

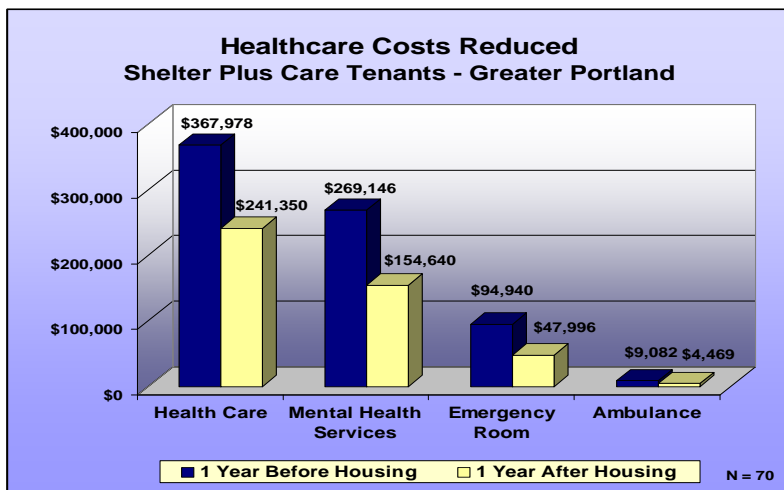


John E. Baldacci, Governor Brenda M. Harvey, Commissioner

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The Office of Adult Mental Health has recently released a report, *Cost of Homelessness Benefit of Shelter Plus Care*. This report clearly documents and highlights substantial savings to systems of care by comparing the utilization of typically high intensity, high cost services of people experiencing homelessness with those same people after receiving housing for one year with Shelter Plus Care (SPC). People housed with SPC showed an increased, and more appropriate, use of outpatient and community based services. In fact, for the cohort of 70 formerly homeless persons who participated in this study from the Greater Portland area, who are now housed with SPC for one year, we have documented a cost avoidance of these high intensity services of 41% or \$616,630.

The following is one of many demonstrable graphs contained in the report:



SPC is a federally funded, U.S. Department of Housing and Urban Development, rental assistance voucher program targeting homeless persons with mental illness. It should be noted that Maine's Office of Adult Mental Health was perhaps one of the first states in the nation to *not* mandate the provision of services going hand in hand with the housing vouchers for first-time participants of these programs. This *Housing First* approach, a byproduct of the AMHI Consent Decree, applies to both our Bridging Rental Assistance Program (BRAP) as well as Shelter Plus Care. These rental assistance programs represent a model of consumer *choice, independence, and control* over where consumers live and what services, if any, they receive. Empowering consumers with tenant-based BRAP and SPC rental assistance vouchers combined with the encouragement (but not the requirement) to engage in services is a proven successful model of Supportive Housing.

Respectfully submitted by:

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 Statewide Coordinator: Shelter Plus
 Care and Bridging Rental Assistance Program
 Shalom House Inc.

Cost of Homelessness: Benefit of Shelter Plus Care

Analysis of the Shelter Plus Care program administered by the Department of Health and Human Services, Office of Adult Mental Health Services—December 2008

Greater Portland

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Adult Mental Health Services

An Office of the

Department of Health and Human Services

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Cost of Homelessness: Benefit of Shelter Plus Care

Why Study the Cost of Homelessness?

“My life being more stable for myself & my kids leaves me with a more positive outlook and able to use my everyday energy on other things besides if we are going to eat or looking for a place to stay.”

(Tenant quote from Quality of Life Survey)

Cost of Homelessness: Benefit of Shelter Plus Care

Why Study the Cost of Homelessness?

