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Feds Give States Options to Cover Housing-Related Services with Medicaid

By Wes Rivers

At a time when the District is working to combat chronic homelessness, the federal government has offered a great opportunity to use Medicaid -- a health program that comes with federal funding -- to support services that help homeless residents establish stable housing. The federal government recently issued guidance on how DC and states can use Medicaid to pay for housing-related services, because of the evidence that stable housing leads to better health. The District should move quickly to take advantage of this opportunity to expand programs like Permanent Supportive Housing, which puts chronically homeless residents into their own apartment with supportive services.

The new [federal guidance](#) focuses on how to use Medicaid to pay for *housing-related* services for people with disabilities and older adults, as well as services for people experiencing chronic homelessness. States can broadly use Medicaid for three kinds of housing-related services.

- **Transitional services:** including screening for barriers to successful tenancy, identifying resources to cover the costs of deposits and utility set-ups, and development of housing support crisis plans.
- **Sustaining services:** including linkages to community resources, assistance with housing recertification process and securing required documentation, such as identification.
- **Collaborative activities** – including partnerships, agreements, and coordination between the state Medicaid agency and housing organizations and providers.

The District's Permanent Supportive Housing (PSH) program provides many services like these. It places homeless residents with chronic health conditions and other barriers into housing and then provides services to address those issues. There is lots of [evidence](#) that PSH not only improves the health of participants, but also improves the *fiscal health* of the community at large. PSH participants are better able to get to the doctor and keep up with prescriptions, are more likely to stay healthy and housed, and are less likely to go to the emergency room. This lowers the District's costs for both homeless services and health services.

Using Medicaid to expand PSH in DC makes a lot of sense, since the federal government covers 70 percent of DC's Medicaid costs and since many of those who are chronically homeless are also eligible for DC Medicaid. Beyond that, expanding PSH could help the District reduce the [millions](#) spent by Medicaid for unnecessary health costs last year, related to uncoordinated care, avoidable hospital visits, and emergency room use for non-emergencies.

The District is making progress in seeing how services under Medicaid and in Permanent Supportive Housing could overlap, but more can be done. Medicaid already covers most health services in

Permanent Supportive Housing for people with a severe mental illness. [Starting this year, substance abuse is also covered](#) under Medicaid and should have many of the same benefits. DC should now take up options offered by the Feds to use Medicaid for housing-related services as its next step to creatively use Medicaid to combat chronic homelessness.