

Reimagining Care, Housing is Health

Oregon Housing and Community Services

Special Needs Housing: Combating Homelessness

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INNOVATION

At Oregon Housing and Community Services (OHCS) we envision an Oregon where every person has access to safe, stable housing. We believe everyone deserves dignity and housing – including those with complex health challenges. OHCS is eager to tear down silos and find new ways of doing business that more effectively address root causes to societal problems. We believe it's important to envision upstream interventions and supports to intervene before a person experiences housing instability and the coinciding risk of negative health outcomes.

One example of the way OHCS is audaciously taking bold action to find new solutions to societal challenges is around health. Oregon is attempting to holistically address a problem that had plagued our country's healthcare system for decades – it's exceedingly difficult for a person to prioritize health needs without stable housing. Numerous studies have shown that housing instability can prevent chronic health conditions from being addressed, exacerbate mental illness and make ending substance abuse difficult. In contrast, people who have a place to live end up with better health outcomes and can treat health problems before they become severe.

OHCS continually strives to build holistic partnerships in recognition that the needs of Oregonians are complex and often fall outside of traditional roles played by Housing Finance Agencies. That's why three years ago, with the approach that housing is health, OHCS Director Andrea Bell began early conversations with our sister agency, the Oregon Health Authority (OHA) and the governor's office to explore the possibility of taking a new approach in expanding provisions to increase access in serving people experiencing houselessness. These conversations focused on transformative ways to reimagine housing as healthcare and resulted in a bold idea: leverage Medicaid dollars to provide housing supports in order to improve health outcomes.

Federal Medicaid dollars have historically largely remained untapped for housing needs. Each state operates its own Medicaid program which delivers care to people who have low incomes. Every five years, states can propose additions or changes with a waiver application which must be approved by the federal agency called the Center for Medicare and Medicaid Services (CMS). Section 1115 of the Social Security Act provides authority to approve experimental, pilot or demonstration projects to states taking new approaches. Under this authority, states may be given additional flexibility to design and improve their programs.

Oregon's deadline for consideration to undertake a transformational approach to health and housing was fast approaching for expanded coverage in 2022 – 2027. OHCS took the lead in formulating and envisioning the housing components of the waiver application. OHA included other game changing components around food assistance, climate change and major expansions in continual coverage for young children. The official application for a waiver was submitted in February, 2022. Together with OHA, OHCS continued to play a critical role in negotiating the agreement with federal partners. In March OHCS encouraged housing partners from across Oregon to submit organizational letters in support of the Demonstration Waiver and the ability to use Medicaid funds for housing services.

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After a strong showing of community support and broad enthusiasm for taking bold steps to test innovation, on September 28, 2022, CMS approved Oregon's 1115 waiver demonstration. Over a five-year period, Oregon will utilize more than \$1 billion of federal resources to serve populations vulnerable to experiencing homelessness by addressing health inequities, continuous eligibility, coverage expansion, and health related social needs. Through this waiver, Oregon has achieved "first in the nation" provisions that set the tone for housing innovation locally and nationally.

RESPONDING TO AN IMPORTANT STATE NEED

This new approach came at a critical time. Earlier this year, Governor Tina Kotek declared a state of emergency around homelessness. Oregon has long had the dubious distinction of being one of the top five states with the highest percentages of people experiencing homelessness who are unsheltered. Families were already living on the financial margins and struggling to get by long before the COVID-19 pandemic hit. Today rental vacancy rates are at historic lows, rents are at historic highs and Oregon's rate of homelessness is among the highest in the nation with a disparate impact on communities of color, veterans and other vulnerable groups.

The availability of access to safe, quality, affordable housing, and individualized pre-tenancy and tenancy services, are critical drivers of health disparities. Based on Oregon's 2022 Point-In-Time (PIT) data, OHCS estimates that there were 17,959 Oregonians unhoused in January 2022, of which 11,088, or 62%, were experiencing unsheltered homelessness. Homelessness and housing strongly correlate with high rates of morbidity and mortality, including a high prevalence of serious mental illness and/or co-occurring substance use disorder.

Addressing this demonstrated state need will require new funding streams and a multitude of approaches to make traction on this longstanding problem. Oregon's successful waiver demonstration is both historic and an unprecedented response to this important state need and is centering housing as a key component of health conversations. It will take bold solutions, building collaboration outside of traditional silos and the courage to envision new ways of tackling complex problems to make progress.

Medicaid is an excellent vehicle for transformative impact. During the pandemic the federal government allowed states to keep people on Medicaid once eligible and Oregon's program called the Oregon Health Plan grew to one in three Oregonians. With more than 40% of an individual's health and wellness being defined by social factors outside of traditional health care, OHCS and OHA intentionally promoted rental assistance as a critical covered service, when it is clinically appropriate and necessary. Tens of thousands of Oregonians will soon have eligibility to more robust housing supports which in turn will help prevent health conditions such as diabetes and other treatable conditions from getting worse and needing more serious medical interventions such as amputation. Providing upstream housing supports is not only cost effective but also a more human centered and dignified way to intervene.

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ACHIEVING INTENDED RESULTS

After extensive strategizing, partnership and stakeholder engagement Oregon successfully submitted a bold and audacious plan. CMS approved Oregon’s approach to test the efficacy of innovative practices aimed at promoting whole-person care through consistent, evidence-based, coordinated, and integrated care centered on health equity.

Today after receiving federal approval Oregon is putting this waiver into practice. Starting this year, tens of thousands of Oregonians will be eligible for this groundbreaking expansion of Medicaid that will provide housing components. These services and supports will be coming online in 2024. This package of services that address health-related social needs, includes housing supports such as rental assistance for up to six months. This represents critical assistance for people experiencing homelessness and housing instability such as people experiencing serious and persistent mental illness.

The successful application for this “first-of-its-kind waiver” illustrated that traditional approaches to health can be reimagined to more effectively target dollars towards improving health outcomes by addressing social needs “upstream.” Oregon will now embark on testing these groundbreaking strategies to share with other states while staying in line with federal requirements.

PROVIDING BENEFITS THAT OUTWEIGH THE COSTS

Research shows that access to safe shelter and stable housing positively impacts the health of vulnerable individuals. Targeted interventions can reduce the cost of emergency room visits saving money and decreasing the severity of illness in the process. When more Oregonians have their housing needs met, people and families are healthier, our communities thrive and health care costs are contained for everyone.

As the state’s Housing Finance Agency (HFA), we know firsthand that housing is a clear determinant of health outcomes. “Upstream” housing supports like the ones included in Oregon’s waiver could move us beyond crisis care to improve outcomes long before someone enters a clinic or emergency room. By intentionally addressing social needs that impact health, the waiver demonstration holds huge potential to transform Oregon’s Medicaid program to better serve Oregonians.

Taking new approaches with Oregon’s Medicaid dollars comes with some degree of risk yet the harms of inaction continue to have very real human and fiscal costs. Lack of access to stable housing is a crisis that demands urgent re-imagining and innovation. When more children and people in crisis have increased access to housing and improved health outcomes, we believe that’s a clear win-win. OHCS took an unprecedented response to a significant state need outside the typical “lanes” of an HFA and traditional healthcare models. This approach cut across program silos and is already having a significant impact on decision-makers willingness to consider new approaches to old challenges. At a time when Oregonians desperately need expanded housing supports the 1115 waiver is a significant step forward in reimagining new possibilities.