Supportive Housing as an Alternative to Long-Term Care

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Supportive Housing vs. SNF

- Approximately 8000 people in SNF in California who could live independently
- SNF costs between \$300-\$600/day
- Supportive housing costs \$60/day-
 - "Spirit of Olmstead"





What is Supportive Housing?

- Independent, community based
 - New or renovated studio apartments
 - Master leased renovated SRO
 - Scattered site apartments
- On-site services
 - Case management and nursing care
 - IHSS services
- Rental subsidy- Federal or local
- Linkage or on-site medical and behavioral health
- Third party rent payee



Viewpoint | January 20, 2015 Improving Long-term Psychiatric Care Bring Back the Asylum Dominic A. Sisti, PhD¹; Andrea G. Segal, MS¹; Ezekiel J. Emanuel, MD, PhD¹





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Supportive Housing Achieves "Triple Aim"

- Improve "patient experience"
- Reduce cost for two populations
 - · Homeless high users of the healthcare system
 - Seniors and persons of disability leaving SNF
 - 7 years of housing = cost of 1 HCV treatment
 - Why is housing a "slippery slope" and pharmaceuticals are not?
- If costs get less, someone makes less money
- Improve outcomes
 - Reduce mortality
 - Reduce preventable hospitalizations

Experience at Mission Creek

- 51 seniors from LHH and streets
- Reduced cost \$1.9 million in first year
- Very low healthcare costs after placement
- Estimated \$9.2 million in SNF costs averted
- All 12 residents placed from LHH died w/in 10 years



Experience at Laguna Honda

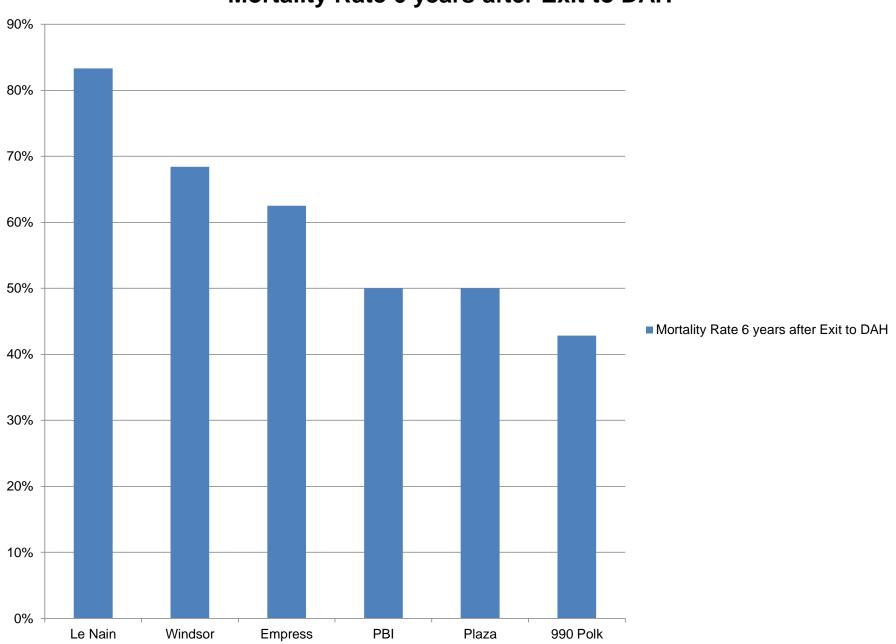
- Settlement of class action suit 2008-2013
- County funded housing and services
- Scattered site and project based housing
- 400 people served
- Twice monthly multidisciplinary placement meetings
- 181 placed in project based housing



Experience at Laguna Honda-Placed in Direct Access to Housing

- Only people with substance abused disorders, poorly controlled mental illness or complex medical conditions.
- 4 year median stay in housing
- 53% mortality in 6 years
- Dramatic reductions in health care costs
- 7 years of housing = 1 HCV treatment
- Lower mortality with better housing

Mortality Rate 6 years after Exit to DAH



How to Fund Supportive Housing?

- On-site services
- Rental subsidy
- Development costs







On-site services

- Billing mainstream Medi-Cal sources
 - FQHC billing
 - Coordinated care through MCO
 - Mental Health Medi-Cal
- 1115 Waiver
- Flexible housing subsidy pool
 - Los Angeles
 - SF
 - San Mateo
 - New York State
- Assisted Living Waiver



Assisted Living Waiver and Supportive Housing

- Available in most large counties in California
- 1915 waiver for HCBS
- "Publically funded housing" option under-utilized
- Day rate for homecare and care coordination
- Built-in "pre-authorization" process
- Need to "opt-out" of Cal MediConnect

Rental Subsidies

- Flexible Housing Subsidy Pool
 - LA, SF, San Mateo, NY
- Traditional Federal Sources
 - Housing Choice Vouchers
 - Shelter plus Care
 - HUD VASH
- Social Impact Bonds
- Managed Care/ACO
 - Hennepin County



Development Cost

- Traditional Fed/State Development
 - Drying up
- Master-leased privately owned buildings
 - Vulnerable to market changes
 - Owners make money
- Retail loan rolled into monthly cost
 - Banks make money
- Diversify capital to purchase buildings



Conclusions

- Exiting SNF to supportive housing improves quality of care, reduces cost and provides independence
 - Concept is Proven
- Higher quality housing reduces mortality
 - Mixed, senior, architecture, neighborhood
 - Don't let perfect get in the way of good
- High mortality rate results in high turnover of units
- Significant opportunities for paying on-going costs
 - 1915 and 1115 Waivers, ACA and MCO
 - Social impact bonds/Pay for Success

Conclusions (Cont'd)

- Need to establish pre-authorization system
 - Local systems need local solutions
 - Right treatment for condition- Precision
 - Centralized placement system
- Think tank for development innovation
 - Push for State-wide Flexible Housing Pool
- Change happens incrementally
- Significant progress across the country



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