

Cost Effective Strategies for Housing People Experiencing Homelessness

Research

*Sharon Rapport, Associate Director, California
Policy, CSH*

The Source for
Housing Solutions



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Advancing housing solutions that:



**Improve lives of
vulnerable
people**



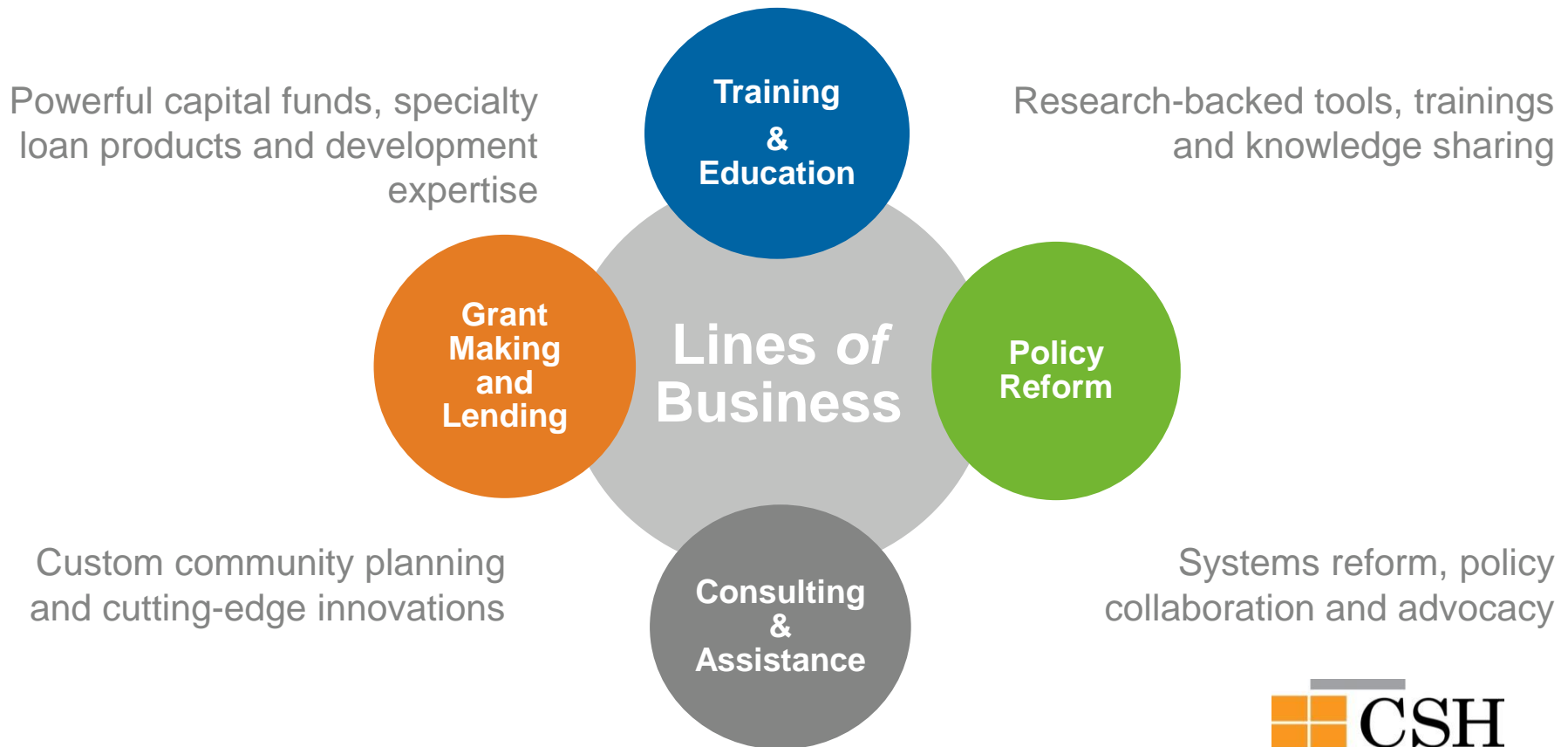
**Maximize public
resources**



**Build strong,
healthy
communities**

What We Do

CSH is a touchstone for new ideas and best practices, a collaborative and pragmatic community partner, and an influential advocate for supportive housing.



