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PREFACE

This report highlights efforts of many States to use Federal Block Grant funds for mental health and substance abuse services, administered by the Federal Substance Abuse and Mental Health Services Administration (SAMHSA), part of the U.S. Department of Health and Human Services (DHHS), to provide more effective care for people who are homeless. The Substance Abuse Prevention and Treatment (SAPT) Block Grant is the Federal government's primary source of funding to States for drug and alcohol treatment and for primary prevention programs. The Mental Health (MH) Block Grant provides funds to States to create comprehensive, community-based systems of mental health care. It is not a requirement of either grant program that the funds to be used to support services to people who are homeless. However, many States and localities have devised strategies to deploy block grant funds to promote provision of both homeless services and innovative planning mechanisms that ensure efficient use of resources. Some of the more effective State strategies identified to date are presented as short case studies in this report.

There is pronounced need for mental health and substance abuse treatment among people who are homeless. SAMHSA, in partnership with the Interagency Council on Homelessness, has prepared this technical assistance report to promote improved access to mainstream resources and services for this population. The report offers guidance to States and local communities on how block grant funds are being used to address homelessness.

This report expands upon earlier efforts by SAMHSA and both the National Association of State Mental Health Program Directors (NASMHPD) and the National Association of State Alcohol and Drug Abuse Directors (NASADAD) to document State mental health and substance abuse agency efforts to support services to people who are homeless.

This report complements another SAMHSA document on homelessness, The Blueprint for Change: Ending Chronic Homelessness for Persons with Serious Mental Illnesses and/or Co-Occurring Substance Use Disorders. The Blueprint for Change is designed to help States and local communities develop integrated systems of care to address homelessness among people who have serious mental illnesses and/or co-occurring substance use disorders. The States highlighted in this report already are using many of the principles and practices outlined in the Blueprint. The report provides examples of how States addressing the housing, treatment and support needs of people who are homeless, and can guide others as they address these issues.

INTRODUCTION

An estimated 637,000 adults in the U.S. are homeless in a given week, with 2.1 million people experiencing homelessness over the course of a year. Approximately 20-25 percent of people who are homeless have a serious mental illness, and about 50-70 percent have an alcohol or other drug use disorder.[1] Research and community experience have shown that people who are homeless and have serious mental illnesses and/or substance use disorders have greater difficulty exiting homelessness and require a full range of treatment, housing and supports.

Targeted Federal programs for people who are homeless have provided the foundation of services to address homelessness in many States and local communities. For example, the Projects for Assistance in Transition from Homelessness (PATH) program, administered by SAMHSA's Center for Mental Health Services (CMHS), awards funds to States to support community-based services to people who are homeless, or at risk of homelessness, and who have serious mental illnesses and/or co-occurring substance use disorders. PATH funds are used by local providers to deliver a range of services including outreach, screening and assessment, case management, mental health and substance abuse treatment, and other supportive services. Homeless assistance programs administered by the U.S. Department of Housing and Urban Development (HUD) have been the primary source of funding for the development, operations, and supportive services costs for emergency, transitional and permanent housing for people who are homeless, including those who have mental illnesses and substance use disorders.

While these and other targeted homeless assistance programs represent a valuable resource for housing and services, they lack capacity to effectively address and end the underlying issues that may give rise to homelessness. Therefore, increased emphasis is being placed on improving access to mainstream services and resources for people who are homeless. While many people who are homeless qualify for mainstream programs and services, they often are unable to access them. Even when the services can be accessed, they frequently are uncoordinated and do not take into account the specialized needs of people who are homeless. These needs include not only housing, but also support services, integrated treatment for co-occurring disorders, and flexible services delivered in community settings.

Given the pronounced need for mental health and substance abuse treatment among people who are homeless, State mental health and substance abuse treatment systems represent a critical resource for this population. Federal block

[1] Burt, M.R., Aron, L.Y., Douglas, T., Valente, J., Lee, F., and Irven, B. (1999). *Homelessness: Programs and the People They Serve*. Washington, D.C. Interagency Council on the Homeless.

grant funds make up about half of State substance abuse agency budgets and less than five percent of State mental health budgets.

Budget constraints and little to no new resources to expand services or address system gaps have led many States to establish homelessness as a priority and to better target resources to that purpose. Recent efforts at the Federal level to address homelessness have prompted State and local health, mental health, substance abuse, homeless, and housing agencies to work collaboratively to integrate services, improve planning and coordination between treatment and housing providers, and increase access to needed housing, treatment and supports for people who are homeless and have multiple needs. Thus, without explicitly setting specific requirements for block grant spending on the homeless, the States highlighted in this report have created integrated planning mechanisms that insure more effective homeless services in their States. These planning mechanisms are highlighted in this report.

This effort comes at a time of increased national attention to the needs of our most vulnerable citizens. SAMHSA has received increased funding to help end homelessness among people with mental illnesses and substance use disorders, and recently submitted a report to Congress on the prevention and treatment of co-occurring disorders. SAMHSA also is participating in an interagency effort among the Departments of Health and Human Services (HHS) (SAMHSA's parent agency), Housing and Urban Development (HUD), and Veterans Affairs (VA). These Departments have joined in an historic collaboration to provide $35 million for the development of appropriate housing and supportive services for people who are chronically homeless, and together are sponsoring a series of policy academies for State and local policymakers to improve access to mainstream resources for this population.

Finally, the Administration has expressed its commitment to reduce drug use, build treatment capacity, and increase access to services that promote recovery from substance abuse. It has pledged $1.6 billion over the next five years to do so.

