Target Population for Housing and Housing-Based Services in Waiver

Extended Stay Nursing Facility Residents

Characteristics

- Total Population = 62,573 with LTC Aid Code
  Age 65+ – 75% of total population
  Age below 65 = 25% of total population

Disease Profile

- Hypertension, Dementia, Diabetes, Mood Disorders, Atrial Fibrillation, Stroke, Chronic Obstructive Pulmonary Disease and Congestive Heart Failure

Measures

- Disease Burden Score = 3.7 Average
- ADL Limitations = 3.0 – 3.7
- Cognitive Limitations = 46 – 55% of Total Population

Chronically Homeless High Utilizers

Initial Eligibility Based on *Both* of the Following:

One of the following combination of conditions:

- At least one mental illness and a substance use disorder, OR
- At least one mental illness and one medical condition, OR
- A substance use disorder and at least one medical condition, OR
- At least two medical conditions

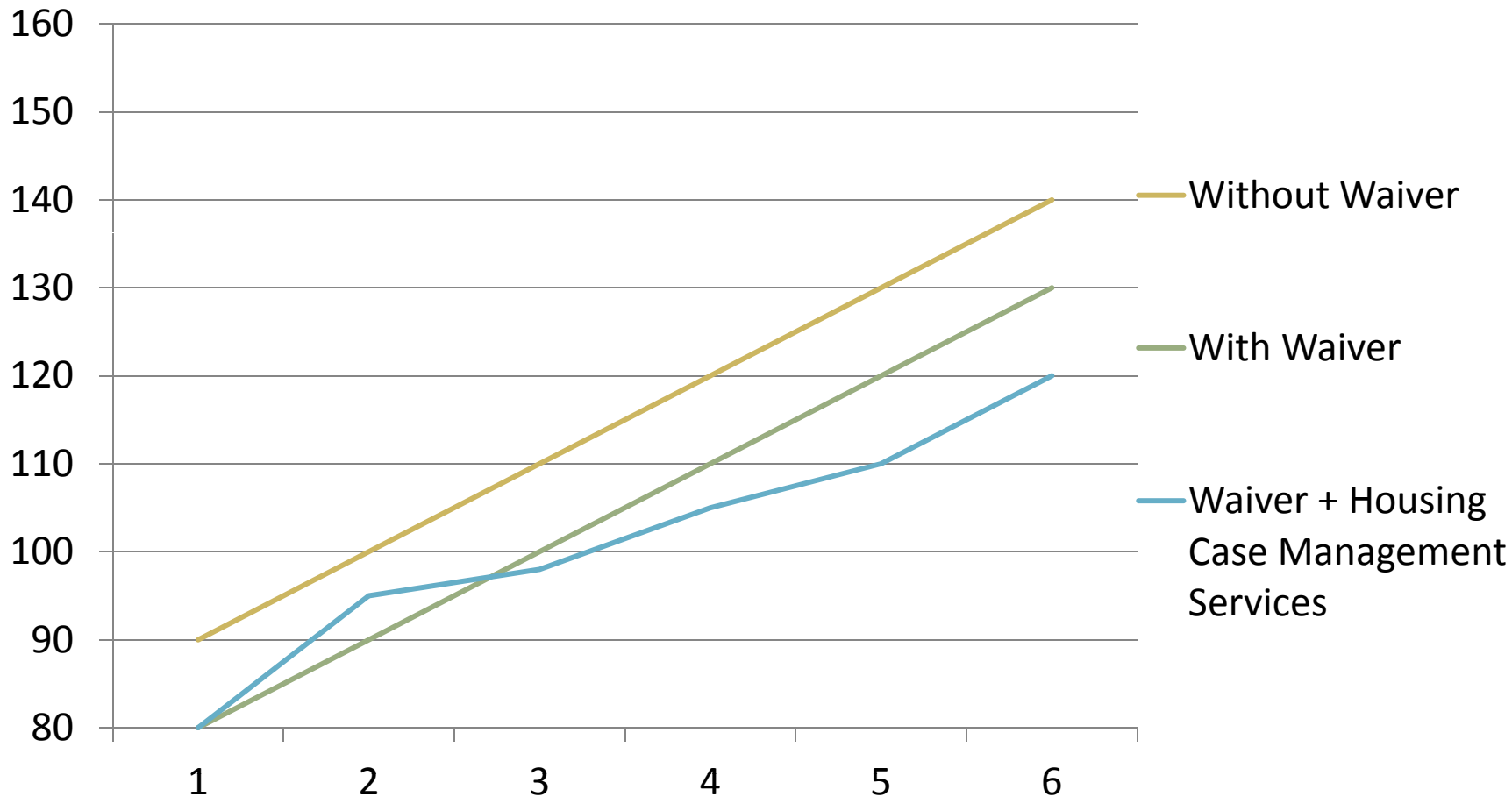
A level of severity indicated by one of the following:

- 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
- Periods of homelessness over 24 months with institutionalization (inpatient hospitalization, IMD) of at least 30 days, OR
- Homelessness and at least three inpatient admissions over the last 24 months, OR
- No longer chronically homeless, but were chronically homeless before moving into housing

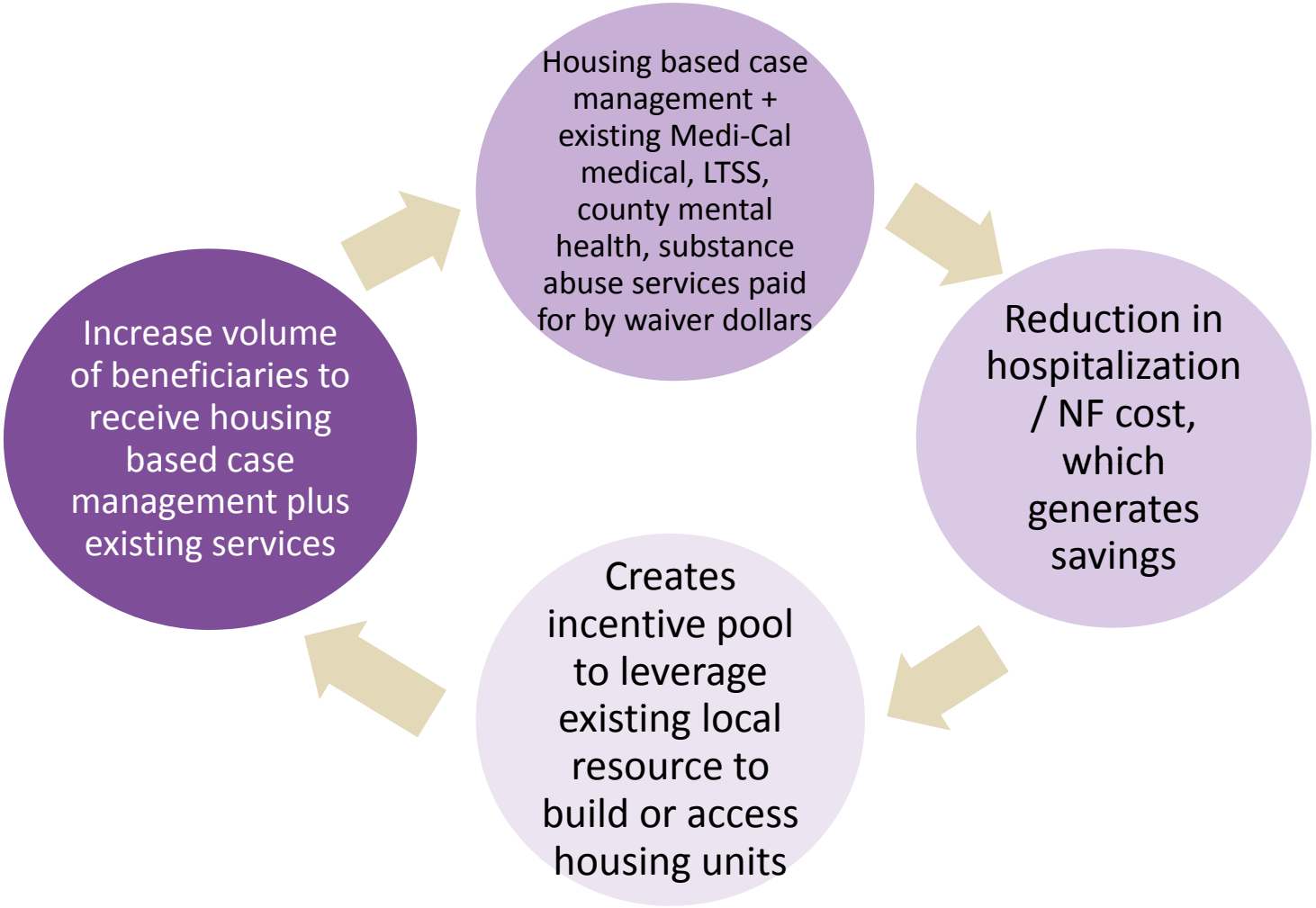
Estimated total statewide: About 60,000 eligible, served TBD.
Pilot project: in counties where plan interest & provider capacity.

Budget Neutrality for Housing and Housing-Based Services in Waiver

Demonstrating Budget Neutrality



Demonstrating Budget Neutrality



Questions / Comments:

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Potential Options to Fund Housing-Based Services & Rental Subsidies

Right Interventions for High-Need Populations

What changes to Medi-Cal could have impact on those with high susceptibility to poor health outcomes?

What interventions are needed to impact Medi-Cal costs?

Who would those interventions work for to improve outcomes and decrease Medi-Cal costs?