Housing is Fundamental to Meaningful Health Care



Culhane/Metraux Study

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Public Service Reductions Associated with Placement of Homeless Persons with Severe Mental Illness in Supportive Housing

Dennis P. Culhane, Stephen Metraux, and Trevor Hadley
University of Pennsylvania

Abstract

This article assesses the impact of public investment in supportive housing for homeless persons with severe mental disabilities. Data on 4,679 people placed in such housing in New York City between 1989 and 1997 were merged with data on the utilization of public shelters, public and private hospitals, and correctional facilities. A series of matched controls who were homeless but not placed in housing were similarly tracked.

Regression results reveal that persons placed in supportive housing experience marked reductions in shelter use, hospitalizations, length of stay per hospitalization, and time incarcerated. Before placement, homeless people with severe mental illness used about \$40,451 per person per year in services (1999 dollars). Placement was associated with a reduction in services use of \$16,281 per housing unit per year. Annual unit costs are estimated at \$17,277, for a net cost of \$965 per unit per year over the first two years.

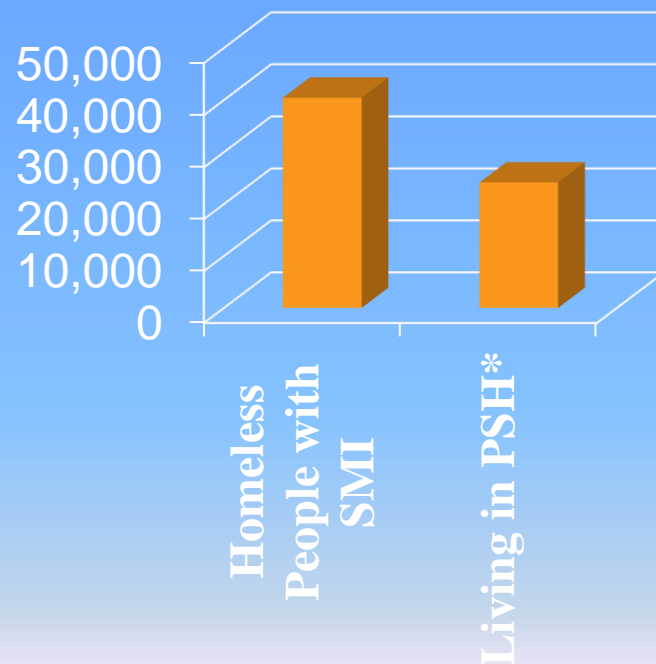
Keywords: Homelessness; Housing

Introduction

Placing homeless persons with severe mental illness (SMI) into subsidized permanent housing with social service support promises to substantially reduce the demand for shelter among those placed. This housing provides a more humane alternative to living on the streets and in shelters, and providers report retention rates in such housing to be upwards of 70 percent in the first year after placement. However, little empirical evidence has been gathered to quantify the degree to which supportive housing supplants shelter use among the formerly homeless with SMI. Furthermore, it can similarly be assumed that homeless persons with SMI, once placed in supportive housing, reduce their use of acute psychiatric and medical services, and are arrested and incarcerated less often. However, such assumptions are somewhat more tenuous, and a similar dearth of empirical evidence exists both on the demand for these services among homeless persons with SMI and on the impact of supportive housing on this level of demand.

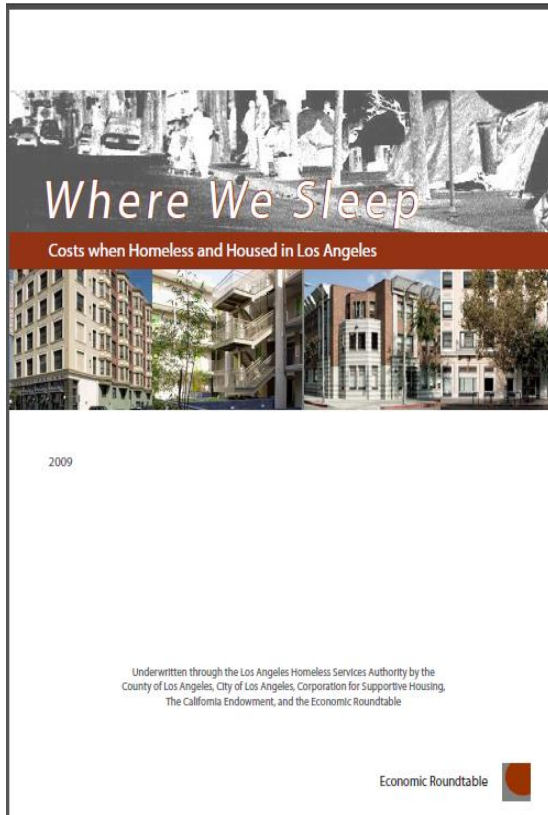
The study reported here examines service use by formerly homeless

