Housing as health care: How connecting the two is saving Los Angeles money

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When outreach workers found Angela, she had been homeless and living in Los Angeles's dangerous Skid Row for more than 25 years, suffering from drug addiction and two medical conditions – and having lost custody of her five children.

"I went to some places nobody should ever go," says Angela, using a pseudonym because she asked to remain anonymous.

Now, with help from a groundbreaking program, she's living in a home in South Los Angeles, drug-free, and getting treatment.

"Since I've been under their care, my life has changed," she says.

Angela's transformation is thanks to a Los Angeles County program called Housing for Health, an initiative that tackles homelessness by addressing both housing and health care, which is one of the most underappreciated issues among homeless populations.

HFH has housed and provided health care for more than 3,400 people since it launched in 2012 – all while cutting public spending, according to a recent study.

"Our findings suggest that a permanent supportive housing program that targets people who are both homeless and frequent users of health services is feasible and may save local government money overall," says Sarah Hunter, lead author of the study and a behavioral scientist at RAND Corp.

Supporters of permanent supportive housing programs like HFH – which provide both long-term housing and case management services – say they are successful because they understand the connection between homelessness and health.

Homeless people are more likely to have health and mental health conditions, including substance abuse problems. They also use social and health services, including ambulance runs and emergency room care, at a higher rate.

In fact, the top 5 percent of hospital users – overwhelmingly poor and homeless – are estimated to consume 50 percent of health-care costs, according to the Journal of the American Medical Association.

"Research indicates that people become homeless due to health-related concerns and that homelessness creates and exacerbates health concerns," says James Petrovich, professor of social work at Texas Christian University in Fort Worth. "While housing itself can solve the issue of homelessness, it does not completely resolve the myriad of medical, mental health, and substance use concerns often experienced by [homeless people]."

Enter permanent supportive housing.

For Angela and other homeless people with health problems, this approach is a boon: It benefits participants - by providing housing and targeted medical attention - as well as local governments, by reducing the use of costly emergency health care.

"Housing is health care," Mark Trotz, director of HFH, told Modern Healthcare, a healthcare policy website.

"It's not rocket science...," he said. "If you have a case manager you don't have to call 911 four times a week because you're out on the street." For every dollar invested in HFH, the county saved \$1.20 in health care and other social services, according to the study. Participants' inpatient days dropped 76 percent and emergency room visits dropped 67 percent.

Public service costs declined by nearly 60 percent, from an average of \$38,146, per person, per year, before housing, to \$15,358, after. Even after accounting for program costs, the county saved 20 percent.

There are challenges. Affordable housing is scarce. And programs like these require collaboration between housing suppliers, health-care providers, government officials, investors, and nonprofits.

But Hunter insists HFH is replicable. Nationwide, 100 community health centers have links to supportive housing programs.

And the return on investment goes beyond money, says Mr. Petrovich.

"For me, these situations demonstrate the serious burden that many individuals experiencing homelessness carry, and it challenges communities to look beyond the dollars and cents ... and see access to housing and health care as a moral imperative...."

Now that her health, and life, are improving, Angela is happy to be back in touch with her two youngest children. "Now my daughter is 20 and has a baby of her own," she says. "I wanted to make sure I had a place that they could come and visit me in."