USING THIS REPORT

This report presents specific examples of strategies used by State mental health and substance abuse treatment systems to support the provision of services to people who are homeless, and shows how Federal Mental Health and Substance Abuse Block Grant Funds support the funding of these services.

States selected for the case studies presented in this report use a portion of their Mental Health and Substance Abuse Block Grant Funds to support services to people who are homeless. The State strategies profiled here reflect a range of effective and/or innovative approaches that bridge the gap between needed mental health and substance abuse treatment, housing, and other support services - all of which are needed to break the cycle of homelessness.

This report is intended for mental health and substance abuse program administrators at the State and local levels, service providers, and members of the advocacy community concerned with the provision of services to people who are homeless and have mental illnesses or substance use disorders. The examples may be adapted by other States and localities.

The first section summarizes key strategies used by States. The report describes responses to addressing service system inadequacies, including collaborative efforts and the targeting or combining of different funding sources to address unmet needs. The second section presents case study examples of the specific strategies and funding sources used by selected States to address service system gaps and increase access to needed mental health and substance abuse treatment, housing and supports.

An appendix containing contacts for more information on the case studies is included at the end of this report.

State Strategies to Support Services to People Who Are Homeless

The case studies in this report demonstrate different States' approaches in policy, planning, and funding to encourage the development and delivery of services for people who are homeless and have mental illnesses and/or substance use disorders. Lessons from each State's experience are summarized below and in the table that follows. These offer useful guidance on what other States can do to strengthen their response to the issue.

Make homelessness and housing issues a priority. States can institute *formal policies* that make homelessness and housing issues a priority. A *special task force or committee* also may be developed within or across systems. Planning and funding priorities consistent with meeting the housing and service needs of homeless individuals may be outlined in the States' block grant plans or through other mechanisms, such as requests for proposals it releases. An agency also may *create a special unit or appoint a staff person* specifically to focus on homelessness and housing. Priorities established to address these issues may be incorporated into contracts with local service providers that require attention to these needs. Whatever the strategy or strategies chosen, the key is to make access to housing a vital service system component -- without which treatment and services for mental illnesses or substance use disorders are not as effective.

Develop a plan and build capacity. *Collecting data* on homelessness and housing variables for those served in mental health and substance abuse treatment systems is extremely valuable. These data can be used to identify population characteristics, and to *assess housing and service needs* and to identify where services are ineffective or gaps in the current service delivery system exist. This, in turn, may lead to efforts to address service system inadequacies and to better target resources to fill gaps or serve those most in need.

Once service system gaps or inadequacies have been identified, *a plan that identifies key goals and priority areas* can be made. This requires the involvement of key stakeholders who work with people who are homeless. The result may be the delineation of a formal policy statement or plan that is supported by top leadership and is implemented.

Staff who are knowledgeable about homeless and housing issues can help a substance abuse or mental health agency address the housing needs of its clients. Understanding how things play out at the community level and educating providers and systems about the resources available in other systems is key. State mental health and substance abuse agencies can do much to *coordinate*

Federal, State and local resources to better meet the housing and service needs of those they serve. This includes coordinating State and local resources to provide the supportive services match required by Federally funded housing programs such as HUD's Shelter Plus Care program. Coordinating resources from HUD's Continuum of Care with those of the Federal PATH program, and with State and local resources often is essential to ensuring that the full array of services is available. Some States have formed partnerships that support planning and funding activities at the local level. By taking a leadership role, States can help establish homeless and housing needs as a priority at the local level.

Becoming *actively involved in State and local planning efforts,* and linking these with the treatment and services offered by mainstream mental health and substance abuse systems, also is important. Further, involvement in local planning efforts or on advisory boards can help establish as program funding priorities the needs of specific subgroups of people who are at risk of homelessness.

A number of States see the need to assess the *training and technical assistance* needs of providers, and to provide information on the resources available throughout their communities for housing and services and on how providers can access them for their clients. *Capacity building* also can help providers and local communities access HUD Continuum of Care and other housing resources, and can foster greater understanding between systems about the resources each has to offer.

Implement your plan. The State mental health and substance abuse agency responses outlined in this report consist mainly of strategies to provide or better coordinate resources to address the needs of people who are homeless. Most States rely on State substance abuse agency funds, Substance Abuse Prevention and Treatment Block Grant funds and other Federal sources of funding to support services to people with substance use disorders who are homeless. Mental Health Block Grant funds represent a smaller portion of State mental health funding, and other sources of funding, such as Medicaid, are used in many States. These and other Federal funds, such as those targeted through the PATH program, may be used to serve people with serious mental illnesses who are homeless. Even with these funding sources, the need for treatment and housing often exceeds available resources. Therefore, States and local communities must piece together funding from different sources to provide the necessary array of housing, services and supports.

Several States *target or leverage resources* to fill housing and service gaps. For example, one State uses targeted funds to serve a specific subgroup of people with substance use disorders who also are homeless. Others specifically target substance abuse or Mental Health Block Grant Funds for services such as outreach, case management, and other supportive services. Block grant or State funds also are used as leverage to obtain increased housing resources in the community. Some States, for example, use Federal Substance Abuse Block Grant Funds to provide for all or a portion of the required supportive services match for housing programs like HUD's Shelter Plus Care program. Another

uses State mental health dollars to provide a portion of the required match for construction and development costs for permanent housing programs funded through HUD's Continuum of Care and uses Federal mental health block grant dollars to fund the operations costs.

Even when States are not using Mental Health or Substance Abuse Block Grant Funds intentionally to serve people who are homeless, they often are *taking steps to improve integration and coordination of services* funded by multiple sources including block grant funds. States that collect data on housing status upon admission and discharge from State-funded treatment agencies can demonstrate that these funds are being used to serve homeless individuals. One State is using Federal demonstration project money to test a "best practice" model for systems change that can be sustained and replicated throughout the State. The model promotes partnerships and collaboration between State agencies and with local government, and between providers from multiple systems.

