

***Home & Healthy for Good***  
**A Statewide Housing First Program**

***Progress Report***  
***March 2011***



Photo by John Deputy 2009

Prepared by  
Massachusetts Housing and Shelter Alliance

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## Background

Massachusetts has reacted to homelessness with an emergency response for more than 20 years. While this has saved lives, it has not provided a permanent solution for people without housing. It has done little to decrease the number of individuals entering homeless shelters, which remain in constant overflow.

The Commonwealth has constructed a massive infrastructure for temporarily combating the symptoms of homelessness. Shelters have become an accepted residential response for an entire segment of poor people but have done little to actually reduce homelessness.

### **Homelessness as a Public Health Issue**

A lack of stable housing is associated with significant health concerns and consequently homeless people have disproportionately poor health. The most compelling evidence of this link between homelessness and poor health is the high rate of premature death in homeless populations. Mortality rates in homeless individuals in American cities are approximately 3.5 to 5 times higher than the general population, with death occurring at an average age of 47 years.<sup>1,2</sup> Leading causes of death in homeless adults in Boston in 1997 were homicide (ages 18 - 24), AIDS (ages 25 - 44), and heart disease and cancer (ages 45 - 64).

Several fundamental factors that directly affect the health of homeless persons include:<sup>3</sup>

- Lack of stable housing prevents resting and healing during illness
- Increased potential for theft of medications
- Lack of privacy for dressing changes or medication administration
- Need for food and shelter take precedence over medical appointments
- Higher risk for physical and sexual violence (including homicide)
- Cognitive impairments in people with severe head injury, chronic substance abuse or developmental disabilities are common
- Risk of communicable diseases is increased in shelter settings
- Medical care is often not sought until illnesses are advanced
- Lack of transportation is a primary obstacle to medical care
- Constant stress of being homeless negatively impacts illness
- Social supports are often extremely limited

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<sup>1</sup> Hibbs JR, Benner L, Klugman L, Spencer R, Macchia I, Mellinger AK, Fife D. Mortality in a Cohort of Homeless Adults in Philadelphia. *New England Journal of Medicine* 1994; 331: 304-309.

<sup>2</sup> Hwang SW, Orav EJ, O'Connell JJ, Lebow JM, Brennan TA. Causes of Death in Homeless Adults in Boston. *Annals of Internal Medicine* 1997; 126 (8): 625-628.

<sup>3</sup> Bonin E, Brehore T, Kline S, Misgen M, Post P, Strehlow AJ, Yungman J. Adapting Your Practice: General Recommendations for the Care of Homeless Patients. Nashville: Health Care for the Homeless Clinicians' Network, National Health Care for the Homeless Council, Inc., 2004. [www.nhchc.org](http://www.nhchc.org)

## Health Care Costs of Chronic Homelessness

Chronically homeless people, defined by the federal government as those who have experienced repeated or extended stays of a year or more on the street or in temporary shelter and have a disability, constitute about **10 percent** of the homeless population<sup>4</sup> and **consume more than half** of homeless resources. This subset of people suffers from complex medical, mental and addiction disabilities that are virtually impossible to manage in the unstable setting of homelessness. Medical illnesses frequently seen in this population include hypertension, cirrhosis, HIV infection, diabetes, skin diseases, osteoarthritis, frostbite and immersion foot.

With an extreme level of disability, these individuals are among the highest-end utilizers of the state's health care systems. Clinicians from Boston Health Care for the Homeless Program (BHCHP) have collected data on the medical needs and costs associated with chronically homeless individuals living unsheltered on the streets.<sup>5</sup> Over a five-year period, a cohort of **119 street dwellers** accounted for an astounding **18,384** emergency room visits and **871** medical hospitalizations. The average annual health care cost for individuals living on the street was **\$28,436**, compared to **\$6,056** for individuals in the cohort who obtained housing. A growing body of evidence in mental and public health literature shows dramatic improvement in health outcomes, residential stability and cost to society when homeless people receive supportive medical and case management services while living in permanent, affordable housing units.<sup>6,7,8,9,10,11,12,13</sup>

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<sup>4</sup> Kuhn R, Culhane DP. Applying Cluster Analysis to Test a Typology of Homelessness by Pattern of Shelter Utilization: Results from the Analysis of Administrative Data. *American Journal of Community Psychol* 1998; 26 (2): 207-232.