- A single person with a disability looking for an apartment in Portland in 2007 is faced with a Fair Market Rent for a 1 bedroom apartment at \$800 while receiving an SSI benefit of \$637. ¹
- There is not a single housing market in the country where a person receiving SSI/SSDI can afford to rent even a modest one bedroom apartment without some kind of rental assistance.
- An estimated 20-25% of people who are homeless also struggle with severe and persistent mental illness while up to 66% self report problems with substance use or mental health problems. ² Many of these persons are eligible for, but not currently receiving, SSI benefits.
- At the federal level today there is an 80% reduction in investment in affordable housing compared with 30 years ago. ³

Cost of Homelessness: Benefit of Shelter Plus Care

Introduction to Shelter Plus Care

- Shelter Plus Care (SPC) is a *Permanent Supportive Housing* program providing rental assistance and coordination of services to persons experiencing homelessness with a disability, principally persons with a severe and persistent mental illness.
- Rental assistance vouchers are funded by the U.S. Department of Housing and Urban Development and administered by Maine's Department of Health and Human Services-Office of Adult Mental Health, Housing Division.
- Shelter Plus Care (SPC) vouchers in Portland are tenant based which combined with a *Housing First* philosophy, allows the recipient *choice, independence, and control* over where they live *and* what services they will receive.

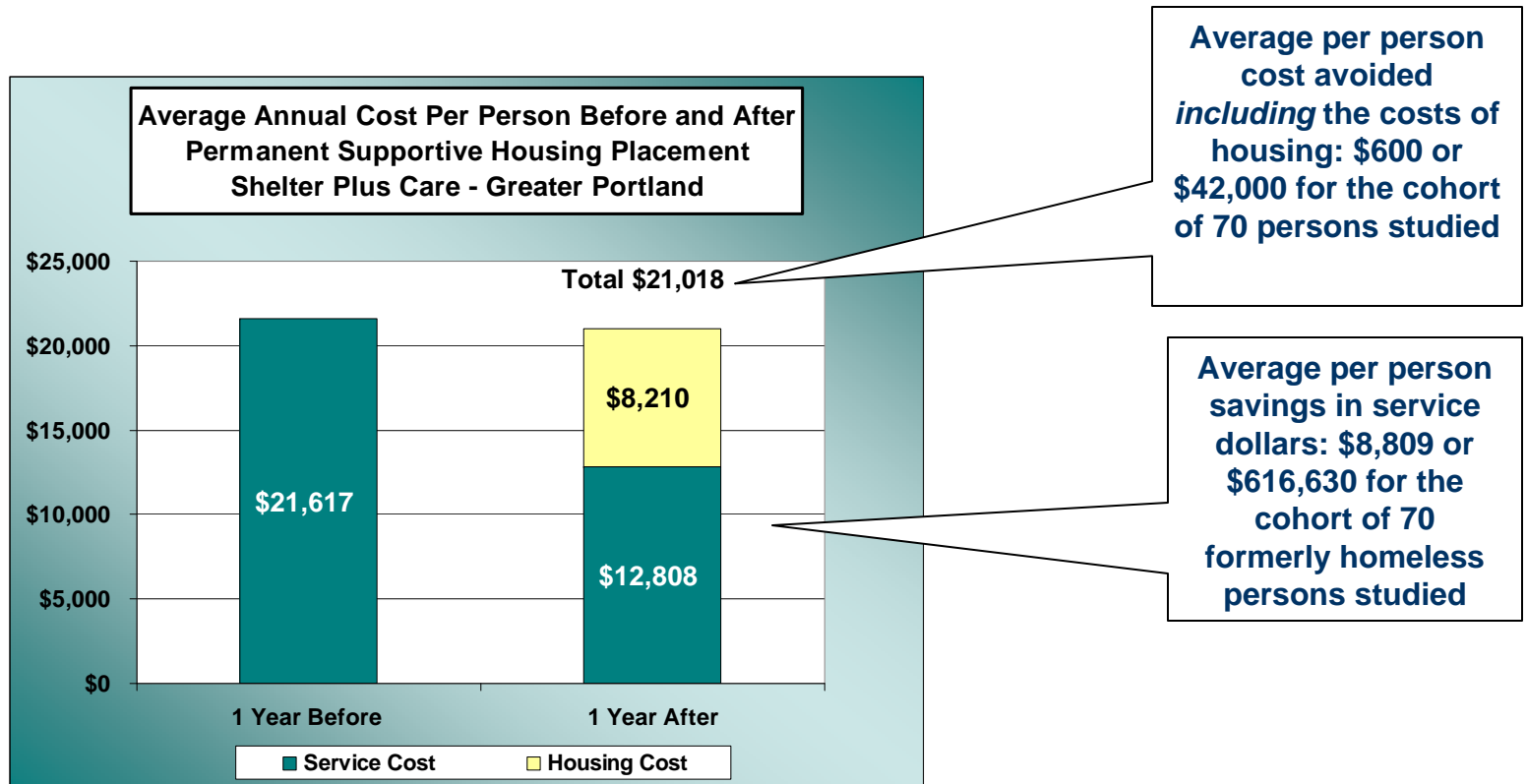
Cost of Homelessness: Benefit of Shelter Plus Care

