportive housing programs (e.g. case management, treatment planning, counseling, transportation, and life skill development).

(2) HCBS-1915(c) Waiver

- Similar to the 1915(i) amendment: provides case management, psychosocial rehabilitation, and other services for individuals with serious mental illness or other disabling conditions.
- Applies exclusively to individuals who meet a state's eligibility requirements for institutional care (due to mental disabilities, physical disabilities, developmental disabilities, old age, etc.).

Relevance: Same as 1915(i) SPA, but would apply to narrower group.

(3) HCBS-1915(k) Waiver – Community First Choice Option

- Provides for daily living assistance services to persons who would otherwise need to be housed in a skilled nursing facility.
- Under this waiver, when an individual is moved from an institution into a community, states may contribute to such expenses as security and utility deposits, first month's rent, and basic household supplies.

Relevance: Could apply to supportive housing residents with severe mental illness and substance abuse issues or other severely disabling conditions.

(4) 1115 Waiver

- Allows a state to apply to expand eligibility, restructure funding or payment processes, or use Medicaid to fund nearly any type of conceivable service if the state can illustrate a medical necessity and demonstrate that the proposed changes will have a budget-neutral effect (i.e., over a five-year period, the demonstration project must result in no additional federal spending than if the program did not exist).
- May target specific populations for receipt of 1115 Waiver services.
- Once approved, 1115 demonstration projects remain in effect for five years, with the possibility of renewal.

Relevance: Post-ACA, states are beginning to make the case to CMS that providing funding for housing assistance, for example, can reduce expenditures in other areas, such as ER usage.

(5) Health Homes

- Established by the ACA.
- A coordinated team of health care providers or agencies that provides a comprehensive system of care coordination for individuals with chronic health conditions
- States have a lot of flexibility in how they set up their health homes: a state Medicaid plan may contain multiple health home provisions that target different populations.
- To create a health home, a state applies to CMS for permission to include in its Medicaid plan.
 - The state defines the desired target population, what services the health home will provide, and how it will operate.
 - Once approved, for the first two years of a health home's existence, the federal Medicaid match rate for services provided by the health home is 90 percent, after which the rate equals that for standard Medicaid services in that state.

(6) Center for Innovation Demonstration Projects

- ACA established the Center for Medicare and Medicaid Innovation (CMMI).

(7) Rehabilitation Option

- Covers services that are specifically rehabilitative: they must help a person to regain functions that have been lost in some way.
- In some states, therapy, counseling, and other mental health services may be reimbursable under this authority.

APPENDIX 1: LIST OF ADDITIONAL RESOURCES

*Homeless-Targeted Federal Sources*¹⁹

Department of Health and Human Services (HHS)

Health Care for the Homeless (HCH)

HCH programs provide for primary health care and substance abuse services, emergency care with referrals to hospitals for in-patient care services and/or other needed services, and outreach services to assist difficult-to-reach homeless persons in accessing care and establishing eligibility for entitlement programs and housing.

Projects for Assistance in Transition from Homelessness (PATH)

PATH funds community-based outreach, mental health, substance abuse, case management and other support services, as well as a limited set of housing services.

Services in Supportive Housing (SSH)

SSH grants reduce chronic homelessness through providing permanent housing for individuals and families living with severe mental illness and/or substance abuse disorders.

Grants for the Benefit of Homeless Individuals (GBHI)

GBHI grants enable communities to expand and strengthen treatment services for people experiencing homelessness.

Basic Center Program; Transitional Living Program for Older Homeless Youth; Street Outreach Program

These programs provide support for projects aimed at homeless and runaway youth.

Cooperative Agreements to Benefit Homeless Individuals (CABHI and CABHI-States)

CABHI and CABHI-States grants support the integration of treatment and services for people experiencing chronic homelessness who also have mental, substance use, or co-occurring disorders on the local and state level, respectively.

Department of Housing and Urban Development (HUD)

Continuum of Care Program (CoC)

The CoC Program provides HUD funding for permanent housing, transitional housing, supportive services, Homeless Management Information System (HMIS), and homelessness prevention to applicants designated by the Continuum of Care.

Emergency Solutions Grants (ESG)

Provides funding for emergency shelter, transitional housing, and permanent housing for the homeless. Funds can be used for street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and HMIS, as well as administrative activities.

HUD Veterans Affairs Supportive Housing Program (HUD-VASH)

HUD-VASH targets homeless veterans with housing vouchers from HUD and case management from the Department of Veterans Affairs.

Department of Veterans Affairs (VA)

Supportive Services for Veteran Families Program (SSVF)

SSVF provides grants to provide permanent housing to Veteran families who would otherwise be homeless.

The Grant and Per Diem (GPD) Program

The GPD Program funds local agencies providing transitional housing and service centers for homeless Veterans.

¹⁹ Libby Pearl, et al, for the Congressional Research Service, "Homelessness: Targeted Federal Programs and Recent Legislation," CRS Report, May 6, 2015. <https://www.fas.org/sgp/crs/misc/RL30442.pdf>

Acquired Property Sales for Homeless Providers Program

This program offers discount mortgages on VA-foreclosed properties to homeless provider organizations to shelter homeless Veterans.