<sup>5</sup> O'Connell JJ, Swain S. Rough Sleepers: A Five Year Prospective Study in Boston, 1999-2003. Presentation, Tenth Annual Ending Homelessness Conference, Massachusetts Housing and Shelter Alliance, Waltham, MA 2005.

<sup>6</sup> Padgett DK, Gulcur L, Tsemberis S. Housing first services for people who are homeless with co-occurring serious mental illness and substance abuse. *Research on Social Work Practice*. 16(1): 74-83. Jan 2006.

<sup>7</sup> Siegal CE, et al. Tenant Outcomes in Supported Housing and Community Residences in NYC. *Psychiatric Services*. 57(7): 982-993. July 2006.

<sup>8</sup> Martinez TE, Burt MR. Impact of Permanent Supportive Housing on the Use of Acute Care Health Service by Homeless Adults. *Psychiatric Services*. 57(7): 992-999. July 2006.

<sup>9</sup> Tsemberis S, Gulcur L, Nakae M. Housing first, consumer choice, and harm reduction for homeless individuals with a dual diagnosis. *American Journal of Public Health*. 94(4): 651-656. April 2004.

<sup>10</sup> Seidman LJ, Schutt RK, Caplan B, Tolomciensko GS, Turner WM, Goldfinger S. The effect of housing interventions on neuropsychological functioning among homeless persons with mental illness. *Psychiatric Services*. 54(6): 905-8. Jun 2003.

<sup>11</sup> Rosenheck R, Kaspro W, Frisman L, Liu-Mares W. Cost-effectiveness of supported housing for homeless persons with mental illness. *Archives of General Psychiatry*. 60: 940-51. Sept 2003.

<sup>12</sup> McHugo GJ, Bebout RR, Harris M, Cleghorn S, Herring G, Xie H, Becker D, Drake RE. A randomized controlled trial of integrated versus parallel housing services for homeless adults with severe mental illness. *Schizophrenia Bulletin*. 30(4): 969-82. 2004.

<sup>13</sup> Mares AS, Kaspro WJ, Rosenheck RA. Outcomes of supported housing for homeless veterans with psychiatric and substance abuse problems. *Mental Health Services Research*. 6(4): 199-211. Dec 2004.

## **Housing First**

Housing First represents a paradigm shift in addressing the costly social problem of homelessness. This strategy demonstrates impressive outcomes when people are supported in a permanent, housed environment, rather than targeted for intensive services in shelters or streets. Tenants live in leased, independent apartments or congregate-based homes that are integrated into the community and they continue to have access to a broad range of comprehensive services, including medical and mental health care, substance abuse treatment, case management, vocational training and life skills. The use of these services, however, is not necessarily a condition of ongoing tenancy. Housing First represents a shift toward “low-threshold” housing, focusing on the development of formerly homeless persons as “good tenants” as opposed to “good clients.” It is a service delivery model change that recognizes that many persons’ disabilities limit them from entering housing contingent upon complex service plans, compliance-based housing or the acknowledgment of certain labels or diagnoses.

This model has been implemented with success in several cities in recent years, including San Francisco, New York and Philadelphia. Outcome data has been reported on chronically homeless people with severe mental illness who were housed using a Housing First strategy in New York City between 1989 -1997.<sup>14</sup> This landmark study showed that a supportive Housing First intervention for more than 4,600 people resulted in dramatically lower rates of emergency public service usage and associated costs. Following placement in supportive housing, homeless people in this study experienced fewer and shorter psychiatric hospitalizations, a **35% decrease** in the need for medical and mental health services and a **38% reduction** in costly jail use. Furthermore, costs of the housing units, subsidized mostly by the state and federal governments, were offset by savings in governmental spending on health services for this population.