Project Scope

- This presentation focuses on 70 Shelter Plus Care participants within Maine's Greater Portland area, which includes Maine's largest city.
- The data set utilized in this presentation was made available from the *Cost of Homelessness State of Maine—Greater Portland September 2007*.⁴
- Data presented represents the participants specific utilization and cost of services for one year of homelessness and one year housing with the SPC program.

Cost of Homelessness: Benefit of Shelter Plus Care

Housing *plus* services using SPC cost *less* than services alone while homeless



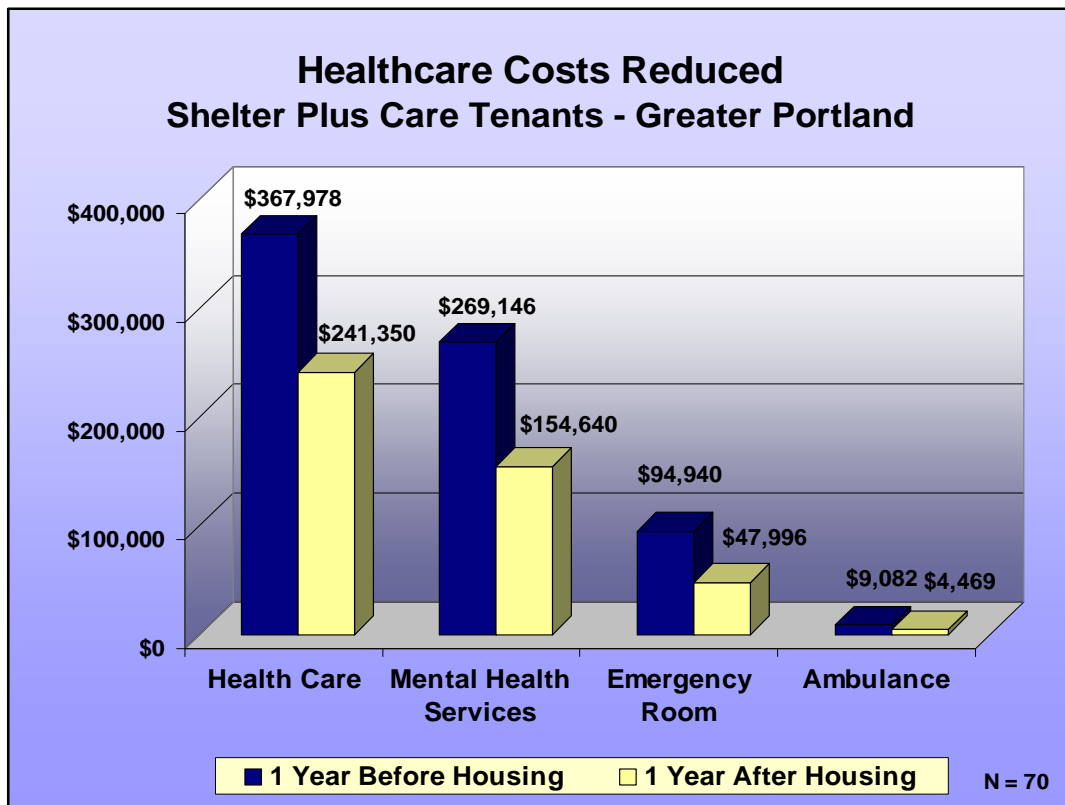
Cost of Homelessness: Benefit of Shelter Plus Care

Cost of Health Care Services Dramatically Decreases once housed with Shelter Plus Care

- **34% decrease in Health Care costs:
\$126,627 Savings**
- **43% decrease in Mental Health Services cost:
\$114,506 Savings**
- **49% decrease in Emergency Room costs:
\$46,945 Savings**
- **51% decrease in Ambulance costs:
\$4,613 Savings**