Other strategies to improve coordination and integration include creating interagency task forces that oversee planning and implementation, forming partnerships to fund housing and support services or improve coordination of resources and provide more comprehensive care, and cross-training staff from different systems to exchange knowledge about what each has to offer. Systems also may agree to co-locate staff through off-site exceptions or licensing of facilities not typically licensed by the agency. For example, a State substance abuse agency may license homeless shelters to provide substance abuse services on site, or a housing program may place a case manager on-site at a substance abuse treatment program to provide housing assistance and referrals.

Finally, many States are implementing best practice models of housing and services that research and practice indicate to be effective with people who are homeless and have mental illnesses and/or substance use disorders. This includes provision of outreach, assessment and referral services, case management, Assertive Community Treatment and other supportive services, and permanent supportive housing options.

Monitor performance. To ensure successful outcomes, some States have promoted provider and community accountability. Building performance-related outcomes into contracts with service providers is one method. For example, providers may be required to track housing outcomes for individuals leaving treatment settings. State agencies may use data on cost, access, and quality of housing and services to make investment decisions, offering incentives to providers to meet certain standards. They also may require that providers or localities plan to and demonstrate they can meet specific housing related outcomes—such as moving people into permanent housing—in order to receive investment of State dollars to leverage additional housing resources in their communities.

Overview of Key State Strategies to Support Services to People Who are Homeless

	Priority on homeless/ housing issues			Planning and capacity-building				Implementation strategies			Performance monitoring
	Priority population designation	Task force/workgroup	Special unit or designated staff	Needs assessment/data collection	Formal policy, plan or strategy	Involvement in State/ local planning efforts	Technical assistance & training	Targeted/leveraging of funds	Coordination of funding resources	Integration/coordination of housing & services	
Substance Abuse Prevention & Treatment Block Grant											
New York	•	•	•	•	•	•	•	•	•	•	
Massachusetts	•	•	•			•		•	•	•	•
Illinois				•		•		•	•	•	
Mental Health Block Grant											
Maryland	•		•			•		•	•	•	
Ohio	•	•			•	•	•	•	•	•	•
Washington	•					•	•		•		

Supporting Services for People with Substance Use Disorders who Are Homeless

The Substance Abuse Prevention and Treatment (SAPT) Block Grant does not require States to plan for or provide services to people who have substance use disorders and are homeless. Still some States are supporting the provision of services to this population using a portion of their block grant funds. These case studies highlight the policy, planning, and funding strategies used by these States, as well as any special programs, incentives or initiatives designed to support services to people who are homeless.

Providing Case Management and Housing Assistance in New York

New York State's Office of Alcoholism and Substance Abuse Services (OASAS) spends $19 million in SAPT Block Grant funding every year to serve people who are homeless.

Policy and Planning

New York State's Office of Alcoholism and Substance Abuse Services (OASAS) considers safe and stable housing critical to sustaining recovery. The Agency recognizes that a range of appropriate housing options combined with case management and other community resources is key to preventing relapse and homelessness throughout the recovery process. State and local assistance funding and SAPT Block Grant funds are used to directly support case management and transitional services to individuals in HUD Shelter Plus Care and other supportive housing programs.

In 2001, OASAS created a Housing and Homeless Services Unit to address the need for housing and supportive services among people with substance use disorders. Using data from the HUD Continuum of Care and Consolidated Planning processes, OASAS identified substantial unmet needs for housing and substance abuse services among people who were homeless. A 2002 survey of counties and local providers identified specific needs for permanent independent housing, housing-related support services, such as transportation and case management, and housing services for special populations. The 2003 planning cycle included a Housing Services Survey designed to further assess the housing options available, as well as the housing-related training and technical assistance needs of providers.

OASAS currently is implementing a comprehensive plan to develop a full continuum of housing including emergency, transitional, and permanent supportive housing. An internal workgroup also has been formed to work with the Housing and Homeless Services Unit to identify and address barriers to expanding housing options within the substance abuse treatment system.

Funding for Homeless Services

SAPT Block Grant funding makes up $19 million of the $68 million the State spends every year serving people who are homeless. State aid contributes $42 million; another $7 million is from HUD, through its Shelter Plus Care program to support permanent housing for formerly homeless substance users. State and local assistance funding and SAPT Block Grant funds are used to support case management directly to individuals in homeless and housing programs such as Shelter Plus Care.

About 17 percent of all treatment clients are homeless at the time of admission to substance abuse treatment. OASAS works with providers and with local governments to support a range of services including outreach and referral, case management, crisis/emergency services, inpatient and residential treatment, outpatient treatment, permanent supportive housing, and pilot programs targeting special populations. Strategies used to support these are described below.

Special Programs, Incentives, or Initiatives

Outreach and referral services. OASAS supports a continuum of services for people who are homeless and have substance use disorders. One example is a collaborative effort with the New York City Department of Homeless Services. The City funds 10 substance abuse treatment providers to conduct outreach, assessment and referrals at homeless shelters. OASAS works with the City to license shelters to provide substance abuse services on-site. OASAS supports similar efforts in upstate New York.

Permanent housing programs. OASAS began applying for HUD Shelter Plus Care funding in 1993 to provide rental subsidies and supportive services to formerly homeless clients. It now works with 26 providers to implement 48 projects, accounting for over 800 rental units across the State. OASAS provides administrative, fiscal, and program oversight. Providers sponsor the housing by owning or leasing the units, and provide treatment and supportive services to tenants. Other providers operate housing with funding received through HUD's Supportive Housing program, as well with Federal Housing Choice rental subsidies and other homeless and housing assistance dollars.

