

Let's Face It...Homelessness is Expensive

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Homelessness needs to be addressed because of moral implications and the belief that having a safe and decent roof over someone's head is a basic human right in our country. But we also know that homelessness is expensive. Countless reports and studies over the years have demonstrated the significant financial impact that homeless individuals, especially those who are the hardest to reach, have on communities. Most studies were on small segments of the homeless population or specific programs. However, some communities such as Los Angeles and Santa Clara County have undertaken major efforts to determine the costs of entire homeless populations in their regions. The figures are staggering. LA found that 150,000 adults who experienced homelessness in fiscal year 2014-2015 cost the County of Los Angeles nearly a billion dollars. Santa Clara looked at a six year period and found that on average they were spending about \$520 million a year. Both studies demonstrated the "hockey stick phenomenon" in that the majority of the population cost relatively little in the way of public dollars and, rather, the bulk of costs are concentrated in a small cohort of people. Although most studies have demonstrated that costs are only concentrated in a few, and other costs of homelessness that might be more generalized to larger population such as its impact on business and tourism are difficult to capture, it is safe to say that health care costs regardless if provided in hospitals or jails make up the bulk of costs spent on homeless individuals.

Recently my colleague, Kris Kuntz, and I were asked to discuss the cost of homelessness for a documentary that is being filmed in San Diego. We explained the above information along with some specific reports published previously in San Diego. Some of the key questions that communities need to think of are who bears the costs and how can savings from one arena such as health care be repurposed and used to address other areas? With the passing of the Affordable Care Act and the implementation of Obamacare, states like California opted to expand Medicaid to anyone at or below 133% of the federal poverty level. At this time basically anyone experiencing homelessness qualifies. With a new administration in the White House we are urgently analyzing what a repeal of Obamacare will look like, what a potential replacement might entail, how these decisions will impact the thousands of homeless individuals currently enrolled in Medi-Cal throughout California, and what happens to innovative health and housing efforts that have been in the design process over the past several years. It seems that every day there are new developments of what a repeal and replace plan might look like at the federal level but one thing is for sure: homelessness will remain expensive unless we address it. And regardless what happens to Obamacare, someone will still be on the hook for the bill.

If interested in joining a regular learning call and receiving up to date information on federal health care changes and its impact on housing efforts for vulnerable population, please contact Jonathan Hunter, Senior Principal at: Jonathan@lesardevelopment.com

Jonathan Hunter is a creative leader in collaborative design of innovative solutions to address the needs of our most vulnerable citizens, including developing and funding supportive housing for people who are chronically homeless and have chronic health conditions. Before joining LDC, he was the Western Region Managing Director with Corporation for Supportive Housing.