Cost of Homelessness: Benefit of Shelter Plus Care

Cost of Health Care Services Dramatically Decreases once housed with Shelter Plus Care



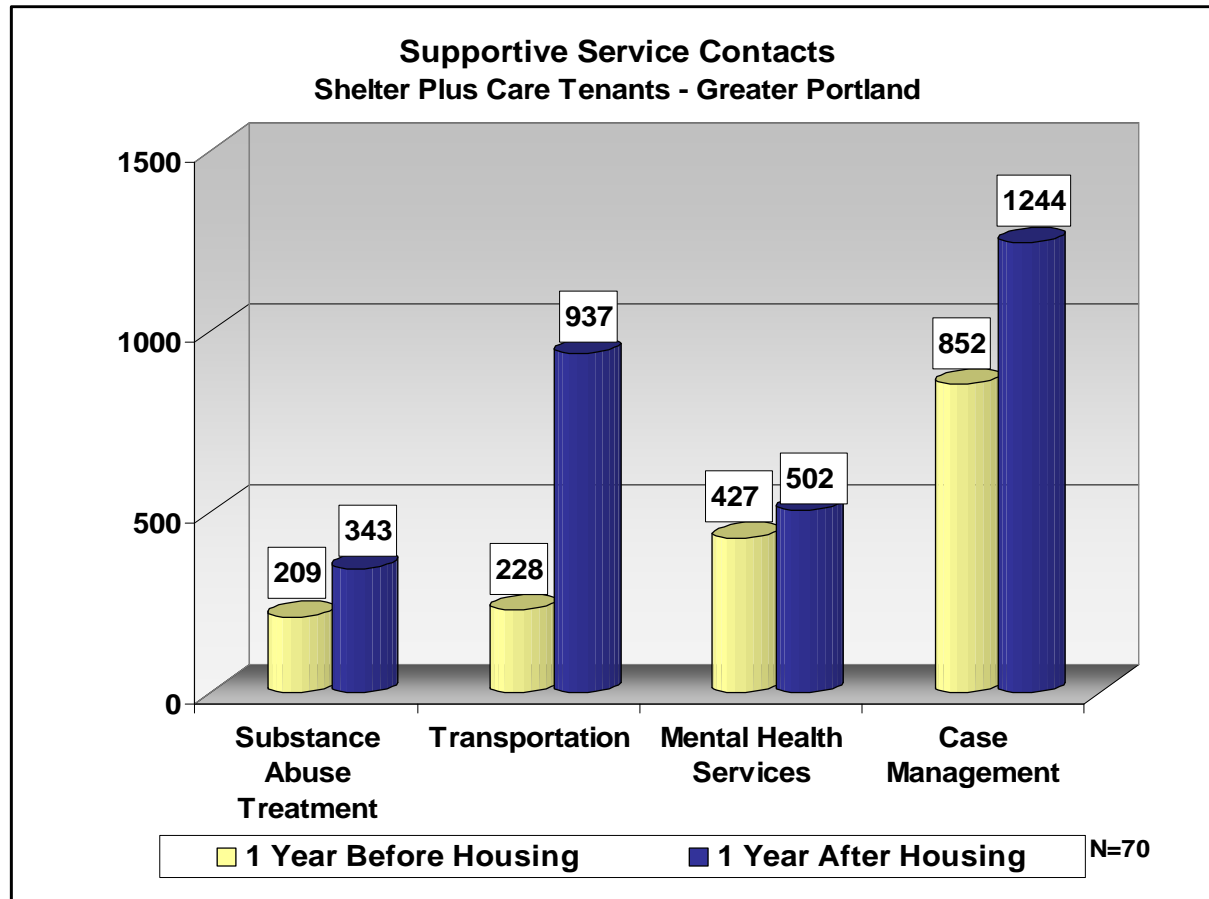
Cost of Homelessness: Benefit of Shelter Plus Care

