

The Supportive Services Transformation Fund

Need for Fund

The United States relies too heavily on institutional and crisis systems to provide services to people with complex needs. These systems, whether at the federal, state, or local levels, are often siloed, resulting in services being delivered in a disjointed and untimely manner if at all. Integrating these systems will require that agencies with different missions and agendas focus on the totality of people's needs rather than the parameters of each service program. One way to drive such synergy is through a new flexible services fund.

What the *Supportive Services Transformation Fund* Would Do

The initial focus of the flexible services fund, which we refer to as the Supportive Services Transformation Fund (SSTF), is to provide Home and Community Based Services (HCBS) including housing support services to individuals and families with the most complex needs (initially, 1.1 million people). The SSTF will fund important services not billable to Medicaid HCBS. These services will be aligned with new affordable housing resources. For the first 5 years, the fund will also include capacity-building resources for state and local governments and community-based organizations that deliver services to vulnerable populations either within or outside the Medicaid system. Connecting healthcare, supportive services, and housing in this way will facilitate more timely and responsive services for individuals and families. This system integration will also reduce time, effort, and complexity for service providers who must manage the complexities of a variety of programs to address the service needs of their clients.

How will the *Supportive Services Transformation Fund* Be Implemented

We recommend that seven actions be taken to implement and leverage the SSTF:

1. Introduce and pass the HCBS Access Act and ensure that HCBS Housing Support Services are available for all populations that require the services to obtain and maintain housing in the community.
(Congressional, Presidential Action)
2. Introduce legislation to authorize creation of the SSTF fund which pays for supportive services not billable to Medicaid. *(Congressional Action - \$2 billion fund)*
3. Increase the federal matching percentage to 100 percent for state Medicaid programs that align the SSTF to housing assistance such as mainstream housing choice vouchers or universal housing vouchers.
(Congressional Action – enhanced FMAP 100%)
4. Allocate infrastructure funds to state, local, and Tribal governments and community-based organizations for building capacity needed to develop and sustain adaptive and person-centered service delivery systems. *(Congressional Action - \$170 million/year for 5 years)*
5. Require every Medicaid state plan to center racial equity in program design and outcome/impact measures to increase the likelihood that quality services reach historically underserved and unserved populations.
(Congressional Action – legislative provision)
6. Evaluate the health outcomes of Medicaid participants in states with Medicaid-SSTF versus states without. *(Executive Branch Action – program evaluation)*
7. Require every Medicaid state plan to center racial equity in program design and outcome/impact measures to increase the likelihood that quality services reach historically underserved and unserved populations.
(Congressional Action – legislative provision)

Background Notes:

- Many discretionary services programs have restrictions on eligibility and uses and administrative requirements which create barriers to access and administer.
- Medicaid was selected because it offers consistent and stable service funding unlike services block grants such as SSBG and CSBG.