Case management and transitional services. Securing Shelter Plus Care and other similar funding provided much needed rental assistance for permanent supportive housing in the State. Still, a critical need existed for case management services to provide the necessary link to supportive services in the community, and to help people move to independent living. In 1999, the State launched a program to provide 30 providers with $2 million in SAPT Block Grant funds for case management and transitional services to individuals in Shelter Plus Care and other housing programs.

Capacity building for providers. OASAS has focused on building the capacity of substance abuse treatment providers to develop and deliver housing services. The Agency regularly assesses the housing-related training and technical assistance needs of providers and promotes networking to facilitate understanding among homeless/housing and substance abuse treatment providers of the resources each has to offer.

Lessons Learned

New York's approach offers valuable lessons for planning and funding. By making housing a cornerstone for recovery and stability in the community, and by creating a unit within the agency dedicated to homeless and housing issues, OASAS has been able to initiate a comprehensive plan to address the issue. Partnerships, such as the one with New York City's homeless services agency, also are critical.

Additionally, the State does much to coordinate funding from Federal, State and local resources, such as combining HUD Shelter Plus Care and other rental assistance dollars with State and local assistance and Federal block grant funding. The State's approach to expanding the capacity of the system has been two pronged. By directly tapping into HUD housing resources and using the Shelter Plus Care model, OASAS supports the movement of individuals along the continuum of treatment and housing by making permanent independent housing in the community the preferred option. In addition, OASAS ensures the capacity of substance abuse treatment providers to operate this type of housing by providing technical assistance and resource information.

Promoting Partnerships and Collaboration in Illinois

Illinois' Office of Alcoholism and Substance Abuse (OASA) spends about 11 percent of its SAPT Block Grant dollars serving people who are homeless.

Policy and Planning

The Illinois Department of Human Services' Office of Alcoholism and Substance Abuse (OASA) does not formally designate people who are homeless a priority for services. Still, a number of State-initiated efforts are designed to more effectively respond to the treatment and housing needs of people who are homeless. Although no staff person is designated for homeless and housing issues within OASA, staff knowledgeable on the issue are actively involved in Statewide and community-level planning related to homelessness. The State's approach emphasizes coordination through multi-level partnerships to improve access to treatment and provide linkages to housing and other resources needed to reduce substance abuse and homelessness.

In addition, the State collects data on housing status upon admission and discharge within its treatment system. As a result, the State has identified service system gaps and challenges to reducing substance abuse and homelessness. For example, in Fiscal Year 2000, 82 percent of those homeless upon admission to substance abuse treatment were homeless at discharge, pointing to the challenge of addressing not only treatment, but also housing needs. Other data indicated that subgroups of homeless people not identified as a priority for services were

unable to access needed treatment. Both pointed to the need for increased access to treatment and for improved linkages between substance abuse and homeless/housing providers.

Funding for Homeless Services

Illinois' publicly funded substance abuse treatment system offers a range of diagnostic, treatment, and rehabilitation services delivered through a continuum approach, with clients moving from one level of care to another based on individually assessed needs. Services most often used by people who are homeless include detoxification, residential rehabilitation, outpatient, and intensive outpatient services. The State spends about 11 percent of its total SAPT Block Grant allocation on services to people within its substance abuse treatment system who are homeless. Block grant funds make up approximately one-third of the total spent on this population with State general revenue funding providing the balance.

Special Programs, Incentives, or Initiatives

To better respond to the needs of people who are homeless and have substance use disorders, the State has initiated special programs to address service system gaps through targeted funding and intergovernmental and multi-system partnerships and collaboration.

The Male/Family Reunification Initiative. In 2001, the State began providing funds to the Department of Human Services to fill gaps in services to adult males suffering from substance use disorders. The Male/Family Reunification Initiative, administered by OASA, provides funds to increase service capacity for men at 26 community-based agencies. Currently, the State funds two programs specifically targeted to people who are homeless.

Pathways Home is a continuum of residential and outpatient programs for homeless adults with serious mental illnesses and co-occurring substance use disorders in Chicago. Operated by Chicago Health Outreach, the program receives approximately $150,000 in substance abuse treatment funding annually. The program emphasizes gender-specific services that focus primarily on outreach, early intervention, and case management to increase access to services from the substance abuse, mental health, and other service systems.

The State also provides about $300,000 annually to fund a collaborative effort between Lakefront Single Room Occupancy (SRO), the State's largest supportive housing provider, and Cornell Interventions, a substance abuse treatment provider. Cornell staff are based at three Lakefront housing programs to engage and assess male residents and make referrals back to Cornell, which offers a full-range of substance abuse treatment services. Cornell also provides outpatient services on-site at Lakefront, as OASA offers "off-site exceptions" to some licensed treatment providers to provide services at non-licensed facilities such as housing programs and shelters. Lakefront, in turn, places a case manager/leasing agent at Cornell to help clients gain access to permanent supportive housing. Staff from both agencies are cross-trained to better understand the range of treatment and housing options available to their clients.

The Homeless Services Integration (HSI) Project. In 2001, OASA received funding under SAMHSA's Center for Substance Abuse Treatment's (CSAT's) Cooperative Agreements for the Development of Comprehensive Drug and Alcohol Treatment Systems for the Homeless program to start the Homeless Services Integration (HSI) Project. Based in Chicago's West Side, the project supports a multi-disciplinary mobile outreach and case management team that links individuals who are homeless and have co-occurring substance use disorders with needed treatment, housing, and services.