**Utilization of Community Based Supportive Services
Dramatically Improves once housed with Shelter Plus Care**

- **64% increase in Substance Abuse Treatment contacts: 134 more contacts**
- **311% increase in Transportation services contacts: 709 additional rides**
- **18% increase in Mental Health Service contacts: 427 contacts to 502 contacts**
- **46% increase in Case Management contacts for the same cost**

Cost of Homelessness: Benefit of Shelter Plus Care

Utilization of Community Based Supportive Services Dramatically Improves once housed with Shelter Plus Care



Cost of Homelessness: Benefit of Shelter Plus Care

Inpatient Hospitalizations - Costs and Frequency Decrease once housed with Shelter Plus Care

53% decrease in costs for *mental health inpatient* hospitalizations from \$145,562 to \$68,758

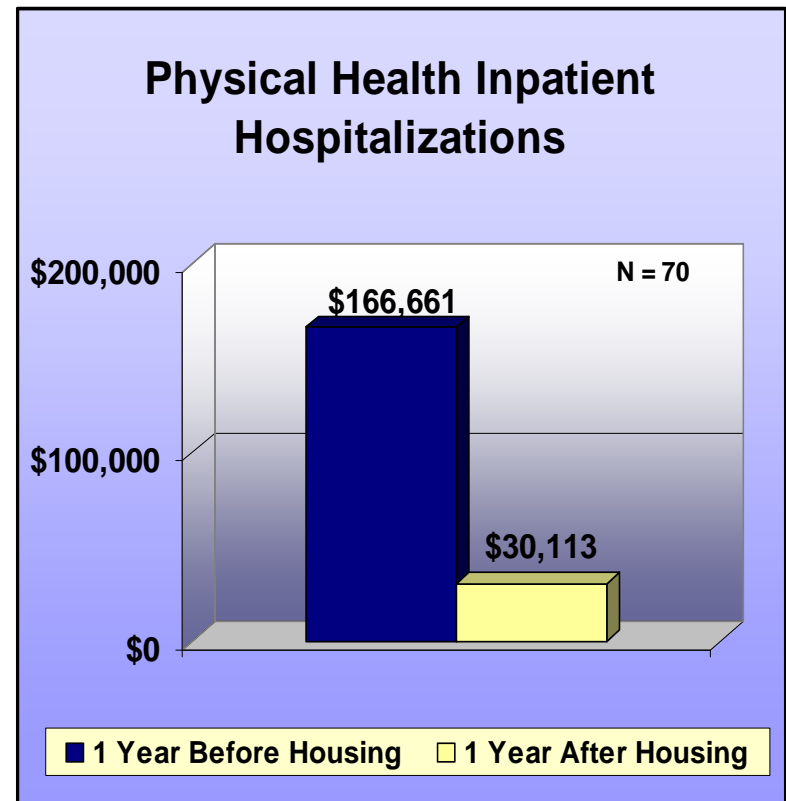
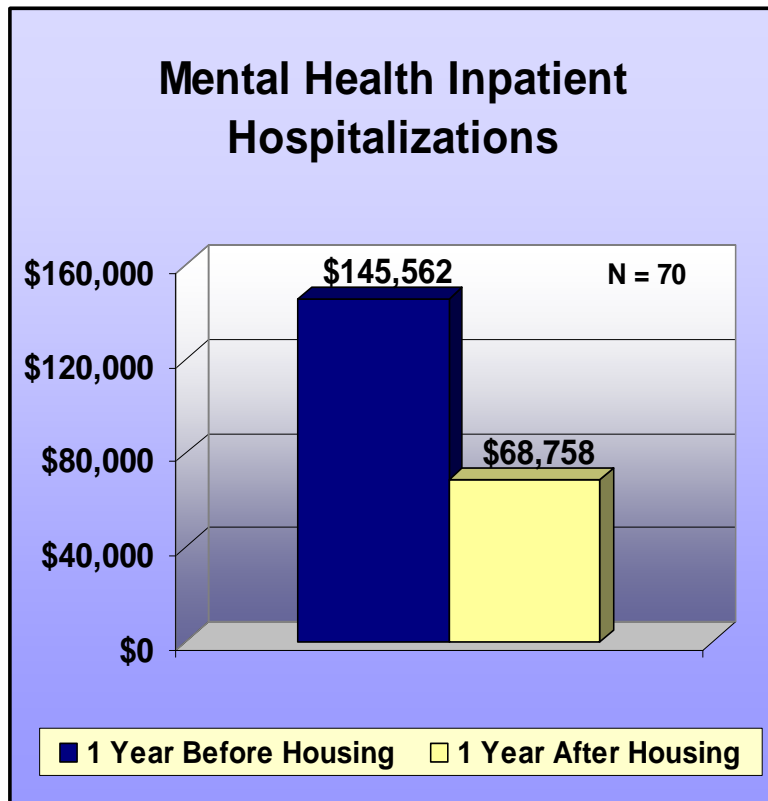
35% decrease in frequency of *mental health inpatient* hospitalizations from 17 to 11