## ***Home & Healthy for Good***

As a result of mounting evidence from around the country that Housing First is cost-effective and decreases the incidence of chronic homelessness, the Massachusetts Legislature passed line item 4406-3010 in the FY07 state budget to fund a statewide pilot Housing First program for chronically homeless individuals. The state allocated \$600,000 to the Massachusetts Housing and Shelter Alliance (MHSA) through the Department of Transitional Assistance (DTA) to operate the *Home & Healthy for Good* (HHG) program. Funding for HHG was increased to \$1.2 million in FY08, and was level funded at \$1.2 million for FY09. On July 1, 2009, *Home & Healthy for Good* and other homeless programs funded by the state were moved to the Department of Housing and Community Development (DHCD). *Home & Healthy for Good* has been funded at \$1.2 million for FY11 in line item **7004-0104**. This resource is used to fund a portion of the service *or* housing components for program participants, with the expectation that federal or other state resources will be leveraged to finance additional needed service or facilities funds.

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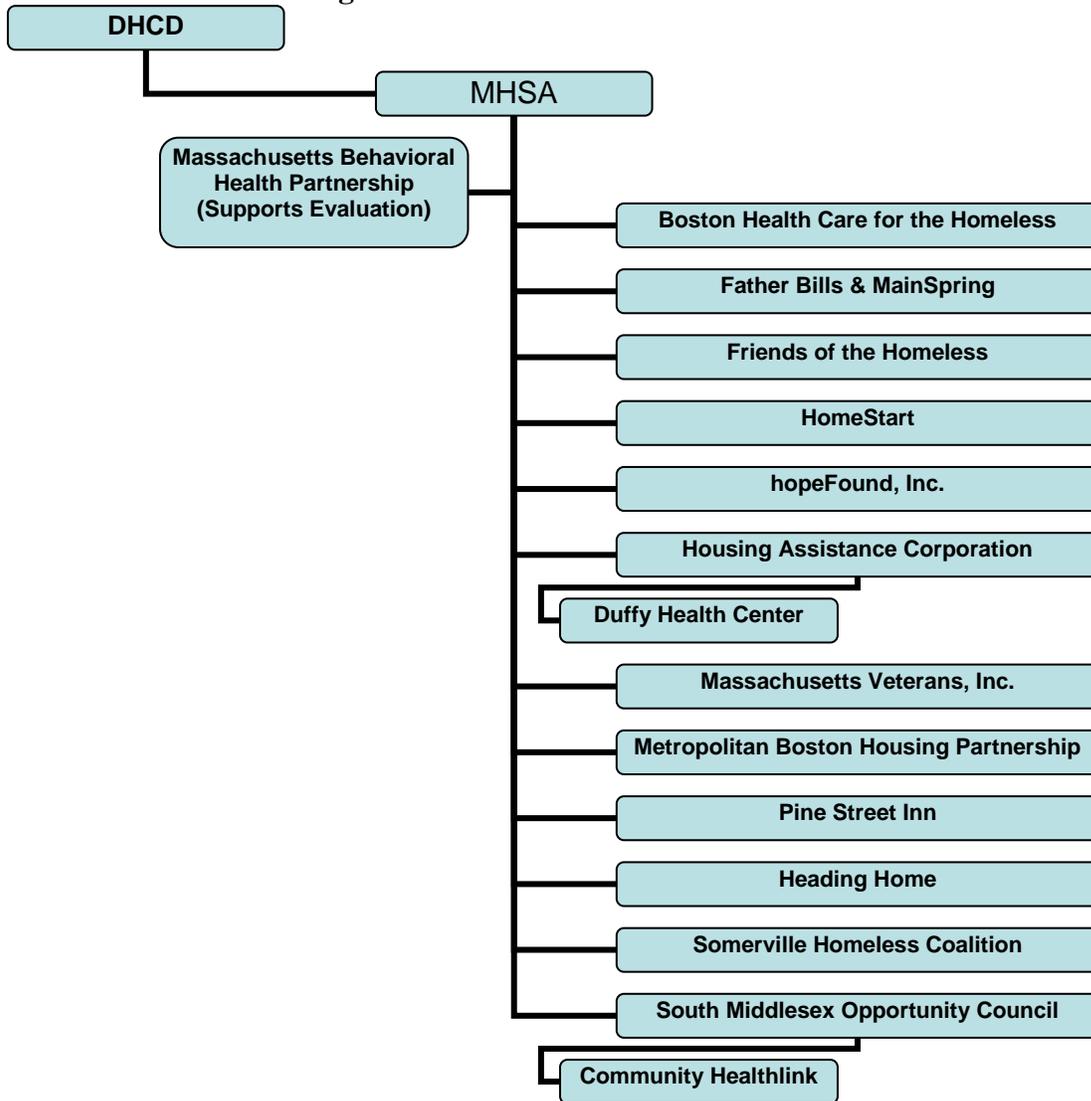
<sup>14</sup> Culhane DP, Metraux S, Hadley T. Public service reductions associated with placement of homeless persons with severe mental illness in supportive housing. *Housing Policy Debate*. 13(1): 107-163. 2002.