The project is a collaborative effort among Federal, State, and local city governments, and nine provider agencies from the homeless services, housing, mental health, and substance abuse treatment systems. Federal funds from the cooperative agreement are used to support a case management team staffed by the various provider agencies. The team links individuals who are homeless to an array of housing and services, including substance abuse treatment funded, in part, by the SAPT Block Grant. OASA provides overall management for the project, while a steering committee of State and community stakeholders serves in an advisory role.

The goal of the project is to promote systems change by creating a model for increased access to substance abuse treatment and improved linkages between health, mental health services and substance abuse treatment, and housing to be replicated throughout the State. Staff are cross-trained to better understand the resources offered by the various systems. Licensed substance abuse treatment providers involved in the project are allowed to co-locate staff to provide services at non-licensed facilities such as shelters and housing programs through OASA's off-site exception.

Lessons Learned

Illinois' case study example offers several important lessons. First, collecting and using data on homelessness and housing for those in the treatment system can help identify where services are ineffective or where gaps exist. Second, having agency staff knowledgeable and involved in homeless and housing issues, particularly through local planning efforts, is key to responding to service system gaps.

The State has undertaken efforts to improve the effectiveness of its treatment services and to better coordinate them with other resources in the community. This is done by emphasizing partnerships and collaboration at all levels and across multiple systems. One way OASA encourages this is by using Federal project money to develop and test a "best practice" model for systems change that can be sustained and replicated throughout the State. Other strategies include allowing off-site exceptions to treatment providers to co-locate staff at housing and homeless service agencies to improve access to treatment. The State also funds two programs to serve a targeted subgroup of people who are homeless and have substance use disorders. Each strategy strengthens the vital link among the treatment, housing, and other supportive services needed to reduce homelessness.

The Massachusetts Department of Public Health's Bureau of Substance Abuse Services (BSAS) spends approximately $5.9 million of the State's $29.4 million SAPT Block Grant serving people who are homeless. SAPT Block Grant funds account for approximately 50 percent of the funding for the in-kind service matches required for HUD supportive housing programs.

Using Performance Standards in Massachusetts

Policy and Planning

Since 1996, the Massachusetts Department of Public Health's (DPH) Bureau of Substance Abuse Services (BSAS) has designated people who are homeless a priority for services. The State's commitment to providing outreach and services to this population is outlined in the SAPT Block Grant plan. The Agency has a Coordinator of Homeless and Housing Services who advocates for homeless and housing issues both inside and outside the Agency, and who represents the Department on the Executive Office of Health and Human Services' Interagency Task Force on Homelessness.

BSAS is involved in several collaborative efforts to improve planning and coordination of services for people who are homeless. The Department of Public Health sponsors bi-monthly meetings of the Massachusetts Homeless Task Force, which includes State officials, service providers, advocates, and other interested parties. Through these collaborations, a Statewide homeless advocacy coalition, the Massachusetts Housing and Shelter Alliance (MHSA), encouraged the development of strategies to prevent homelessness by reducing inappropriate discharges to streets or shelters. BSAS is one of many agencies implementing these strategies.

Funding for Homeless Services

Many programs within the State's continuum of substance abuse treatment services and housing are aimed specifically at serving people who are homeless. In 2002, 19.9 percent of all BSAS admissions were homeless individuals and families, accounting for approximately $5.9 million of the State's $29.4 million SAPT Block Grant. Block grant funds account for approximately 50 percent of the funding for the in-kind service matches required for the HUD-supported programs described below.

Special Programs, Incentives, or Initiatives

Performance standards. As a direct result of MHSA's efforts to reduce inappropriate discharges into homelessness, the State has set certain performance standards in its contracts with providers. To receive funding, vendor agencies must follow BSAS' guidelines to reduce inappropriate discharges, including referrals to appropriate housing and services in the community. Further, as the State re-bids its network of substance abuse service providers, an even greater emphasis will be placed on the use of performance-based outcomes, such as requiring providers to track individuals' housing outcomes after leaving treatment.

Outreach and assessment. The State provides a number of entry-level services specifically targeted to people who are homeless including outreach, assessment, education, and linkage to services. Massachusetts funds 18 staff positions in nine programs across the State to work in and around shelters to bring chronically homeless people who also use substances into services. The State also matches funds received through HUD's Continuum of Care to provide outreach on the

streets of Boston to engage people into detoxification and treatment. Emergency Shelter Grant funding is used to provide case management and other support services in shelters. Additionally, State funds support positions within a Health Care for the Homeless Clinic in Boston to screen and refer clients needing substance abuse services.

Transitional housing and services. For individuals leaving detoxification without a recovery home bed or other housing situation in place, the State now supports two programs to prevent relapse and homelessness during this critical period. The Transitional Support Services (TSS) program provides intensive case management and transitional housing for an average of 30 days. Reflecting the need for such services is the fact that while 32 percent of the program's 264 beds are targeted to people who are homeless, the proportion of homeless people actually served is much higher. The State also provides matching services for a similar post-detoxification/pre-recovery home program for homeless people that purchases 50 beds from providers across the State using HUD Continuum of Care funding. MHSA, as a vendor, is funded to contract for the beds and provide Statewide coordination; BSAS coordinates the HUD grant and provides matching service funding.

Permanent supportive housing. These include housing programs that provide alcohol- and drug-free environments to support people in their recovery. BSAS funds case management to link people in these programs with needed services. Additionally, the Community Housing program, a joint effort among several agencies, provides 73 permanent supportive housing units to formerly homeless families and individuals in recovery. Rental subsidies are through HUD's Shelter Plus Care program; the State provides the supportive services match by offering case management and linkage to other State-funded substance abuse treatment services.

