



## Massachusetts Tenancy Support Services Community Support Program for People Experiencing Chronic Homelessness (CSPECH) Fall 2016

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### Introduction

States are examining a variety of strategies to braid funding streams to sustain and expand service capacity in Supportive Housing. Supportive Housing is a proven, cost effective intervention for populations who 1) experience chronic homelessness, 2) are re-entering communities from long term incarceration with disabilities or 3) who remain institutionalized due to lack of supportive housing capacity in local communities. Massachusetts, in a focused initiative to address persons with disabilities who were homeless long term, developed the Community Support Program for People Experiencing Chronic Homelessness (CSPECH). The program began in 2006 as a partnership between the state's Medicaid Program, MassHealth<sup>1</sup>; the state's Behavioral Health Managed Care Entity, the Massachusetts Behavioral Health Partnership (MBHP),<sup>2</sup> and the Massachusetts Housing and Shelter Alliance (MHSA)<sup>3</sup>. Initially, the program was capped at 50 persons and has since been expanded as a benefit offered by all Managed Care Organizations in the state through a Pay for Success (PFS) Initiative. Results indicate that health care costs have decreased on average \$10,000 a year per person for those able to move from chronic homelessness to supportive housing. The CSPECH benefit allows covered individuals to have access to Medicaid-reimbursed supportive services in permanent housing.

### Implementation

To expand efforts to end chronic homelessness and sustain current Supportive Housing programs, MHSA appealed to the State to use Medicaid to fund supportive services in supportive housing programs. MHSA effectively made the business case that supportive housing would decrease Medicaid costs for persons who were served, even with the addition of services. The initial program was offered through the creative use of Medicaid 1115 demonstration waiver and the Community Support Program (CSP) benefit. Focus groups were conducted statewide with supportive housing providers and residents to determine how to structure the benefit. MBHP, MA's Behavioral Health carve out Managed Care Organization (MCO), administered the benefit as a way to manage the cap on the pilot project and to ease the administrative burden on existing community-based supportive housing providers. The initial program served 50 members through five providers statewide and MHSA acted as the intermediary between their member organizations, the State and MBHP.

Services based on input from the focus groups, and the experience and expertise of supportive housing providers, emphasize care coordination and community support services. CSPECH was designed to provide wrap-around services to single adults who were experiencing chronic homelessness by creatively using the Community Support Program (CSP) Medicaid benefit that already existed in Massachusetts. The state's federal Medicaid Section 1115 waiver covers diversionary services to provide community-based alternatives to inpatient services. The covered life-changing supports include an array of services delivered by community-based, mobile, multi-disciplinary teams. CSP services are available to people enrolled in the MassHealth Medicaid program who have mental health

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<sup>1</sup> <http://www.mass.gov/eohhs/gov/departments/masshealth/>

<sup>2</sup> <https://www.masspartnership.com/>

<sup>3</sup> <http://www.mhsa.net/about-us/integrating-health-care-and-housing>

or substance use conditions or are at increased medical risk. CSP services are highly flexible to assist people who have been unable to independently access and sustain involvement with needed supports.

Traditionally in Massachusetts, the CSP benefit is reimbursed on a fee for service basis. This means that providers bill Medicaid (or the MCE/MCO) for each individual service as it is delivered. CSPECH uses a bundled rate payment structure. The existing CSP benefit of 15-minute units was flexed to allow a per diem rate and to allow for date-range billing (a provider could bill for an entire month even if the member did not receive services every single day). Because services in supportive housing are voluntary and delivered in a person-centered way, bundling them into a single payment structure streamlines provider administration and reimbursement processes.

CSPECH is designed to allow Medicaid to reimburse for the care coordination and community support management. The services included in CSPECH prevent hospitalization and other in-patient treatment that drive up health care costs. Reducing primary care and hospital costs are included as an incentive in the MCE's contract with the State. Services delivery must be community-based, mobile and delivered through a team approach. These services can include:

- Initial outreach and engagement (90 days)
- Providing service coordination and linkage
- Assisting with obtaining benefits, housing, SSI/SSDI, and health care
- Tenancy supports: landlord negotiation, housing search, crisis intervention
- Peer supports and specialists, fostering recovery and including linkages to self-help groups.
- Assisting residents with daily living skills

CSPECH providers are reimbursed up to 90 days prior to an individual being housed. This arrangement allows providers time to identify a housing opportunity and subsidy resource. CSPECH services are reimbursable as long as the individual remains housed. Mental health treatment, substance use counseling/treatment, and all other standard clinical services are provided through other Medicaid reimbursement mechanisms.

## Outcomes

CSPECH achieves Medicaid cost savings through directing resources toward individuals in supportive housing rather than managing medical conditions on the street or in shelters, which is far more expensive. The annual cost of one CSPECH placement is roughly \$6,300, and the average length of enrollment in CSPECH is 2.2 years. An analysis of MBHP claims, estimation of emergency department utilization, and other medical costs per person, pre and post enrollment in CSPECH, shows an estimated savings of over \$25,000 per person per year<sup>4</sup>. Subtracting MHSA's estimate of the \$15,468 annual cost per person participating in a supportive housing program leaves a net savings of \$10,249 per person annually—which translates into an estimated annual savings of over \$3 million for the 295 members included in this analysis.

## Additional Information

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<sup>4</sup> <https://www.medicaid.gov/state-resource-center/innovation-accelerator-program/iap-downloads/webinar2-slides.pdf>