1115 Medicaid Waiver: Opportunities for Funding Housing & Housing-Based Services

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Potential Opportunities

Services

Rental Subsidies

Capital

Bridge Housing

Respite/Recuperative Care

Eligibility for Services: Most Likely List

Residents of Nursing Facilities:	
No identified need	Extended stay
	-Not admitted solely for rehab
	-No discharge plan

High-Cost Homeless Beneficiaries: Based on *Both* of the Following:	
One of the following *combinations of conditions*:	A level of severity indicated by the *one of the following*:
At least one mental illness or a substance use disorder OR **At least one mental illness and one medical conditions OR** **A substance use disorder and at least one medical conditions OR** **At least two medical conditions.**	Chronic homelessness OR Homelessness and five or more emergency department visits over the previous 12 months or eight emergency department visits over 24 months OR At least three inpatient admissions within 12 months, at least 45 days inpatient (cumulative or single) in a single year, or at least five inpatient admissions within 24 months OR Periods of homelessness over 24 months with institutionalization (inpatient hospitalization, IMD) of at least 30 days OR No longer chronically homeless, but were chronically homeless before moving into housing.

CSH
The Source for Housing Solutions

“Housing-Based Case Management”

Tenancy Supports

- Outreach & engagement
- Housing search assistance
- Collecting documents to apply for housing & benefits
- Applications & recertifications
- Advocacy & negotiation with landlords
- Moving assistance
- Eviction prevention
- Crisis intervention
- Motivational interviewing
- Trauma-informed care

Care Coordination

- Creating care plan
- Coordination with primary, behavioral health, social service
- Discharge planning
- Transportation to appointments

Core Components: Services in Supportive Housing

Housing-Based

- Delivered in Housing
- Promote Housing Retention
- Housing Not Contingent on Participation

Face-to-Face & Frequent

- Low Ratios of Case Managers to Clients (1:20)
- Intensive Services Decrease Over Time, Increase During Crises or Relapse

Outreach & Engagement

- To Locate Beneficiary
- To Form Trusting Relationships
- To Address Needs Beneficiaries Identify

Potential Funding Mechanisms

Advantage: CMS is likely to approve, given signals in the past. Budget neutrality argument based on evidence of cost savings for eligible population.

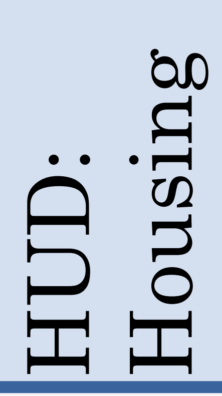
Challenges: Creating funding for new services, new providers within health plan system, health plans already taking on new programs.

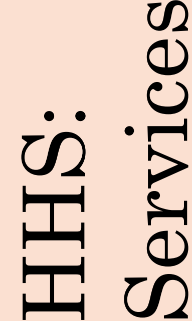
Fund Housing-Based Case Management through Health Plan Capitated Payment

- Allow health plans to pay for services as "Medicaid-reimbursable."
- Payment for high-cost beneficiaries to fund services.
- Health plans would contract with community-based case management providers specialized in target populations.
- Savings generated would fund savings pool (see later slides).

Medicaid-Funded Housing

"How can Medicaid support people connecting to housing without becoming a permanent affordable housing subsidizer?"





Other States

Two States Have Attempted to Use Medicaid to Pay for Housing:

- New York: CMS Denied Using Projected Medicaid Savings to Pay for Rental Subsidies or Capital
  - Approved use of ***state*** Medicaid savings for capital & operating. State investing $500 million ($400 million since 2011), from projected State Medicaid savings. Eligibility not well defined.
- Illinois: Waiting for CMS approval.

Potential Funding Method: Option 1 Basic Structure

Integrated/ "Whole-Person Care" System

- **Partnerships between health plans, counties, behavioral health plans, hospitals, housing providers, service providers.**
- **Incentive payments once partnerships created, based on responses to RFP.**
- **For specific populations.**
- **Alignment of at least 2 data systems.**

Advantage: Integration across systems.

State Models: Accountable Care Orgs: Hennepin Health (Minnesota), Coordinated Care Organizations (Oregon), Health Reform Part II (Massachusetts)

Oregon: As part of 1115 Waiver, State contracted w/16 Coordinated Care Organizations that flexibly use money. State funds quality incentive payments, allows use of shared savings.