Furthermore, the Legislature requested that an evaluation of this program be performed, with a focus on the cost per participant and projected cost savings in state-funded programs. This report describes the implementation of *Home & Healthy for Good* and updated findings from the evaluation of the program as of December 2010.

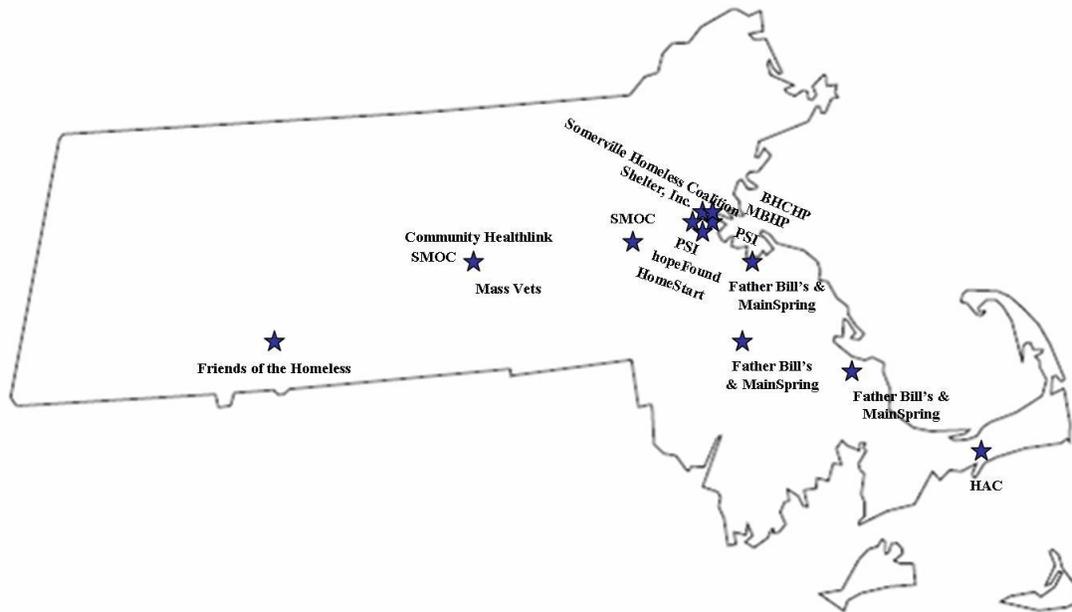
**Implementation**

MHSA and DHCD generated a contract that outlined the technical aspects of *Home & Healthy for Good* for this fiscal year 2011. Twelve homeless service providers across the state continue to participate in the program as agencies subcontracted by MHSA. These organizations provide either housing or in-home services, or in some cases both. Housing may be scattered-site apartments or congregate based. Intensive in-home services are provided by case managers or in some cases medical clinicians.

**Schematic of Involved Agencies**



## Geographic Locations of Programs



## Data Collection

In order to ethically conduct research and measure outcomes in a vulnerable population, participants are asked to consider enrollment in the research study and informed consent is obtained from those who agree. Participants sign MassHealth's Permission to Share Information form so that Medicaid claims data may be analyzed. Refusal to participate in the research study does not preclude participation in HHG.