Another collaborative effort is the Aggressive Treatment and Relapse Prevention (ATARP) program, started in 1998 by DPH/BSAS and the Department of Mental Health. Funds from HUD's Supportive Housing Program provide 60 units of housing for people with co-occurring mental illnesses and substance use disorders. DPH/BSAS also collaborates with DMH and other State agencies in the Housing Options Program (HOP). Through an Interagency Service Agreement (ISA), BSAS funds case management services to individuals in Shelter Plus Care and other subsidized housing.

Lessons Learned

Massachusetts' substance abuse agency, BSAS, uses various funding strategies to implement an array of housing and services. This includes targeted State funding for outreach and engagement and for post-detoxification/pre-recovery home services. The State also combines HUD housing resources with State dollars for the supportive services match, with SAPT Block Grant funds making up about half of the in-kind services match. BSAS collaborates with other State agencies to combine permanent housing subsidies and supportive case management to keep people in housing and to link them with services.

The State has strong commitment from the top down to support the delivery of housing and services to people with substance use disorders who are homeless. BSAS actively participates in a Statewide homeless task force with representation from key State agencies, service providers, advocates, and consumers. Improved planning and coordination at the State level has led to the establishment of firm polices and procedures regarding discharge planning and linkages to housing and services in the community. These policies are enforced with performance standards written into contracts with providers.

Supporting Services to People with Mental Illnesses who Are Homeless

While the Mental Health (MH) Services Block Grant does not require States to develop services for people who are homeless and have mental illnesses, it does require them to address outreach and homelessness in their block grant plans. MH block grant dollars represent only a small portion of State mental health funding. States also receive Federal PATH funds to serve this population. Even with this targeted funding stream and the required State match, there is still a need to target other resources to people who are homeless and have mental illnesses.

Specific State approaches use various policy, planning, and funding strategies, particularly those involving use of MH block grant dollars. While PATH program funds represent a critical resource for supporting key services, use of these funds to support services to people who are homeless are not described here in detail.

Creating Linkages with the Criminal Justice System in Maryland

Maryland's Mental Hygiene Administration (MHA) spends an estimated 12 percent of $8.5 million in Federal mental health block grant money on services for people with mental illnesses who are homeless.

Policy and Planning

The Mental Hygiene Administration (MHA), part of Maryland's Department of Health and Mental Hygiene, oversees the delivery of public mental health services in the State. MHA's commitment to providing mental health services and housing to people who are homeless is evident in its structure, policies and planning activities. The Agency's Clinical Division of Special Populations addresses a number of issues including homeless and housing services. MHA also has an Adult Services Division which addresses residential housing and home ownership. The State has a policy that designates people who are homeless and have serious mental illnesses a priority for services. Providers receiving Federal PATH and Shelter Plus Care funds are required to develop plans to address the housing and service needs of this population.

The Clinical Division of Special Needs Populations focuses on the housing and service needs of people with serious mental illnesses who have been in the criminal justice system. These individuals often are homeless. MHA participates on Jail Advisory Boards throughout the State to ensure appropriate discharge planning and dedicates staff to work in detention centers to provide aftercare follow-up services. In addition, the State has issued recommendations for discharge to stable housing from hospitals. Staff within the Division of Special Populations also participate on local HUD Continuum of Care planning boards and provide input into development of the HUD Consolidated Plan to ensure the availability of mainstream housing for people with mental illnesses.

Funding for Homeless Services

Maryland's specialized services for individuals with mental illnesses who are homeless include outreach, case management, mobile treatment, vocational services, emergency, transitional and permanent supportive housing, and specialized services for people who have been in contact with the justice system. Overall, the State estimates that it spends 12 percent of $8.5 million in Federal mental health block grant money, $766,000 in Federal PATH money, $1 million in State funding to support PATH, transitional housing and supportive services for Safe Havens, and $4.7 million in Federal HUD Shelter Plus Care dollars to provide permanent supportive housing.

Specialty mental health services in the State's public mental health system are provided on a fee-for-service basis. MHA collaborates with county mental health authorities to manage the public mental health system. Several counties receive State funds for outreach, a portion of which is Federal block grant funds or State PATH matching dollars. In addition, some counties use block grant funds for case management, and for emergency and transitional housing and services.

Special Programs, Incentives, or Initiatives

Outreach, case management and transitional housing services. Many Maryland counties use mental health block grant dollars and other State funds for services to people who are homeless and have mental illnesses. In Baltimore City and Montgomery County, block grant funds are used to fund supportive services to people in HUD Shelter Plus Care housing, and to provide transitional housing services. Anne Arundel, Prince Georges, St. Mary's and Washington counties use mental health block grant money to support either outreach, Assertive Community Treatment, homelessness prevention services, transportation, emergency housing, and crisis intervention services.

State funding through the public mental health system also supports services targeted to people who are homeless. For example, targeted case management is provided through 28 approved programs in 22 jurisdictions. The State also funds 25 mobile treatment programs using the Assertive Community Treatment (ACT) model. In addition, supportive services are provided at two HUD-funded Safe Havens.

Shelter Plus Care housing. In 1995, MHA was awarded $5.5 million in funding from HUD to provide tenant and sponsor-based rental assistance through its

Shelter Plus Care program. Now operated in 21 counties, the program is targeted to serving individuals with serious mental illnesses who are homeless and coming from jails or hospitals, or who are in the community on parole or probation and are in danger of being reincarcerated. Case management and supportive services are provided to individuals receiving rental assistance. The effectiveness of the program has been demonstrated in recidivism rates of less than seven percent to jails, one percent to hospitals, and one percent to homelessness.

