Purpose

Two national current national health care policy trends, will come as little surprise to the supportive housing industry. One is the #HousingisHealthCare and that housing is often the best medicine for persons experiencing both medical challenges and homelessness or housing instability. The second is that sectors of government such as housing and health care are not aligned in a manner that facilitates supportive housing development or sustainability. To that end, the following paper is an educational tool for the supportive housing industry to assist in building relationships and long term partnerships with your state Medicaid offices.

Medicaid: A state and federal partnership

Medicaid is a partnership between the state and federal government, with each partner playing different roles. Currently (January, 2017), the federal government funds a portion of the program and sets the basic requirements for the program. The state government also funds a portion of the program and sets the details of the program (What populations are served? What services do they receive?) as well as implements the program. Most states use Managed Care Organizations (MCOs) as the county or region based program implementation leader, perhaps similar to a Continuum of Care Role. Currently, 77% of Medicaid Beneficiaries are enrolled in MCOs across all 50 states and that trend has only increased in the past 5 years1. Depending upon changes in the next federal administration, some of these details can change, but all expect that the state and federal partnership will remain in place, in some structure.

The federal partner is called the Center for Medicare and Medicaid Services or CMS. CMS communicates to states their priorities in a variety of ways2 and has historically highly valued comments from the field. CMS issues regulations in a multi-step process that can often include “Notice of Rulemaking”, “Interim Final Rule” and “Final Rule”. Each step in the process has a set and deliberate protocol that includes a variety of opportunities for comments from states, advocates and concerned citizens. State Medicaid Director letters are used to communicate from CMS officials to State Medicaid directors, in a public manner, CMS’ priorities and explain in additional detail, regulations and rules. Informational Bulletins are also frequently issued to address frequent questions from the field.

States can modify their programs through a variety of methods, which currently need to be approved by CMS. States can propose “Waivers” to waive certain CMS requirements, though waivers are required to continue to uphold the purpose of the Medicaid law3. States can propose additional populations

---

1 http://kff.org/medicaid/state-indicator/total-medicaid-mc-enrollment/?currentTimeframe=0
3 https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/waivers_faceted.html
to be served or additional services to be offered via “State Plan Amendments”. There is a standard process for how these changes are developed and for the collaboration between states and CMS. All of these processes have at least one public comment period, where a variety of stakeholders can weigh in regarding the proposed changes. States often need broad and vocal stakeholder engagement to support their efforts.

**How States Structure their Plans**

While only one state agency can hold the contract with the CMS for the state’s Medicaid program, states can have various state departments administer portions of the program, due to their expertise. For example, many states have a Behavioral Health department administer the Behavioral Health portion of the benefit, or an Aging department administer Long Term Services and Supports (LTSS) benefits that are primarily focused on serving the elderly population. If you are advocating for a new service that impacts a particular population, advocacy strategies usually focus on staff in the department who administers the benefit.

States often have different processes for how they make changes in the Medicaid programs. As changes often have a fiscal impact, some states require that these proposals start with the state legislature. Other states proposals start with the state Medicaid department or particular state department that administers the benefit. Advocacy efforts often can take root, when they are directed at the right decision makers and supportive housing providers would do well to learn this process and who the players are in this process in their state, before they invest time and resources.

**Policy Trends**

States are increasingly recognizing the value of supportive housing but also face challenges to bring resources to bear from the variety of diverse and nonaligned funding streams that are needed for most supportive housing projects. States are learning from the research the positive impact on health care costs and outcomes, particular when resources are targeted to the complex care and/or high need/high cost populations. CMS’ Informational Bulletin of June, 2015 highlights the ways that Medicaid can be used to fund tenancy support services and CMS’ willingness to consider these strategies. The bulletin was also clear that Medicaid funds cannot cover “room and board” expenses and this has been widely interpreted to include rental or operating subsidies for supportive housing projects. Medicaid can cover a variety of the pre-tenancy, tenancy support and eviction prevention services that are commonly found in supportive housing projects. The Medicaid Expansion, created by the Affordable Care Act has allowed health care coverage for many individuals who were previously uninsured. Many of these newly eligible beneficiaries are part of the high cost/ high need cohort and states are only now discovering how to address their health care and social service needs.