Case managers interview tenants who agree to contribute to the research study upon entry into housing and at one-month intervals thereafter. Interview questions pertain to demographic information, quality of life, nature of disabilities, health insurance, sources of income and self-reported medical and other service usage. MassHealth (Medicaid) analysts reviewed billing claims data in March 2009 for those 96 participants who had Medicaid eligibility in the year before and the year after moving into housing.

The research component of *Home & Healthy for Good* has been funded in large part by a grant from the Massachusetts Behavioral Health Partnership, an organization that has been instrumental in promoting a Housing First approach for ending chronic homelessness in Massachusetts.

## Outcomes

### Total Participants

As of February 17, 2011, **488** formerly chronically homeless people have been housed in the *Home & Healthy for Good* (HHG) program.

### Residential Stability

Out of a total of 488 participants, **251** remain housed in the *Home & Healthy for Good* program, 132 moved on to other permanent housing and 23 died while participating in the program, resulting in a residential stability rate of **83%**. The following list categorizes participants who moved out of HHG housing:

Returned to homelessness	15 people
Unknown whereabouts	52 people
Incarcerated	15 people
Moved on to other permanent housing (remaining housed)	132 people

Tenants who remain housed have been in the program for an average of **2.4 years** as of February 2011. Tenants who exited the program left after an average of 1.4 years.

### Type of Housing

Congregate housing, where each tenant has a private bedroom and shares bathroom, kitchen, and laundry space with housemates, accounts for **55%** of the housing in this program. The remaining **45%** of homes are scattered-site housing (individual apartments scattered throughout neighborhoods).

### Former Street Dwellers

Street dwellers, defined as people who were staying predominantly outside prior to moving into housing (as opposed to staying in shelters), account for **29%** of participants in this program.

**Demographics:**

<b>Total Participant Characteristics</b>			
		<b>Number</b>	<b>(%)</b>
<b>Total Number</b>		455	(100)
<b>Gender</b>			
	Male	371	(76)
	Female	114	(23)
	Transgender	3	(1)
<b>Age</b>			
	18-30	44	(9)
	31-50	262	(54)
	51-61	151	(31)
	62+	28	(6)
	Average Age	46	
<b>Ethnicity</b>			
	Hispanic	57	(12)
	Non-Hispanic	423	(87)
	Unknown	8	(1)
<b>Race</b>			
	African American	88	(18)
	White	355	(73)
	Native American	11	(2)
	Asian	4	(1)
	Multi	7	(1)
	Unknown	24	(5)

<b>Income Sources Reported</b>			
	Supplem. Security	61	(13)
	SSDI	70	(14)
	Social Security	42	(9)
	General Assistance	90	(18)
	Employment	54	(11)
	Food Stamps	20	(4)
	None	135	(28)
	Veterans	6	(1)
	Unemployment	3	(1)

<b>Health Insurance</b>			
	Private Insurance	9	(2)
	Medicare	41	(8)
	MassHealth	410	(84)
	No Insurance	28	(6)
	Commonwealth Care	9	(2)
	Veterans	21	(4)
<b>Disability</b>			
	Medical	262	(54)
	Mental	311	(64)
	Active Substance Abuse	105	(22)
	Multiple Disabilities	226	(46)
<b>Served in Military</b>		86	(18)
<b>Average Length of Homelessness</b>		<b>6 years</b>	
<b>Housed from:</b>			
	Street	123	(25)
	Shelters	306	(63)
	Other/Unknown	59	(12)

### **Research Sample**

Due to the expiration of the original consent form, a new form was created and signed by 204 participants. With the exception of the Medicaid costs (see below), the data reported below was obtained through monthly interviews of this group of 204 research subjects. As of December 2010, each tenant was interviewed an average of 13 times to inform this report.