Minnesota: State contracts w/accountable care organization. Partnerships with housing providers, uses local housing funds, potential to use shared savings for housing.

Challenges: Complexity may delay.

Potential Funding Method: Option 1: Component 1 (incentives to plans)

#1

Incentive Payments to Health Plans

- Incentives to health plans to create partnerships, getting people stably housed.
- Payment based on costs of partnership development, getting people into housing.

Advantage: Incentives to health plans to integrate care, favored by CMS.

State Models: Illinois 1115 Medicaid Waiver Proposal, submitted July 2014 ($60M/year).

"Incentive-Based Bonus Pool:" Payment to plans of up to $60 million/year if eligible beneficiaries are stable in housing.

Eligible: homeless w/SMI or SUD, or institutionalized, but could live in community w/housing.

Challenges: CMS has not yet approved. Plan dependent on willingness of health plans to invest in partnership creation.

Potential Funding Method: Option 1: Component 2 (incentives to counties)

#2

Incentives to Counties & Hospitals

- **Incentive payments for reduced hospital inpatient stays.**
- **Incentive to make counties whole if paying costs of respite care & housing navigators or rental subsidies for—**
  - High-cost homeless people or
  - People eligible for nursing care, could live independently.

Advantage: Fosters creation of respite program with housing navigators, jump-starts component 4.

Models: No state models.

Could use incentive structures now under development in other work groups.

Challenges: County-by-county approach, relying on willingness to invest up-front.

Potential Funding Mechanisms: Option 1: Component 3 (savings used for housing)

#3

Integrated Care Savings Pool

- **Health plans & counties contribute to a pool of savings achieved through housing & services.**
  - Plans/counties contribute costs of interventions to achieve savings.
- **Pool of money funds rental subsidies for bridge & permanent housing.**
- **Robust data collection & reporting.**

Advantage: May be more likely to gain CMS approval. Integrated pool of funds. Allows for county investment in housing through savings.

State Models: None.

Los Angeles Flexible Housing Subsidy Pool: Funding for rental subsidy tied to eligible tenants.

Challenges: Payment tied to achieving savings. Uncertainty for investors. County by county. Use of money needs to be clearly defined. Targeting & finding beneficiaries may be difficult.

Potential Funding Method: Option 1: Component 4 (plan rate calculation)

#4

Allow Plans to Include Costs of “Savings Pool” When Calculating Costs

- Allow plans to include costs of contributions to savings pool when rate setting.
- Recognize interventions that reduce use of acute care systems as health care costs.

Advantage: Incentives to health plans to invest in housing.

State Models: Illinois 1115 Medicaid Waiver Proposal, submitted July 2014.

Challenges: CMS has not yet approved. Plan dependent on willingness of health plans to invest in housing.

Potential Funding Mechanisms: Option 2

Advantage: Greater integration between housing & health systems. More appropriate targeting, easier for supportive housing providers to line up funding.

State Models: New York's Unified Funding Source.

Challenges: Still inadequate housing resources.

Partnerships Between Housing-Based Case Management & Housing Agencies

- **State & local housing entities.**
- **Targeting of eligible populations for housing.**

Option 2

Potential Funding Mechanisms: Option 3

Advantage: CMS approved for "transitional housing" in New York. Increasingly used for public/private hospitals & non-hospital providers.

State Models: New York's 1115 Waiver.

Hope for funding of medical respite through partnerships with housing providers, but poorly-defined, unclear understanding of use of funds.

Challenges: Payment tied to achieving specific metrics.

Incentive Payment to Create Respite Care

- **Incentive to achieve specific goal (i.e., reduction in hospital readmission).**
- **Accessing shelter/hospital beds to provide nurse care & housing navigator.**
- **For people exiting hospitals & needing nurse care.**
- **Link to permanent housing.**

Option 3

Potential Funding Method: Option 4

Advantage: Could be implemented statewide or specific counties. Potentially more eligible beneficiaries served.

State Models: None. County models: San Francisco's Direct Access to Housing program, Los Angeles' Flexible Housing Subsidy Pool.

Single, coordinated waiting list, administration of subsidy program through intermediary (Los Angeles).

Challenges: Less likely to gain CMS approval. Complexity of administering housing subsidy. State not likely to pursue.

Creating a "Housing" Benefit

- **Benefit for eligible members, limited by available money.**
- **Case rate for housing.**
- **Potential for coordinated funding through partnership between Department of Health Care Services & Housing & Community Development.**

Option 4

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