Costs to Taxpayers

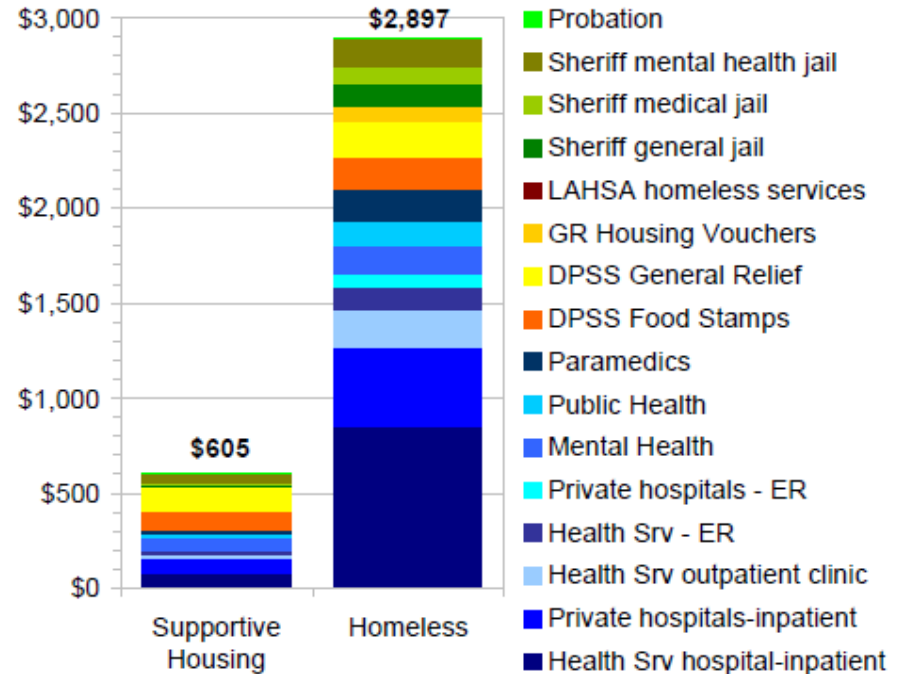


■ Costs to Taxpayers (*not including housing costs)

Economic Roundtable Study



Average Monthly Public Costs for Persons in Supportive Housing and Comparable Homeless Persons



Source: 279 Matched pairs of supportive housing residents and homeless General Relief recipients. Costs shown in 2008 dollars.

**Homeless GR Recipients Cost LA County
\$2,897 Per Month.**

PSH Residents Cost County \$605

Studies Re: Cost Benefits of Supportive Housing

December 2005

The Health and Cost of Homelessness

David Buchan

Homelessness is a health outcome for homeless people ranging from a lack of shelter and location and safety to the transmission of HIV and other infectious diseases, as well as the need to take the medical and mental health among

ORIGINAL CONTRIBUTION

Health and Cost of Homelessness With Supportive Housing

Mary E. Larin
Daniel K. Mays
Michelle D. C. O'Connell
David C. Atkinson
Bonnie Burlingame

Heather S. Lonzak, PhD
Kenneth Tanzer, BA
Joshua Ginzler, PhD
Seema L. Clifasefi, PhD
William G. Hobson, MA
G. Alan Marlatt, PhD

“Total Cost Offsets for Housing First participants relative to controls averaged \$2,449 per person per month after accounting for housing program costs.”

Design, Setting, and Participants. Quasi-experimental design comparing 95 housed participants (with drinking permitted) with 39 wait-list control participants enrolled between November 2005 and March 2007 in Seattle, Washington.

Main Outcome Measures. Use and cost of services (jail bookings, days incarcerated, shelter and sobering center use, hospital-based medical services, publicly funded alcohol and drug detoxification and treatment, emergency medical services, and Medicaid-funded services) for Housing First participants relative to wait-list controls.

