



Supportive Housing Research FAQs: How Does Supportive Housing Affect Tenant Service Utilization?

Supportive housing is designed to serve tenants with long histories of homelessness who often face persistent obstacles to maintaining housing, such as a serious mental illness, a substance use disorder, or a chronic medical problem. While homeless, these individuals often cycle through countless public institutions – emergency rooms, inpatient hospitals, homeless shelters, jails and prisons. These patterns of service utilization not only fail to address the underlying causes of homelessness, but they are extremely costly to the public systems involved. Supportive housing helps tenants end homelessness and access the services they need to address their health and mental health problems effectively. As such, supportive housing leads to decreases in the inappropriate utilization of emergency services and public institutions. This brief describes findings from two studies that illustrate the extent to which supportive housing leads to these reductions.

A Study of Two Supportive Housing Projects in San Francisco:

The Canon Kip Community House and The Lyric Hotel – two supportive housing projects in San Francisco – serve people with very long histories of homelessness and dual psychiatric and substance use disorders. A recent analysis of public health system data for tenants of these two projects showed decreases in emergency room visits and inpatient hospitalizations.¹ Using these data, researchers tracked patterns of service utilization for 236 tenants two years prior and two years after entry into supportive housing. Because tenants were selected for supportive housing from a randomized waiting list, researchers were also able to perform a case-control analysis on a subsample of 100 cases that entered supportive housing immediately with 25 controls that entered one year later.

The analysis found that placement into supportive housing significantly reduced the total number of emergency department visits by 57% (from 457 to 202 visits) as well as the average number of visits per person (1.94 to .86 visits per tenant). The total number of inpatient admissions decreased by 45% (from 80 to 44 admissions), and the average number of admissions per tenant decreased from .34 to .19 per tenant.

Findings from an Evaluation of the NY/NY Agreement:

The NY/NY Agreement, signed in 1990, was an agreement between the City and State of New York to jointly fund 3,600 new units of supportive housing in New York City for people with a history of homelessness and a diagnosis of severe mental illness. Researchers at the University of Pennsylvania conducted an evaluation of this initiative using a matched pair case-control design. They analyzed the administrative records of 4,679 people placed in supportive housing between 1989 and 1997, and compared patterns of service utilization to a series of matched controls who

¹ Tia Martinez and Martha Burt. *Impact of Permanent Supportive Housing on the Use of Acute Care Health Services by Homeless Adults* (Psychiatric Services, July 2006 Vol. 57, No.7).

were homeless but did not receive supportive housing.² Their analysis found that supportive housing led to decreases in the use of emergency shelters, inpatient psychiatric hospitals, public municipal hospitals, veterans hospitals, city jails, and state prisons.

Table 1: NY/NY Analysis of Service Utilization

System	Percentage Reduction in Days
Homeless Shelter System	60.5%
State Psychiatric Hospitals	60.8%
Municipal Hospitals	21.2%
Medicaid Inpatient Services	24.4%
Medicaid Outpatient Services	-75.9%
VA Hospitals	24.4%
State Prisons	84.8%
City Jails	38.0%

As shown in Table 1, the biggest decreases were in the number of days spent in shelters, inpatient psychiatric hospitals, and state prisons. The analysis showed an increase in the use of Medicaid outpatient services, which is presumably the result of tenants having better access to primary care when housed. Researchers compared these overall reductions in service utilization with the per diem costs of serving clients in each of these systems. According to their analysis, it cost \$17,276 to provide supportive housing to each tenant per year, but generated \$16,282 in annualized savings, demonstrating that supportive housing is a cost effective solution to homelessness.

² Dennis Culhane, Stephen Metraux, and Trevor Hadley, *Public Service Reductions Associated with Placing Homeless Persons with Severe Mental Illness in Supportive Housing*, (Housing Policy Debate, Vol 13, Issue 1).