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Understanding Supportive Housing Services and Potential Medicaid Reimbursement

Purpose

This project was a collaboration between the Corporation for Supportive Housing (CSH), Heartland Alliance, and Health & Disability Advocates (HDA) and included several partners including: the Chicago Alliance to End Homelessness, Supportive Housing Providers Association, and the AIDS Foundation of Chicago. Illinois organizations wanted to gain an understanding of which supportive housing services are Medicaid reimbursable and develop recommendations regarding the state's implementation of health reform to improve Medicaid reimbursement for services in supportive housing.

Relationship of Medicaid and Supportive Housing in Illinois

Illinois has a robust and sophisticated supportive housing industry. As of August 2011, there were 8,356 units of supportive housing in Illinois for persons experiencing homelessness. This is the result of joint or consistent funding priorities between state and local jurisdictions in partnership with nonprofits and public-private planning bodies to create more housing with services. Services in supportive housing are generally funded through a mix of federal, state, and private grants, with a minority of programs receiving Medicaid reimbursement. Pressure is growing on Illinois' supportive housing providers to identify more stable sources of service funding as grants and general appropriations become more unpredictable and competitive. The decreases in state and local funding combined with the substantial increase of eligibility and enrollment in Medicaid for almost all uninsured persons under 133% of the federal poverty level in 2014, creates an imperative for providers to begin to ready their programs to accept Medicaid recipients and to receive Medicaid reimbursement.

Medicaid Payment Mechanisms in the Illinois

The most common options to fund supportive housing services with Medicaid include the Medicaid Rehab Option, Home and Community-Based Services Waiver, and partnerships between supportive housing providers and Federally Qualified Health Centers (FQHCs). More than half (58%) of survey respondents indicated that they had an arrangement with either an FQHC or some other health agency. The table below illustrates the specific services included in each Medicaid payment mechanism.

Summary and Implications

This crosswalk found that a majority, if not all, of the services delivered in Illinois supportive housing projects can be reimbursed by Medicaid. While many organizations do not bill Medicaid directly, 41% of respondents indicated they received reimbursement for clients who live in supportive housing. Illinois found that 23% of respondents operate in a managed care environment.

Organizations were asked to identify their average cost per unit of service for a series of services. For each fifteen minute unit of service, the highest average cost was for crisis intervention ($27.24) and the lowest average cost was for group training in home-related skills ($10.09). When comparing all of the services, the average overall cost for a 15 minute unit of service was $16.81. It is important to note that these costs are estimates because not all organizations are reimbursed for services in 15 minute units and therefore do not collect cost data in this manner.

This survey produced the following recommendations from project partners:

1. The State should review current supportive housing Medicaid Mechanisms and streamline billing for providers, while maintaining current funding for those individuals not eligible for Medicaid and services that are not allowable for Medicaid.
2. The State should encourage new partnerships between providers with other supportive housing providers and with health homes such as CMHCs, community mental health boards and Federally Qualified Health Centers to better integrate service delivery and billing.
3. The State should amend licensure and services in some Medicaid mechanisms to allow a hybrid of outpatient services to be provided in supportive housing.
4. The State should review current reimbursement strategies such as Medicaid Rehabilitative Option (Rule 132) to maximize Medicaid matching funds.
5. The State should explore expanded braided funding opportunities through Vocational Rehabilitation and the Medicaid fiscal authorities for supported employment and other employment services.
6. The state should analyze the cost-effectiveness of new opportunities under the Affordable Care Act and existing but underutilized fiscal authorities.

Appendix 4: Medicaid Crosswalk

Selected Key Medicaid Fiscal Authorities for Supportive Housing Services									
Major Categories of Supportive Housing Services in Illinois	**General Medicaid Service Description**	**Medicaid Rehab Option – State Plan 1905 (a) (13)**	**TCM — State Plan 1905 (a)**	**1915 (i) HCBS Option**	**1915 (k) Comm. First Choice Option**	**Section 1915 (b) (3) Managed Care**	**Section 1915 (c) Managed Care**	**Health Home State Plan Option**	**Federally Qualified Health Center**
Case Management (Rule 132 and PSH)	Targeted Case Mgmt or Community Supports		X	X	X	X	X	X	X
Needs Assessment/ Evaluation (Rule 132 and PSH)	Assessment; Case Mgmt	X	X	X	X	X	X	X	X
Services Planning Development (Rule 132 and PSH)	Assessment and Targeted Case Mgmt	X	X	X	X	X	X	X	X
Referral and Linkage (Rule 132 and PSH)	Community Support; Targeted Case Mgmt		X	X	X	X	X	X	X
Crisis Intervention (Rule 132)	Clinic Based or Mobile Crisis	X	X	X	X	X	X	X	X
Mental Health Assessment/ Psychological Evaluation (Rule 132)	Assessment	X		X	X	X	X		X
Mental Health Treatment Plan, Review and Modification (Rule 132)	Assessment and Treatment Plan	X		X	X	X	X		X
Psychotropic Medication Administration, Monitoring or Training (Rule 132)	Community Support or Independent Living Skills	X		X	X	X	X		X
Housing Search and Placement (PSH, MFP)	Referral and Linkage		X	X	X			X	

Major Categories of Permanent Supportive Housing Services in Illinois	General Medicaid Service Description	Medicaid Rehab Option – State Plan 1905 (a) (13)	TCM — State Plan 1905 (a)	1915 (i) HCBS Option	1915 (k) Comm. First Choice Option	Section 1915 (b) (3) Managed Care	Section 1915 (c) Managed Care	Health Home State Plan Option	Federally Qualified Health Center
Individual or Group Training in illness self-management; living environment; Community Services; and home related skills. (PSH)	Community Supports; Independent Living Skills Training; Homemaker	X		X	X		X	X	
Transportation Services (PSH)	Emergency or non-emergency	X	X	X	X	X	X	X	
Substance Abuse Treatment (DASA Rule 2060/2090)	Outpatient Clinical Services; Counseling	X		X	X	X	X		
Services in an Employment Setting (PSH)	*See Separate Employment Supports Chart								

"Rule 132": Department of Mental Health Rule 132: Mental Health Services (GRF/Medicaid)

"PSH": Permanent Supportive Housing Services Generally Funded Under Permanent Supportive Housing Line Item through General Revenue Fund (GRF)

"DASA Rule 2060/2090": Division of Alcohol and Substance Abuse Services (GRF/Medicaid)

"MFP": Money Follows the Person (Medicaid)

"MRO": Medicaid Rehabilitation Option (Medicaid)

"HCBS": Home and Community Based Services (Medicaid)

"TCM": Targeted Case Management

Appendix A: Survey Methods

In order to obtain data directly from providers of permanent supportive housing, an online survey was created. The survey was primarily designed to capture information on current services being provided and staffing patterns in use by organizations that operate supportive housing. The survey was sent to permanent supportive housing providers throughout the state and also distributed to the membership of the Supportive Housing Providers Association and the Chicago Alliance to End Homelessness. A follow-up survey was also administered to capture information not originally requested.

In total, 38 organizations responded to the request for survey data regarding the services that are provided in supportive housing. This provider group manages 52.5% of the supportive housing units in Illinois. Of these 38 respondents, 33 completed all or the majority of survey questions. For most of the calculations below, a sample size of 33 was used. Other sample sizes were utilized for some calculations based on the number of responses.