

Many of Medicaid’s highest cost beneficiaries are individuals with complex and co-occurring health and behavioral health challenges experiencing homelessness and housing crisis.¹ For these individuals, homelessness exacerbates chronic illnesses by increasing exposure to trauma and high-risk behaviors and, in turn, results in social isolation and difficulties accessing the coordinated primary and behavioral health services needed to manage and expedite recovery.

The interaction between homelessness and complex health conditions often times results in the frequent use of costly emergency health services, like detox and emergency departments, as well as repeat avoidable hospitalizations. Research shows that these costs can be avoided through a combination of stable housing, health care coordination, and community-based service delivery.

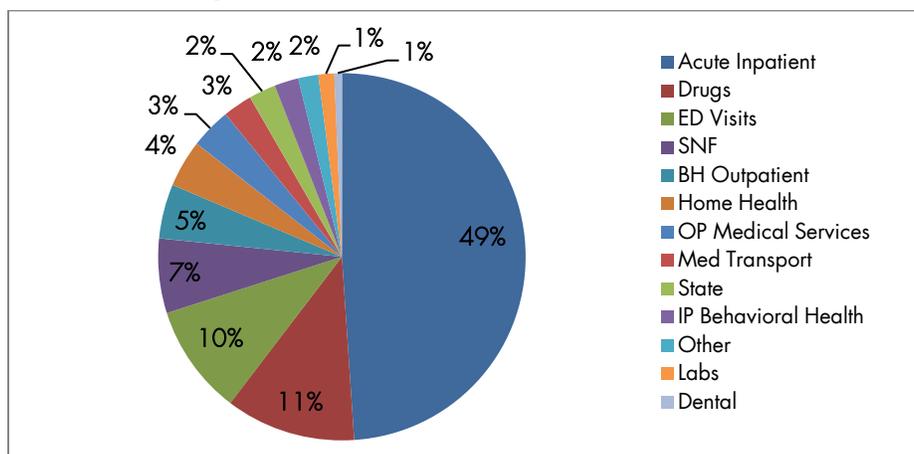
According to a data match between HMIS and the DSS Medicaid database conducted in January 2012, providing supportive housing coupled with health care coordination to a cohort of 419 people who are homeless, high utilizers of Medicaid services could avoid more than \$3.5 million in Medicaid costs per year.²

Methods

Cost and claims data for adult Medicaid-recipients were matched with adults age 20-64 who spent at least one night in a Connecticut homeless shelter in 2011 to identify a population of people who are both homeless/at risk of homelessness and high-cost utilizers of Medicaid services.

- 4,193 adults were matched.³ “High-cost utilizers” were defined as those with the 10% highest Medicaid costs (n=419). The top 10% accrued more than 44% of the total spending of homeless population matched.
- The top 3 most costly service categories identified were Acute Inpatient, Emergency Department Visits and Medications. These service categories account for 70% of Medicaid spending for the top 10% of the homeless population matched.

Service Usage for Top 10% of Homeless Individuals Matched



¹ Linkins et al., 2008; Raven et. al., 2009

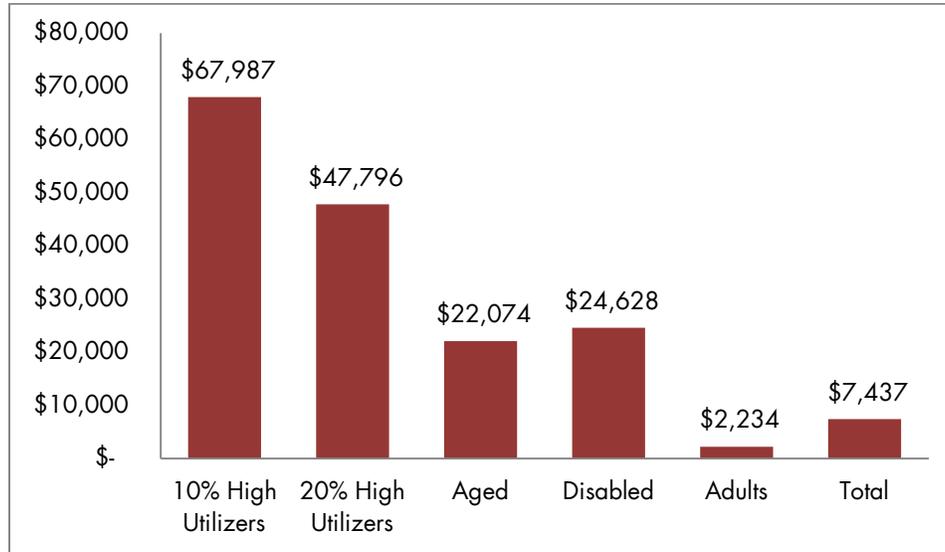
² Homelessness data provided by CT HMIS, Connecticut Coalition to End Homelessness. Medicaid data was provided by the CT Department of Social Services.

³ The data was matched based on SSN. Out of 8,132 clients with a last seen date in SFY 2011, 7273 had a value in the SSN field. Out of the 7273, 4928 were matched with Medicaid claims. Out of the 4928, 4193 were adults age 20-64. This is a conservative estimate that that does not include all adults in both systems and does not include those in HMIS who are Medicaid eligible but not enrolled.

Supportive housing can lower Medicaid costs for this high-cost cohort

- The top 10% of homeless, high-cost utilizers are *9 times more expensive* than the average Medicaid beneficiary.⁴

Average Annual Medicaid Payments per Enrollee By Cohort



- Research shows that *supportive housing is able to reduce Medicaid costs by 41% among homeless high utilizers* through the reduction in hospitalizations and other crisis service use.⁵ Applying this rate of cost offsets to the identified cohorts of 419 high utilizers who are homeless, we see that supportive housing could potentially *save the State \$3.5 million annually* when including housing costs (\$11.7 million annually in total state and federal Medicaid cost savings):

Per person Medicaid costs for homeless, high-cost utilizers	\$67,987
Potential % Medicaid cost offsets from supportive housing	41%
Potential per person Medicaid cost reductions from supportive housing	\$27,875
Annual average per person cost of supportive housing	\$19,500
Potential annual per person savings	\$8,375
Potential annual savings for 419 high utilizers	\$3,508,987

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⁴ Compared to 2008 data compiled by Kaiser Family Foundation and available on Statehealthfacts.org:
<http://www.statehealthfacts.org/profileind.jsp?ind=183&cat=4&rgn=8>

⁵ Larimer, M.E., Malone, D.K., Garner, M.D., Atkins, D.C., Burlingham, B., Lonczak, H.S., Tanzer, K., Ginzler, J., Clifasefi, S., Hobson, W.G., and Marlatt, G.A. (2009). "Health Care and Public Service Use and 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. Additionally, a Massachusetts Housing and Shelter Alliance study in 2007 for 61% reductions in mean Medicaid costs through the housing first pilot.: "Home and Healthy for Good: A Statewide Pilot Housing First Program." Boston.