Community Criminal Justice Treatment Program. Begun in 1992, the Maryland Community Criminal Justice Treatment Program (MCCJTP) provides comprehensive care to meet the needs of people who have serious mental illnesses and co-occurring substance use disorders, and who are involved with the justice system. The program works through interagency partnerships in local jurisdictions. Local advisory boards are required to develop a Memorandum of Agreement specifying the services each agency will provide; MHA provides $1.5 million annually for case management services. Eligible individuals have access to an array of services through the public mental health system.

Lessons Learned

Maryland considers people who are homeless and have serious mental illnesses a top priority for services. MHA's Clinical Division of Special Populations has the staff and a number of programs dedicated to ensure that this priority is carried out where housing and mental health services are delivered—at the local level. The State takes an active role in planning activities to ensure that appropriate discharge planning and housing and services are available to these individuals. Participation in local HUD Continuum of Care planning efforts is directly linked to the State priority on homeless people with criminal justice system involvement.

Collaboration between MHA and county mental health authorities also has resulted in targeting Mental Health Block Grant Funds to serve individuals who are homeless and have serious mental illnesses and co-occurring disorders. Block grant dollars, in turn, are used for an array of services that have proven effective with this population.

MHA has blended Federal, State and local funding resources successfully to meet the specialized needs of this population for housing and services. This includes combining permanent housing resources available through HUD's Shelter Plus Care program with block grant funds and with various State and local program resources. Partnerships among agencies at the local level also are encouraged through the development of local advisory boards that enter into interagency agreements to better coordinate resources and provide comprehensive care.

The Ohio Department of Mental Health (ODMH) supports local strategies to address housing and homelessness prevention among people with serious mental illnesses. This includes a $20 million biennial investment in housing and homeless services.

Making Housing a Local Priority in Ohio

Policy and Planning

Housing has been a top priority for the Ohio Department of Mental Health (ODMH) since establishment of the Ohio Mental Health Housing Task Force in 1985. The Agency's homelessness prevention strategy considers a stable living situation in the community critical to one's recovery.

In ODMH's view, cooperative planning and leadership by the State is key to ensuring quality and accountability in housing and services at the local level. The State Agency has a five-part strategy:

- Stimulate homeless and housing-specific programs such as the Projects for Assistance in Transition from Homelessness (PATH) and the Housing Assistance Program (HAP) to serve as bridge funding to mainstream supports.
- Move away from funding State "programs" toward investing in and supporting local housing and homeless prevention strategies.
- Place a priority on investing in local strategies that leverage funding sources other than mental health dollars.
- Use data on cost, access and quality to help direct sound investment decisions with State funds for housing and services.
- Recognize the difference between living "in the community" and living "in community," by strengthening and showcasing the use of natural individual and community supports.

Ohio's mental health system has long counted on the expertise of its 16 mental health housing agencies whose mission is to develop and/or operate housing for people with serious mental illnesses. Over the next year, these experts will partner with NAMI-Ohio to develop a Mental Health Housing Leadership Institute to provide greater access to housing. In addition, the State is working to implement Assertive Community Treatment (ACT) as a reimbursable service under Medicaid. This will provide greater opportunity for people with mental illnesses who are homeless to access and maintain housing.

Funding for Homeless Services

Prevention, housing development, outreach and engagement, and advocacy for increased housing and services are the basis of Ohio's approach. ODMH spends more than $20 million biennially on housing and homeless services. The funding comes from several sources including capital development and operating funds for housing, and Federal PATH and mental health block grant dollars. Of the $10 million ODMH allocates annually for housing operations costs, $770,000 is from the Federal mental health block grant.

Fiscal and service responsibility for mental health services in the State rests with 50 local boards that serve Ohio's 88 counties. The Department works collaboratively with and provides resources to local boards with established priorities and plans to meet the housing and homeless service needs of people with serious mental illnesses. In addition, ODMH collaborates with other State agencies and advocacy groups to coordinate resources.

Special Programs, Incentives, or Initiatives

Incentives to localities. Local mental health boards are not required to submit a housing plan. However, if they do and the plan is consistent with ODMH's framework, they become eligible for additional funding through the Community Capital Assistance Program, described below. The ability to achieve certain performance-based outcomes also must be demonstrated. For example, localities must show they are able to serve the maximum number of people by using State rental assistance dollars as a bridge to permanent subsidies such as HUD Housing Choice vouchers. The Department also makes it a priority to invest in local systems that can stretch the State's dollar to meet housing needs.

Mental Health Housing Assistance Program (HAP). This program is designed for people with mental illnesses who are homeless or at risk of homelessness, and for people exiting psychiatric hospitals. ODMH funds it through local mental health boards, which, in turn, contract with local providers to provide start-up loans and temporary rental assistance for permanent housing. One-time grants are made to people to cover housing-related expenses, such as security and utility deposits, or furnishings. Alternatively, the money can be used to subsidize rent until the person receives federal housing assistance or becomes self-sufficient. HAP funds only can be used to subsidize housing costs at or below Fair Market Rent so that individuals are not forced to move once they receive HUD Housing Choice assistance. With annual funding of $5 to $6 million, the program serves roughly 5,600 households.

Community Capital Assistance Program. In FY 2002, ODMH received about $10 million in State bond revenue for the Community Capital Assistance Program. To apply for the funds, local mental health boards are required to submit housing plans which then are used to weight the scores of local projects. The Department awards up to 75 percent of the required match for construction and development costs for permanent supportive housing projects funded through the HUD Continuum of Care. In FY 2001-02, ODMH provided almost $1.5 million to local mental health systems to leverage other funds in order to increase housing availability for individuals with mental illnesses.