Results. Housing First participants had total costs of \$8175,922 in the year prior

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Most Homeless People Don't Need Supportive Housing

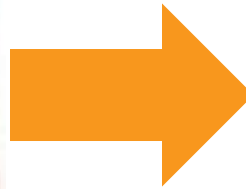


TABLE 1: WORST 10 CALIFORNIA COUNTIES BY SHORTFALL OF HOMES AFFORDABLE & AVAILABLE TO ELI RENTER HOUSEHOLDS

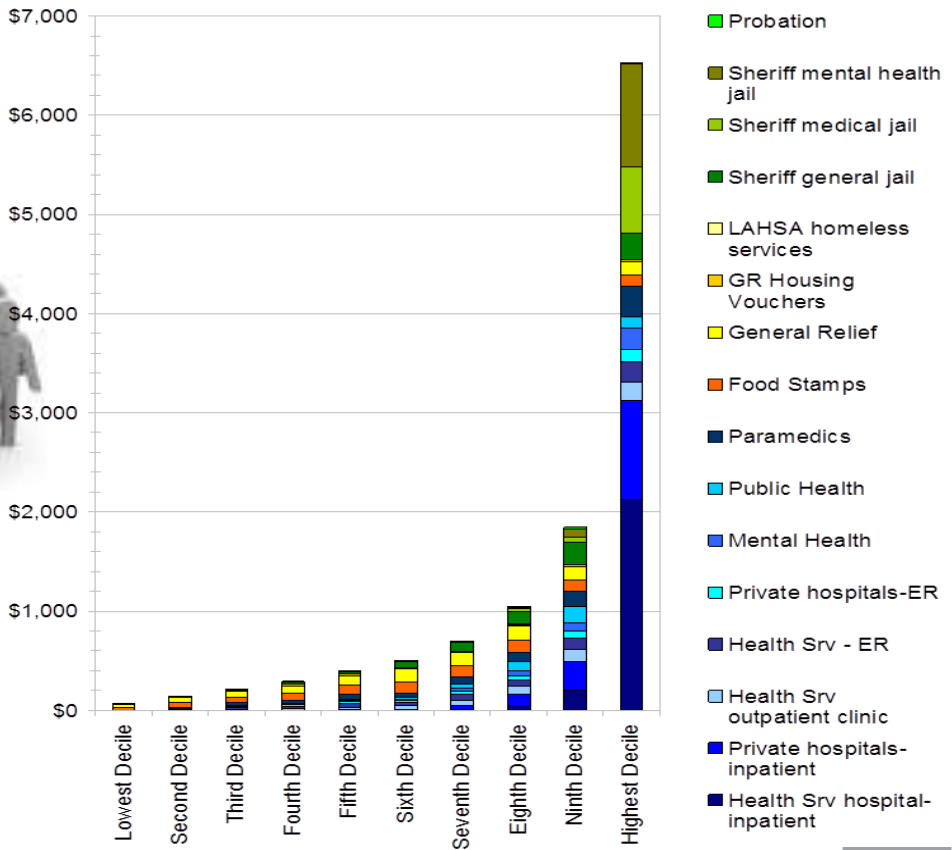
COUNTY	SHORTFALL OF HOMES AFFORDABLE & AVAILABLE TO ELI RENTERS	AFFORDABLE & AVAILABLE UNITS PER 100 ELI RENTERS
Los Angeles	(376,735)	19
San Diego	(79,795)	18
Orange	(70,125)	18
Alameda	(44,560)	27
Santa Clara	(39,465)	26
San Bernardino	(36,375)	18
Sacramento	(36,040)	21
San Francisco	(35,855)	37
Riverside	(31,875)	20
Fresno	(23,810)	20

Source: NLIHC Analysis of 2006-2010 CHAS data.

A Minority of Homeless People Drive Costs, Mostly in the Health Care System

Average Monthly Costs in All Months by Decile for Homeless GR Recipients

Source: 2,907 homeless GR recipients in LA County with DHS ER or inpatient records
 Deciles based on costs in all months whether homeless or housed



What Drives Health Care Costs



- About half of people visiting emergency room frequently are homeless.
- People who are frequent ER users are also frequently admitted to the hospital.
- People who are chronically homeless stay longer in the hospital, often beyond “medically necessary.”



People who are homeless are readmitted more frequently.



What We Know Works to Decrease Costs, Improve Outcomes Among High-Cost Homeless Population

- **Identify target populations, assess individuals' needs, and work to meet those individualized needs.**
- **Provide face-to-face interactions that identify available housing, help the individual get into housing, and provide ongoing intensive face-to-face interactions to ensure the individual receives whatever he or she needs to achieve health and housing stability.**
- **Offer services close to where the individual lives.**
- **Focus on housing stability, as well as health stability.**

Questions??

For more information,

Sharon Rapport, CSH

(213) 623-4342, x18

(323) 243-7424

Sharon.Rapport@csh.org

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