### **Medicaid Costs**

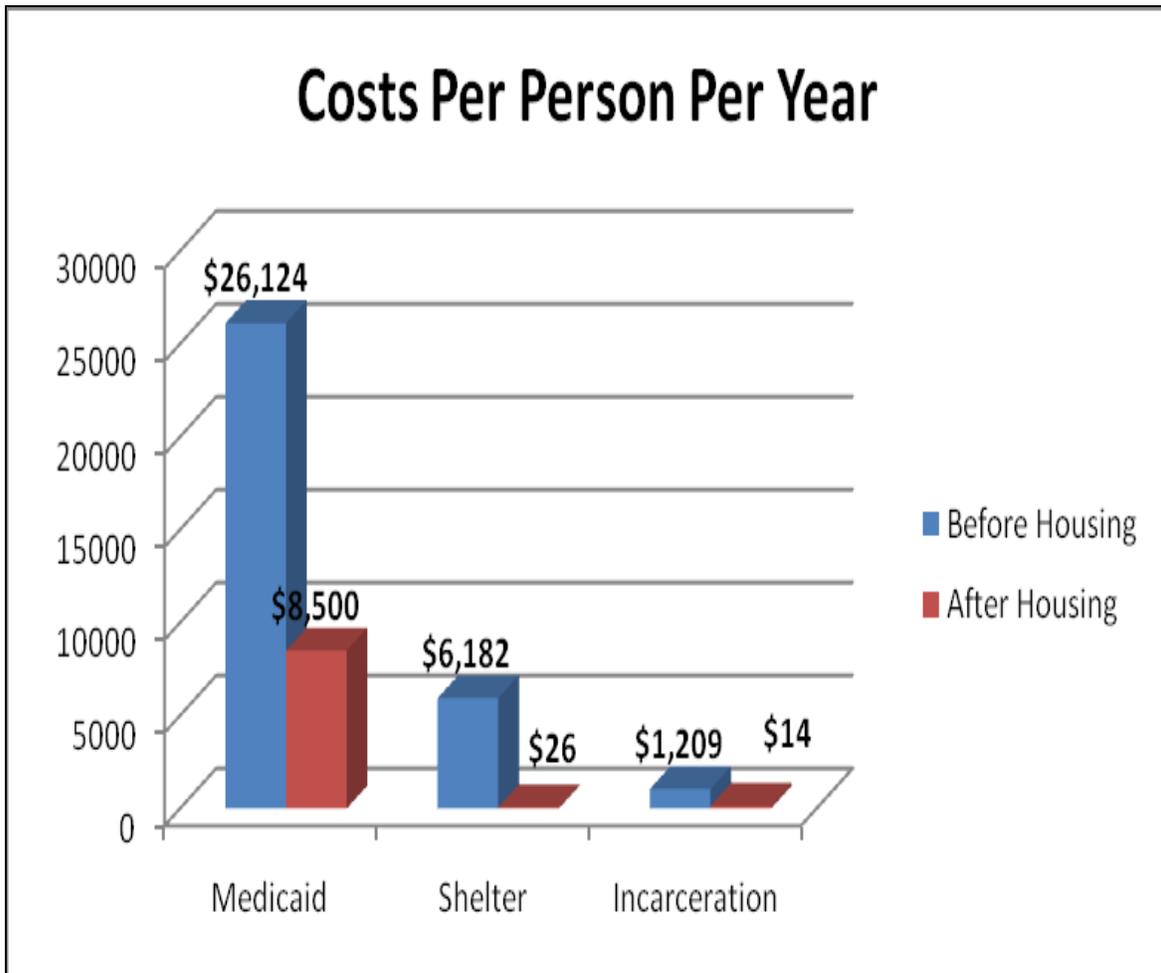
Actual Medicaid costs pre-housing and post-housing were obtained in March 2009 from MassHealth for the first **96** HHG participants. The Medicaid analysis is limited to these 96 participants because they have been in housing long enough that medical claims data are complete for an entire year after moving into housing. Total Medicaid costs reported below include any medical service that was paid for by MassHealth, including inpatient and outpatient medical care, transportation to medical visits, ambulance rides, pharmacy, dental care, etc. We have chosen to use this Medicaid claims data, even though it is from only a portion of the entire HHG cohort, instead of previously collected self-reported data as it is the most accurate assessment of costs.