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Overview of Options

Services

- Case Rate for Housing-Based Case Management

&

Funding for Housing

- Option 1: Integrated System/"Whole Person" Care (4 Components)
  - Incentive payments to health plans to foster regional partnerships
  - Incentive payments to counties to create respite care
  - Savings pool to fund rental subsidies & bridge housing
  - Allow health plans to include payments to savings pool in rate setting
- Option 2: Partnerships Between Housing & Health
- Option 3: Use Incentive Payments to Providers to Create Respite

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"Housing-Based Case Management"

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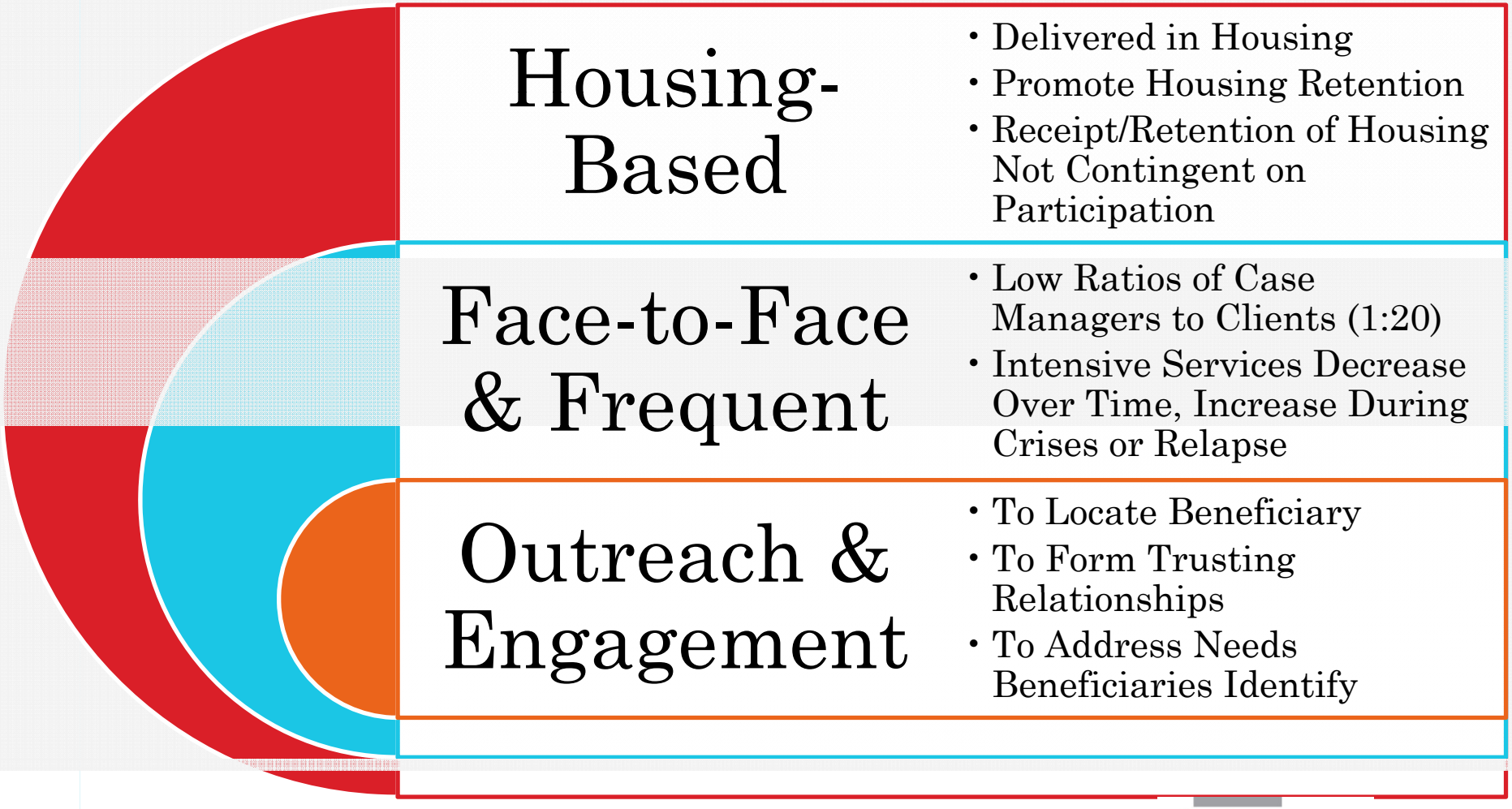
Core Components: Services in Supportive Housing



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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 Monthly Case Rate

- Payment for high-cost beneficiaries to fund services.
- Health plans would contract with community-based case management providers specialized in target populations (i.e., homeless high users).
- Savings generated would fund savings pool (see later slides).

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Stimulating Housing Opportunities

Housing-Based Case Management

- Allows funding now used for services to be used for housing.
  - Mental Health Services Act: use more FSP money for housing.
  - Under-used McKinney-Vento.
- More likely use of turn-over vouchers dedicated to populations.
- Easier for housing providers to line up funding required.

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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.

Option 1

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

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.

Option 1

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

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.

Option 1

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

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 & findin g beneficiaries may be difficult.

Option 1

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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.

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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.

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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.**

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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

funding through partnership between Department of

Option 4

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