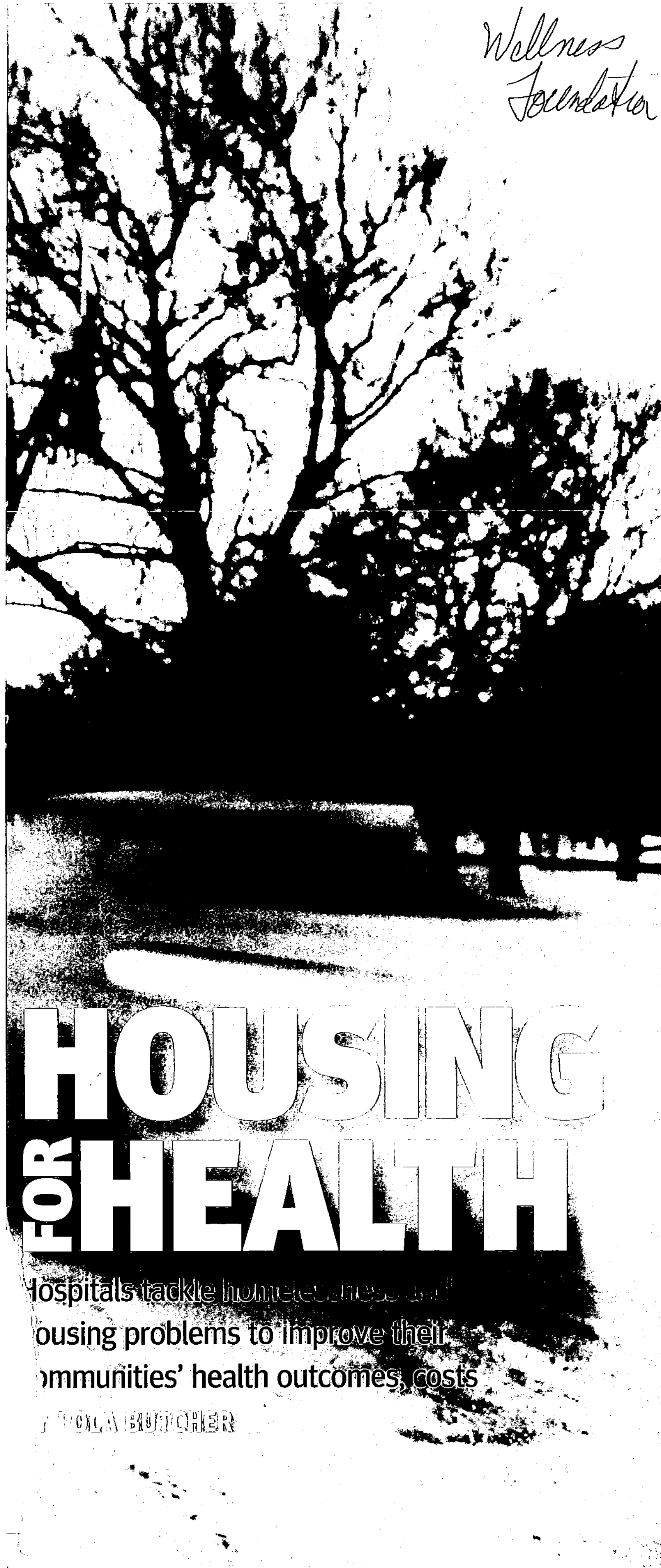


HOUSING FOR HEALTH

Hospitals tackle homelessness and housing problems to improve their communities' health outcomes, costs

BY LOLA BUTCHER

Suffering significant health problems, the woman was in and out of hospitals constantly. She did not take prescribed medications because they made her groggy — an unsafe condition for a woman living on the streets.

"And, of course, within a week or two her medical condition would deteriorate again," says Shannon Nazworth, executive director of Ability Housing, a nonprofit organization serving northeast and central Florida. "She was just cycling in and out of the hospital, not because anybody was not giving her good care or did not care about her, but because the system was broken."

In the two years before the woman was placed in an apartment, three hospitals spent more than $750,000 on her care. "In the year after she moved in, she went to the hospital once for a couple of days," Nazworth says. "The other factors that were affecting her health were addressed by just getting her housing. She needed a place to sleep at night, a place to store her medicine and the security of a door to lock."

Patients like this woman exist throughout health care but, traditionally, most health systems have not seen a way to address homelessness and other social factors that exacerbate individuals' health problems. That is changing as health systems pivot to population health management and new payment systems that reward them for proactively improving patients' health status.

"Whatever has been done in the past has not been working, and we have to really think very differently," says David Perlstein, M.D., president and CEO of SBH Health System in the New York City borough of the Bronx.

In his case, that means proactively reducing inpatient capacity, selling part of the SBH campus to a developer to build low-income housing and opening an urgent care center and other outpatient facilities in the new development. In other places, provider organizations are donating cash. For example, five hospitals and a nonprofit health plan in Portland, Ore., are donating $21.5 million to help build nearly 400 housing units for homeless and low-income people. Still other health care organizations are building apartments that they own and operate themselves, and some are paying the rent for homeless people to have a place to live.

What they all have in common: the goal of improving housing stability and thereby improving the well-being of their patients and their community.

"This is an opportunity that health systems are seeing," says Donald Moulds, executive vice president for the Commonwealth Fund.

The best role for provider organizations is not yet clear; Moulds and other policy analysts are working to figure that out. But a growing body of research shows that addressing housing instability is a cost-effective

approach to reducing avoidable health care utilization.