82% decrease in costs for *physical health inpatient* hospitalizations from \$166,661 to \$30,113

62% decrease in frequency of *physical health inpatient* hospitalizations from 13 to only 5

Cost of Homelessness: Benefit of Shelter Plus Care

Inpatient Hospitalizations—Costs and Frequency Decrease once housed with Shelter Plus Care



Cost of Homelessness: Benefit of Shelter Plus Care

Findings

- The American Association on Intellectual and Developmental Disabilities (formerly AAMR) has determined that it costs *50-75 percent less* to provide services in community-based housing rather than more institutional-type housing funded by Medicaid. ⁵
- This study has determined that it costs 41% less to provide services to persons using Shelter Plus Care (Permanent Supported Housing) rather than providing services to persons in a state of homelessness. This finding is documented by a services savings of \$616,630 for this cohort of 70 formerly homeless persons in Greater Portland, which includes Maine's largest city.
- The 'savings' documented in this report represent a cost shifting: away from high intensity-high cost services (Emergency Room, Psychiatric Hospital, General Inpatient, etc.) towards more appropriate Community Based services and Permanent Supported Housing.

Cost of Homelessness: Benefit of Shelter Plus Care

Recommendations

- Fund, develop, and recruit other state and federal resources that could support similar Supportive Housing models.
- Utilize existing data to develop Evidence Based Best Practices.
- Examine other at risk of homelessness populations (Discharges from Hospitals, Jails, Prisons) that may benefit from Permanent Supportive Housing.
- A Longitudinal Study of the existing cohort is already underway and needs support in the months and years to come.

Cost of Homelessness: Benefit of Shelter Plus Care

Acknowledgements

This presentation was made possible by the direct funding and staff support from Maine's Department of Health and Human Services and the Office of Adult Mental Health.

This presentation is based on a subset of data from the *Cost of Homelessness: Cost Analysis of Permanent Supportive Housing-Greater Portland*, Mondello, Gass, McLaughlin, Shore, September 2007. That study received initial funding and support from Maine's Department of Health and Human Services, MaineHousing, and a grant from the Corporation for Supported Housing funded by the Robert Wood Johnson Foundation.

The contents, findings, analysis, and recommendations of this report, *Cost of Homelessness: Benefit of Shelter Plus Care*, have been developed, articulated, and presented by Sheldon Wheeler and Melany Mondello.

Cost of Homelessness: Benefit of Shelter Plus Care

Footnotes

- 1 Ann O'Hara, Emily Cooper, Technical Assistance Collaborative Inc., *Priced Out in 2004-The Housing Crisis for Persons with Disabilities*, September 2005
- 2 U.S. Department of Health and Human Services, Substance Abuse and Services Administration, Center for Mental Health Services, National Mental Health Information Center, Publications, *Homelessness-Provision of Mental Health and Substance Abuse Services*
- 3 Psychiatric Services, *Mental Health Policy and Services Five Years After the President's Commission Report: An Interview with Michael F. Hogan*, Lloyd I. Sederer, MD, November 2008 Vol. 59 No. 11
- 4 *Cost Analysis of Permanent Supportive Housing-Greater Portland*, Mondello, Gass, McLaughlin, Shore, September 2007.
- 5 Eunice Kennedy Shriver, Ann O'Hara, Emily Cooper, et. al., Technical Assistance Collaborative Inc., *Priced Out in 2004-The Housing Crisis for Persons with Disabilities*, 2007.

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