



The District's Dime

Going Beyond the Budget Book

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Health Homes: A New Way to Finance Homeless Services

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Obamacare is doing a lot more to improve health care than expanding access to affordable insurance. The Affordable Care Act also will help the District enhance and coordinate health care and social services for very vulnerable populations, such as the chronically homeless. Through a program known as “Health Homes,” the District can get additional federal funding to meet the health needs of the chronically homeless, which in turn will reduce homelessness and save the city money.

People who cycle in and out of homelessness often have multiple, chronic health conditions, including mental health and substance abuse disorders. [Evidence](#) from other cities suggests lots of taxpayer dollars are spent to care for these residents because of the high incidence of chronic disease, lack of coordinated care, and reliance on expensive emergency room visits. The District’s management of residents with multiple chronic diseases is particularly costly: DC has the [highest hospital re-admittance rate](#) and one of the highest spending levels per capita.

The District has started to tackle this through an approach known as “permanent supportive housing,” under which homeless residents are placed into housing and then receive coordinated care and services needed to manage chronic health conditions and maintain their housing. Studies of similar programs show that housing with coordinated care and social supports increases housing stability, improves health outcomes, and results in large public cost-savings. A Seattle study found that permanent supportive housing saved the city almost \$30,000 per person, per year.¹

Health Homes allows the District to use federal funding to expand its existing permanent supportive housing services to people with two or more chronic conditions, including mental health and substance abuse issues. The program uses Medicaid funding to help people with multiple health issues access all the care they need at a lower cost to the state. The federal government will pay for 90 percent of the cost of eligible services in the first two years of Health Homes and 70 percent of the costs in the years thereafter.

Permanent supportive housing is an effective way to improve the housing and health outcomes of the DC’s homeless population, and Health Homes offers DC the opportunity to serve more and spend less. DC should take advantage of this opportunity to expand services offered, construct additional supportive units, and increase the number of homeless families receiving support. We will all benefit.

¹ <http://www.endhomelessness.org/library/entry/fact-sheet-chronic-homelessness>