---

State Strategies on Tenancy Supports

Using the CMS Informational Bulletin as a guide, a variety of states including Washington, California, Illinois, New Jersey and Connecticut are all exploring various strategies to expand their state’s Supportive Housing capacity, using Medicaid to fund the supportive services component. Some states are using the Medicaid Authority of an 1115 Research and Demonstration Waiver to test hypotheses regarding decreasing health care costs when supportive housing is delivered as an intervention. 1115 waivers require “budget neutrality”, meaning the federal government will not fund a higher amount to the state, than if the waiver was not requested. Washington State has recently been approved for such a waiver and a variety of other states either have requests into CMS or are in the process of developing a waiver request. Louisiana and other states are using the approach of Home and Community Based Services, or 1915(c) or 1915 (i) waivers, to deliver supportive housing services to qualified applicants. These programs often included partnerships with their Housing Finance Agency for the affordable housing components of the program. Other states such as Pennsylvania have used current Medicaid benefits such as Targeted Case Management services to pair with housing subsidies to create Supportive Housing Programs. States wishing to use this strategy would submit a State Plan Amendment or SPA to CMS for approval. Finally, California is using their Health Home Pilots to offer supportive services in new affordable housing developments to create supportive housing.

Whatever strategy fits best with the health care delivery system in your state, the precedents of other states and research is available to support those efforts. CMS offers an easy to use web site that can summarize waivers and processes with your state. Waivers and SPAs are complicated documents however and CSH recommends working with partners in your state of community who have experience with these waivers and can assist in reviewing the implications for vulnerable populations and particular supportive housing providers.

Tools for furthering this work

The states noted above have used an assortment of effective strategies to reach this point of collaboration between State Medicaid offices and supportive Housing providers. One common tool is a Medicaid Crosswalk. A Medicaid Crosswalk examines what services and benefits are offered in a state Medicaid plan, what are the essential services in supportive housing and outlines where there are overlaps and where there are gaps. Gaps commonly occur either in services offered or in populations receiving Medicaid coverage. A Medicaid Business Case, can quantify for your state and community, how much your state’s Medicaid plan can be expected to save, if vulnerable populations receive this intervention. Since 1115 waivers require budget neutrality and many state budgets climates are challenging, this business case is essential to making your case to budget offices and decision makers from a fiscal perspective. Finally, broad

8 http://www.hca.wa.gov/assets/program/waiverfactsheet_0_0.pdf
11 https://www.medicaid.gov/medicaid/by-state/by-state.html
stakeholder groups are required to impact state policy at this level. Coalitions that include advocates for people with disabilities, for health care access, for people experiencing homelessness as well as good government advocates are most likely to be effective in this complicated space. The most effective coalitions bring together people with diverse but overlapping missions, who see the need for housing as platform for good health for persons, communities and states.

Resources

A number of recent publications highlight the options and opportunities that exist within the current Medicaid structure. When advocating with state officials, some respond well to fiscal arguments such as cost savings. Program officials respond well to Best Practice reasons and cases where other states have been able to successfully implement. Know your audience and be prepared to make both arguments. The links below are to recent documents that can help you and your team create talking points or summaries for these efforts. Good luck in your efforts and as always, let CSH know how we can assist.

CSH/USICH Quick Guide to Improving Medicaid Coverage for Supportive Housing Services

USICH/NHCHC Medicaid & Supportive Housing Quick Guide for Health Centers

CSH White Paper- Creating a Medicaid Supportive Housing Services Benefit: A Framework for WA and Other States

CSH- Summary of State Actions on Medicaid and Housing

NGA- Housing as Health Care a Road Map for States