Lessons Learned

Ohio's example points to the role that State mental health agencies can have to support local housing and service programs for people who are homeless and have mental illnesses. ODMH has clearly defined its leadership role with localities. At the core of ODMH's approach is ensuring quality and accountability in housing and services at the local level by investing in local planning strategies that are outcome driven and make the most of State and other resources.

The Agency invests in local housing plans consistent with its overall strategy. ODMH also supports localities' efforts to apply for other sources of funding, and provides leveraging funds. Further, the use of bridging subsidies and assistance is supported as a way to provide short-term assistance to individuals while linking them with mainstream resources for housing and supports.

Ohio's mental health system uses a portion of its Federal mental health block grant to invest in housing operations costs. ODMH also collaborates with localities and other State agencies and organizations to coordinate State and local resources with Federal resources.

Influencing Local Priorities in Washington

Eighty percent of Washington State's Federal mental health block grant dollars are distributed to local networks to fund outreach services, case management, housing assistance, and other supportive services.

Policy and Planning

The Mental Health Division (MHD) of Washington State's Department of Social and Health Services considers people who are homeless a priority population for mental health services. MHD's planning and funding priorities changed in the past two years, designating this and other subgroups of people with mental illnesses, including individuals with co-occurring substance use disorders, a priority in the State's mental heath block grant plan.

The State's planning and funding priorities for serving people who are homeless are carried out at the local level. Funds are distributed to Regional Support Networks (RSNs)—individual or multiple county authorities responsible for local mental health services. The RSNs, in turn, contract with mental health services providers to deliver services. RSNs are required to plan for services to this population as part of the State's prepaid health plan network. The State works closely with RSNs to ensure the efforts support the objectives of the mental health block grant plan. The State also encourages RSNs to participate in local HUD Continuum of Care planning efforts to assess needs, and to develop housing and service resources for individuals with mental illnesses.

When the priority populations shifted at the State level, localities had to focus on better serving those groups. In 2001, the State's mental health planning council sought proposals for innovative projects that would be funded with Federal block grant funds. Several communities developed plans, submitted through their RSNs, for new projects. As a result, the types of programs and services offered at the local level changed and innovative projects were funded in some localities. An example of how this took place in Seattle is described below.

Funding for Homeless Services

Washington's 14 RSNs receive about 80 percent of the State's Federal Mental Health block grant. The RSNs use the funds according to locally identified needs. At the local level, block grant dollars may be used for outreach services, case management, housing assistance, and ongoing supportive services for homeless people with mental illnesses. In Fiscal Year 2002, $688,000 in Federal PATH funds also were distributed to eight of the fourteen RSNs to supplement needed outreach and services**.** In addition, about $35,000 of the State's share of

Federal block grant dollars is used to support technical assistance and training for providers as described below. The State uses block grant dollars to help localities increase available housing resources for people with mental illnesses.

Special Programs, Incentives, or Initiatives

Technical assistance and training. Washington's MHD uses a portion of its mental health block grant dollars to help localities increase available housing resources for people with mental illnesses. For example, two training workshops are being conducted this year for RSN staff, and both mental health and homeless service providers to help increase the number of successful housing applications submitted. The State also is contracting for on-site technical assistance in three geographic areas to develop local plans to expand housing options for people with co-occurring disorders at risk of homelessness.

Outreach, integrated services and housing. The King County Mental Health, Chemical Abuse and Dependency Services Division of the Department of Community and Human Services is the RSN responsible for local delivery of mental health services in Seattle/King County. As a result of the shift in priorities at State level, the RSN recently retargeted funding to support the Homeless Outreach Stabilization and Transition (HOST) program. Operated by the Downtown Emergency Services Center (DESC) in Seattle, HOST provides outreach, engagement, and service linkage for hard-to-serve homeless individuals with mental illnesses on the street. DESC, which serves over 10,000 people a year, provides an integrated continuum of housing and services including emergency shelter, clinical services, and low-demand and permanent supportive housing options supported by Federal, State, county, city, and private dollars. Individuals engaged by the HOST program have access to the full array of services and housing resources offered by DESC. HOST is an outgrowth of the Federal Access to Community Care through Effective Services, and Supports (ACCESS) demonstration program. Local funding was used to sustain the program when ACCESS funding ceased. It is now partially funded by local funds, and by Federal PATH and mental health block grant dollars.

Crisis Triage Unit. King County also recently shifted Federal mental health block grant funding to partially support a Crisis Triage Unit (CTU) for people in behavioral health crisis, many of whom are homeless. The five-year-old CTU is located in the emergency department at the county hospital. The program provides a single point of entry, or "no wrong door," to multiple treatment systems. The program also serves as a pre-booking diversion site for non-violent misdemeanants with mental illnesses and substance use disorders, providing alternatives for community treatment rather than jail.

Lessons Learned

The Washington State example demonstrates how shifting priorities at the State level can influence local service priorities. The recent designation of people who are homeless and have co-occurring mental illnesses and substance use disorders as a priority population has helped refocus services at the local level on reaching some of the most difficult-to-serve individuals. The State has worked with RSNs, responsible for local delivery of mental health services, to ensure that the

change in priorities is being carried out at the local level with services offered and supported by Federal block grant dollars.

The State also was able to work through its mental health planning council with the RSNs to fund innovative programs aimed at serving hard to reach homeless individuals using block grant dollars. Technical assistance and training to increase the housing options available to people with mental illnesses in local communities is supported by Mental Health Block Grant Funds as well.

APPENDIX

The individuals listed below provided information for the case study examples in this report and can be contacted for additional information.

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