### **Shelter and Incarceration Costs**

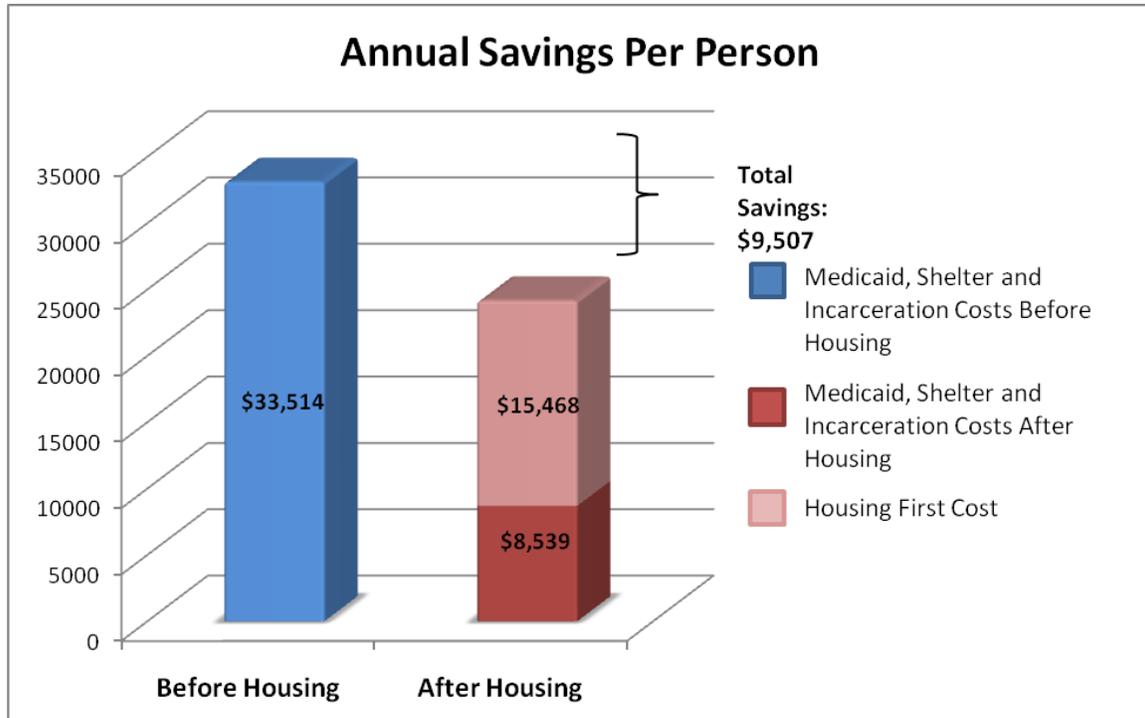
MHSA has made conservative estimates of the costs of shelter and incarceration in the year prior to housing compared to the year after housing for HHG participants. These estimates are based on the following:

- **Shelter:** According to the Department of Transitional Assistance, the average cost to the state of a night in a Massachusetts homeless shelter for one individual is \$32
- **Incarceration:** Massachusetts Department of Correction estimated the costs associated with prison or jail time to be \$123 per day

## Annual Costs Per Person



## Annual Savings



This chart depicts the estimated total costs of all the above measured services (Medicaid, shelter, incarceration) per person per year in the year prior to and the year after housing (in blue and red), along with the costs of operating this program, including housing and in-home services (in pink).

**Therefore, our projected annual cost savings to the Commonwealth per housed tenant is \$9,507.**

## MHSA Receives Outside Analysis of Self-Reported Data

MHSA recently received a grant from the Corporation for Supportive Housing to perform an in-depth study of the differences in effectiveness of various service delivery models on client outcomes and tenancy success in the *Home & Healthy for Good* program. Through this grant, MHSA teamed up with Root Cause and Public Service Economics who used self-reported client data and publicly available cost averages to further analyze the pre- and post-housing per client costs of *HHG*. Public Service Economics' cost analysis supports MHSA's ongoing conclusions, showing a post-housing savings of roughly \$4,000. Data in the chart below is derived from client-reported public resource usage. The service usage costs demonstrated here are considered to be a conservative estimate given that the cost data used to determine the savings for each cost type does not represent the true nature of serving chronically homeless individuals with public resources.

