CHCS Center for Health Care Strategies, Inc.

Stephen A. Somers, PhD
President and Chief Executive Officer
Center for Health Care Strategies, Inc.

Stephen A. Somers, PhD, is the president and chief executive officer of the Center for Health Care Strategies (CHCS), which he founded in 1995 with a major grant on Medicaid managed care from the Robert Wood Johnson Foundation. In that role, he is responsible for the organization's growth into a nationally recognized center on improving care for beneficiaries of this country's publicly financed health care programs, particularly those with chronic illnesses and disabilities and those experiencing racial and ethnic disparities in care. CHCS now receives support from multiple philanthropies, corporate community benefit programs and the federal government.

Before starting CHCS, Dr. Somers was an associate vice president and program officer at the Robert Wood Johnson Foundation. Prior to that, he was a professional staff member at the U.S. Senate Special Committee on Aging and legislative assistant to U.S. Senator John Heinz of Pennsylvania. Dr. Somers serves as a visiting lecturer at Princeton University's Woodrow Wilson School of Public and International Affairs. Dr. Somers earned his PhD in the politics of education from Stanford University.

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USICH Meeting: Opportunities from a Medicaid Perspective

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Background

Homelessness and housing instability are significant impediments to health care access and improved health for people with complex conditions, often resulting in high utilization of expensive inpatient and crisis services. Supportive housing can improve their health outcomes while reducing costs.[i]

By providing safe and stable affordable housing coupled with "high touch" supports that engage and connect persons with chronic health conditions to a network of comprehensive primary and behavioral health services, supportive housing can help increase survival rates, reduce inpatient utilization, foster mental health recovery, and reduce alcohol and drug use among formerly homeless individuals.[ii] With interagency support, state Medicaid programs could implement "high touch" case management in supportive housing for low-income, childless adults in 2014.

Medicaid Population and 2014 Expansion

Estimates of the percentage of people living in homelessness who are currently eligible for Medicaid vary, and will depend on a state's established eligibility policies. Currently, most agree that relatively few single homeless individuals are covered, except in states which have already enacted substantial expansions in coverage (e.g. New York, Oregon).

In 2014, however, virtually all of the 1.2 million homeless single adults will be among the approximately 16 million individuals who will gain Medicaid eligibility under the Affordable Care Act (ACA). States that have previously expanded Medicaid coverage to this population tell us that many will have significant unmet health needs and significant health costs. This was illustrated in a study of the Oregon Health Plan where the childless adult population had more complex health needs and higher utilization than the adults with children.[iii] Of the expansion population, the complex health needs are likely even greater among those living in homelessness.

Supportive-Housing Based Care Management for Newly Eligible Medicaid Beneficiaries Who Are Homeless

There are a number of ways states can fund care management services within the supportive housing environment under Medicaid program rules. One analysis suggests that as much as 85% of care management provided in supportive housing environment is potentially reimbursable under the Medicaid program.[iv] The most promising state options are:

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1. ***Coordinated Care for People with Multiple Chronic Conditions (Health Homes)*** – This new option under the ACA provides states with 90% percent Federal match for eight quarters. Given the high prevalence of mental health and substance abuse conditions in the chronically homeless population as well as the match between health home services and the services provided in supportive housing, this new option is promising. Although "homelessness" *per se* is not a permissible targeting criterion for health homes, intensive care management linked to affordable housing could be part of a broader state health home strategy.

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For example, in New York much of the homeless population is already Medicaid eligible due to prior expansions. The state is currently rolling out a major delivery system reform through the health home option and is requiring the network of health home providers to have partnerships with housing agencies.

2. ***Managed Care*** - Medicaid managed care organizations (MCOs) can pay for care management services in supportive housing projects. They have the flexibility to add services above the basic statewide Medicaid service package in order to address particular needs of their enrollees as long as they do so within their capitation rates. However in most states, a small percentage of current supportive housing residents are Medicaid eligible and they may be enrolled in different MCO plans, decreasing the likelihood that a particular plan will make this investment. Again, ACA will change the eligibility landscape to dramatically increase the number of Medicaid beneficiaries in supportive housing. Plans are likely to have far greater financial incentive to make such investments in the future.

   In late 2011, the Keystone Mercy Health Plan in Philadelphia launched a pilot project with Project HOME – a nationally recognized organization that provides supportive housing, employment, education and health care to enable chronically homeless and low-income persons to break the cycle of homelessness and poverty. The plan will provide a limited set of care management services to Medicaid-eligible individuals. Preliminary data on this pilot should be available in mid-2012.

Benefits to Federal/State Government

Providing care management services in supportive housing can result in the following outcomes:

- 5˘¸uced utilization of crisis and inpatient services;
- Control of the growth in Medicaid costs;
- Potential benefits to other public systems (e.g., the corrections system); and
- Better health care and life outcomes for chronically homeless individuals.

Roughly one fifth of the states across the country are currently considering Medicaid-funded care management services provided within the supportive housing environment. Developing strategies to leverage Medicaid services to address the health needs of supportive housing residents represents a promising investment opportunity for federal, state and local governments.

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i Corporation for Supportive Housing. (2006). Supportive housing research FAQs: Is supportive housing cost effective? Retrieved from http://documents.csh.org/documents/policy/FAQs/CostEffectivenessFAQFINAL.pdf

[ii] Larimer, M.E., Malone, D.K., Garner, M.D., et al. (2009). "Health care and public service use and costs before and after provision of housing for chronically homeless persons with severe alcohol problems." *The Journal of the American Medical Association, 301(13), 1349-1357.*

[iii] Haber S.G., Khatutsky, G., and Mitchell, J.B. (2000). "Covering Uninsured Adults through Medicaid: Lessons from the Oregon Health Plan." *Health Care Financing Review. Vol 22, Number 2.*

[iv] Corporation for Supportive Housing. Understanding the Services in Supportive Housing as a Medicaid-Eligible Service: Connecticut's Supportive Housing Services-Medicaid Crosswalk Analysis. Retrieved from: www.csh.org