Private Sources

Foundation Directory, fconline.foundationcenter.org

A directory of sources for funding; subscription required for extended information and to search by topic

GrantWatch, grantwatch.com

GrantWatch lists available grants by subject, including homelessness; subscription required

GrantStation, grantstation.com

GrantStation provides a database of private grantmakers and publishes a weekly newsletter highlighting upcoming funding opportunities; subscription required

NOZA, nozasearch.com

NOZA is a database of previous charitable donations, which can be used to determine appropriate organizations and amounts to approach for funding; subscription required

Relevant Non-Homeless-Targeted Federal Sources

Department of Health and Human Services (HHS)²⁰

Community Interoperability & Health Information Exchange Cooperative Agreement Program

Provides funding to organizations that propose actionable approaches to increase adoption and use of standards-based interoperable health IT tools and Health Information Exchange (HIE) services among non-eligible care providers through effective training and workflow redesign.

Community Mental Health Services Block Grant (MHBG)

Provides comprehensive mental health services to adults with a serious mental illness and children with a serious mental disturbance.

Community Services Block Grant

Community Services Block Grants provide services to address education, unemployment, housing assistance, nutrition, emergency services, health, and substance abuse needs.

Community Health Center Program

The centers provide primary care services on a sliding-scale rate system.

Health Resources and Services Administration (HRSA) Grants

HRSA makes grants to organizations to improve and expand health care services for underserved people, focusing on the following program areas: Health Professions, HIV/AIDS, Maternal & Child Health, Primary Health Care/Health Centers, Rural Health, Healthcare Systems, Organ Donation, and Clinician Recruitment.

Ryan White HIV/AIDS Program

The Ryan White Program works with cities, states, and local community-based organizations to provide services to people who do not have sufficient health care coverage or financial resources to cope with HIV disease. The majority of Ryan White HIV/AIDS Program funds support primary medical care and essential support services. A smaller portion funds technical assistance, clinical training, and the development of innovative models of care.

and Services Administration (HRSA), HIV/AIDS Bureau (HAB).

Social Services Block Grant

Social Services Block Grants are flexible grants that enable states to provide social services and programs to reduce dependency on social services.

²⁰ U.S. Department of Health and Human Services, "Supportive Services: Non-Targeted or Mainstream Programs," <http://www.hhs.gov/programs/social-services/homelessness/grants/index.html#mainstream>

Substance Abuse Prevention and Treatment (SAPT) Block Grant

The Center for Substance Abuse Treatment (CSAT) works with States and local groups to plan, carry out, and evaluate activities to prevent and treat substance abuse.

Title V, Federal Real Property Assistance Program (FRPAP)

FRPAP transfers available Federal surplus properties to States, municipalities, and nonprofit organizations for homeless assistance purposes such as supportive services, emergency shelter, transitional housing, and permanent supportive housing.

Social Security Administration Supplemental Security Income (SSI)

Federal income supplement program which provides cash to meet basic needs for food, clothing, and shelter designed to aged, blind, and disabled people, who have little or no income.

Department of Housing and Urban Development (HUD)²¹

Section 811 Supportive Housing for Persons with Disabilities

Section 811 funding develops and subsidizes rental housing with supportive services for very-low income adults with disabilities.

Section 202 Supportive Housing for the Elderly Program

Through Section 202, HUD finances and provides rent subsidies for supportive housing for very-low income elderly persons.

Section 8 Housing Choice Vouchers

Section 8 vouchers assist very-low income families, the elderly, and disabled persons pay for housing in the private market.

Community Development Block Grants

These grants provide funds to address a wide range of community development needs.

HOME Investment Partnerships Program (HOME)

HOME provides formula grants to states and localities that communities use – often in partnership with local nonprofit groups – to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people.

Housing Opportunities for Persons with AIDS (HOPWA)

Under the HOPWA Program, HUD makes grants to local communities, States, and nonprofit organizations for projects that benefit low-income persons living with HIV/AIDS and their families.

National Housing Trust Fund (HTF)

*The HTF provides formula grants to states and state-designated entities to fund the production or preservation of affordable housing through the acquisition, new construction, reconstruction, and/or rehabilitation of non-luxury housing with suitable amenities
affordable housing for extremely low- and very low-income households, including homeless families.*

Department of Homeland Security²²

Emergency Food & Shelter Program

Provides program funds, allocated by a local board, to provide food, lodging, and related transportation and equipment

²¹ U.S. Department of Housing and Urban Development, "Programs of HUD: Major Mortgage, Grant, Assistance, and Regulatory Programs," 2016, <http://portal.hud.gov/hudportal/documents/huddoc?id=HUDPrograms2016.pdf>

²² U.S. Department of Homeland Security, Federal Emergency Management Agency (FEMA), "Emergency Food & Shelter Program (EFSP) Fact Sheet," May 2016, <https://www.fema.gov/media-library-data/1465337041511-1722bbc6932f929a512f53ea666a6280/FACTSHEETEmergencyFoodandShelterProgram-2016.pdf>