



Of health and home

Knowing that housing is essential to health care, Oregon providers are asking the feds to help pay for it

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Last year, OnTrack, an addiction treatment and recovery agency based in Medford, considered buying a 15-unit apartment complex and turning the building into transitional housing for the organization's clients and their families.

The building was dilapidated; the foundation was seriously damaged after a creek bordering the property flooded. The costs to repair the building to make it habitable made purchasing the property nearly impossible.

AllCare CCO, the coordinated care organization that provides care to people covered by Medicaid in Curry, Jackson and Josephine counties, footed the bill.

"We wanted to make sure they could get over the hump," Josh Balloch, AllCare's vice president for governmental relations and health policy, said.

The money came from AllCare's administrative budget, which makes up 8 percent of its total budget and some of which is used as "community benefit" money — money that AllCare can spend flexibly on non-medical services that help its patients stay healthy.

The federal government will not reimburse AllCare for the expenditure, as the government does for AllCare's medical and health-related expenses. Services related to housing — whether to rehab a building, the case management that helps a mentally ill person navigate the rental applications, or retention services that keep people housed — are not considered services that Medicaid can pay for.

That could soon change in Oregon, freeing up funds to house its most vulnerable, high-need and expensive

patients. The Oregon Health Authority is seeking a waiver from the Centers for Medicaid and the Medicare (CMS), the federal regulatory agency that regulates Medicaid and Medicare, that would allow Oregon's coordinated care organizations to pay for supportive housing services that help homeless or formerly homeless people, as well as people with severe mental illnesses and substance abuse addictions, get into and stay in housing.

Those who provide supportive services to homeless or formerly homeless people say the change would be a boon for an affordable housing system that is being decimated by rising rents. Medicaid providers say paying for housing-related services is essential to saving hundreds of thousands of dollars.

The federal waiver is the latest step coordinated care organizations — also known as CCOs — have taken to be able to flexibly spend Medicaid dollars on services that may not necessarily happen in a doctor's office but nonetheless keep patients healthy.

Since the Oregon Legislature created CCOs in 2011, they have been tasked with coordinating and integrating the primary, mental and dental health care of the 100,000 Oregonians who are covered by Medicaid, the federal program that provides health care for people living in poverty.

CCOs are also expected to provide that integrated, coordinated care at a lower cost to patients and the state, focusing on primary care and other preventive services that reduce the necessity of emergency room visits and other high-cost services.

It has led CCOs to fund pilot projects and experiment with services and programs

considered a non-traditional part of health care delivery. The thinking goes, that any expenses that can help Medicaid patients maintain their health and stay out of the emergency room will keep costs down.

Medicaid has already allowed Oregon's CCOs to pay for air-conditioners and other similar non-medical services and to have more flexibility in how a CCOs' budgets are spent.

The hope is that the recently submitted waiver will be approved before the Obama administration ends in January. Once approved, Medicaid will begin reimbursing CCOs for an array of services that reduce barriers to housing. This includes case management to help people with mental illness navigate housing; help for people with substance abuse disorders to seek treatment and to have good relationships with a landlord; and paying for unresolved, past-due utility bills or other debts that can derail housing. It could also include retention services with individuals after they are housed to help address any challenges that may arise.

The services would be targeted not only for people who are chronically homeless or threatened with homelessness, but also toward Medicaid patients who are transitioning out of jails or prisons, residential treatment centers, assisted living facilities, foster care and institutional settings such as hospitals and nursing homes.

The supportive services covered under the waiver are the type of services that housing advocates say are essential to helping extremely impoverished people remain stably housed.

"The housing system has broken down so much," said Kenny LaPoint, the Oregon Housing and Community Service's housing integrator. "To bring this in to provide services brings stability in the funding stream."

"This would have a huge impact," said Rachel Post, Central City Concern's public policy director. "It would acknowledge that housing is the most important social determinant of health."

Social determinants of health are the factors in a person's life that directly impacts their health, such as a person's housing, their education, the physical environment in which they live, their access to transportation and their socio-economic status.

Post, LaPoint and others say that housing, and remaining stably housed, is the most important factor in staying healthy.

"If you don't meet basic needs, then people are not able to engage in meaningful treatment," said Kevin Campbell, executive director of Greater Oregon Behavioral Healthcare, Inc., a member of the Eastern Oregon Coordinated Care Organization. "If we are able to integrate housing into their care, then that gives us a much better chance to ensure that they can stay in their community and participate in treatment."

Historically, health care providers and systems have been reluctant to spend any money on housing or housing-related services. "They don't want to pay for bricks and mortar," Post said. "They feel that's the federal government's responsibility. But the feds don't have the political will to finance

(housing and supportive services) to the degree that it needs to be financed."

Research is beginning to clearly show that a person's housing and their health are integrally connected.

Earlier this year, the Center for Outcomes Research and Education (CORE), a Portland-based research group, released a study showing that Medicaid expenditures drop substantially if patients live in stable, affordable housing.

The study partnered with Health Share of Oregon, the largest coordinated care organization in the Portland metro area, and analyzed claims data, between January 2011 and June 2015, of 1,625 individuals who moved into affordable housing during that period of time and were also covered by Medicaid.

Medicaid expenditures by those individuals decreased, on average, by 12 percent. Patients who lived in permanent supportive housing — housing that is connected with case management and access to mental health or substance abuse treatment — decreased by 14 percent. The costs of Medicaid patients who were seniors and disabled declined the most, by 16 percent.

Emergency room visits declined by 18 percent and outpatient primary care fell also, by 20 percent.

The study concluded that "health care experiences" of the 1,625 patients in the study "changed dramatically" as a result of moving into affordable housing. The study recommends that "states, localities and (coordinated care organizations) should invest resources such as Medicaid in housing solutions" and that Medicaid dollars should be spent on resident service coordinators and other housing services.

"As this study shows," the report reads, "stable housing plus health-related services can yield significant cost savings and improve resident health."

Some CCOs are already investing in housing-related services. In addition to the apartment complex AllCare provided funding to, the southern Oregon CCO also gave funds to the Josephine County Sobering Center, where people with substance abuse issues can stay for up to three days to detox. "It's emergency housing," Balloch says. "But it's not jail."

AllCare gave funds to Hearts with a Mission, a homeless youth agency in Jackson County, to help fund a new shelter for homeless youth. AllCare also gave \$100,000 in grant funding to Curry County to fund a research project that will identify ways to address housing needs along the southern Oregon coast.

Balloch says the vacancy rates in Jackson and Josephine County are close to zero percent — meaning that there are virtually no apartments or homes available for rent. The people who face the most pressure, when it comes to finding housing, are the poorest, those with the highest barriers, and the sickest, he said.

"Housing keeps coming up over and over again" as a major issue for AllCare's patients, Balloch said. "There's such a need, I don't know there's enough that we can do."

Campbell tells a story about a homeless

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