"A modest housing investment, coupled with supportive services, can actually keep people from needing much more expensive care in the long term, sometimes even in the shorter term, and can pretty dramatically improve outcomes," Moulds said. "If you target it right, it can be a cost-effective choice for provider organizations."

Direct support

In 2014, Florida Hospital in Orlando committed $6 million over three years to address homelessness in central Florida. The donation coincided with big commitments — $4 million from the city of Orlando and $13.5 million from Orange County — during the same three-year period.

"Our mayor set a goal to house about 300 of downtown Orlando's chronically homeless within three years and, without a doubt, we wanted to be in on this early," says Yamile Luna, assistant vice president of Florida Hospital Community Impact and Volunteer Services.

The city engaged the Corporation for Supportive Housing, a national nonprofit group, to strategically identify vulnerable individuals and families who need supportive housing and are high users of emergency departments and other high-cost public services.

"We knew who our frequent-flyer homeless individuals were," Luna said. "They would come in through the emergency department, and we knew there had to be a better way to care for them. We started determining case by case, person by person, what is it that they truly need."

The work is benefiting not just high-need patients but the health system as well. By the time $1.6 million of Florida Hospital's donation had been spent, the hospital had avoided an estimated $2.5 million in costs for six high-utilizers who had been placed in homes.

"This is not why we did it, but it was a very big moment of 'wow' when that information was shared," Luna says.

Meanwhile, Florida Hospital's commitment to addressing homelessness caught the attention of a local charity that had operated a transitional housing community for more than 15 years. Over that time, the "housing first" model — placing homeless people in permanent housing without requiring that they overcome addictions, get jobs or hit other milestones — had gained traction in the social service world, and the charity wanted to convert its apartments to permanent housing. So, earlier this year, it donated the Wayne Densch Center for the homeless to Florida Hospital.

The health system, in turn, is leasing the property to Ability Housing for $1 per year. With funding from Orange County, Ability is redeveloping the center to provide permanent housing for individuals and families.

"We are happy to be behind the scenes," Luna says. "Housing is not our expertise, so in order for us to be successful, we knew we wanted to partner with Ability and also the Orange County government."

The foremost goal for the renovated Wayne Densch Center is to provide permanent supportive housing for families, but some units may be designated as transitional care units for homeless patients discharged from Florida Hospital.

Paying the rent

In Chicago, the University of Illinois Hospital & Health Sciences System is using a different approach to address homelessness. Through its Better Health Through Housing initiative, launched in late 2015, the health system committed $250,000 to help provide apartments and support services for 25 homeless patients for one year. The hospital expects a second round of funding to be able to continue the program into a second year.

UI Hospital's contribution — $1,000 per patient per month — goes to Chicago's Center for Housing & Health, which helps to place the program's patients into temporary units until permanent apartments can be arranged. The center has 125 apartments for permanent placement scattered throughout the city, so patients can choose the location that works best for them. The center partners with social service agencies, whose caseworkers help patients to furnish their apartments, pay bills, arrange medical appointments and find substance-abuse programs if necessary.

A panel of UI Hospital physicians, social workers, nurses and other staff maintain a list of potential patients for the housing program. Patients are prioritized based on two criteria: chronic homelessness and medical necessity, the latter meaning that their health conditions are significantly exacerbated by their lack of housing.

Because most homeless patients are covered by Illinois' expanded Medicaid, reducing their emergency department and inpatient utilization does not directly affect UI Hospital financially. But improving patients' health is central to the organization's mission, and, for many patients, housing is the prescription that really needs to be filled, says UI Hospital CEO Avijit Ghosh.

"We aren't trying to solve the homelessness problem, which is a much bigger problem that we can solve," he says. "We're just trying to take care of some of our patients."

That said, UI Hospital intends to expand beyond the first year's financial commitment and try to persuade other organizations to see the connection between health and housing.

WELCOME HOME: Shannon Nazworth, executive director of Ability Housing in Florida, worked with hospitals, other nonprofits and the Sheriff's Office to target potential residents for the units.

Photograph courtesy of Ability Housing

WHEN HOUSING COMES FIRST, SO DO BENEFITS

upportive housing is a multifaceted model to help homeless individuals and families that face such complex challenges as addiction, mental health conditions and disabilities that can be overwhelming. In addition to permanent housing, the model provides social services that range from substance abuse programs and life skills training to case management and job training.

Many, but not all, supportive housing programs use the "housing first" approach, endorsed by the federal government. Under "housing first," permanent housing should be made the top priority for homeless individuals and families; addressing behavioral, social and other factors comes second.

The peace of mind that comes from a safe place to live helps individuals as they tackle addiction or other challenges. Plus, service providers know where to contact the individuals to provide the help they need.

Providing housing stability decreases use of health care.

"If you provide housing stability first and then provide the wraparound supports, people are much more successful," says Shannon Nazworth, executive director of Ability Housing, a nonprofit organization that provides supportive housing in parts of Florida.

Ability recently received a grant from the Florida Blue Foundation, a philanthropic foundation affiliated with the state's Blue Cross and Blue Shield health plan. The grant supports a statewide pilot project to study how permanent supportive housing affects the health and quality of life of high utilizers of crisis services — and how it affects their use of health care and other publicly funded support services.

A growing body of research, in fact, suggests that the benefits of housing programs for the health care system might be substantial. Researchers at Yale University's Global Health Leadership Institute evaluated and summarized the results of several studies in the area in their report "Leveraging the Social Determinants of Health: What Works?" (Lauren A. Taylor et al., Blue Cross Blue Shield of Massachusetts Foundation, 2015):

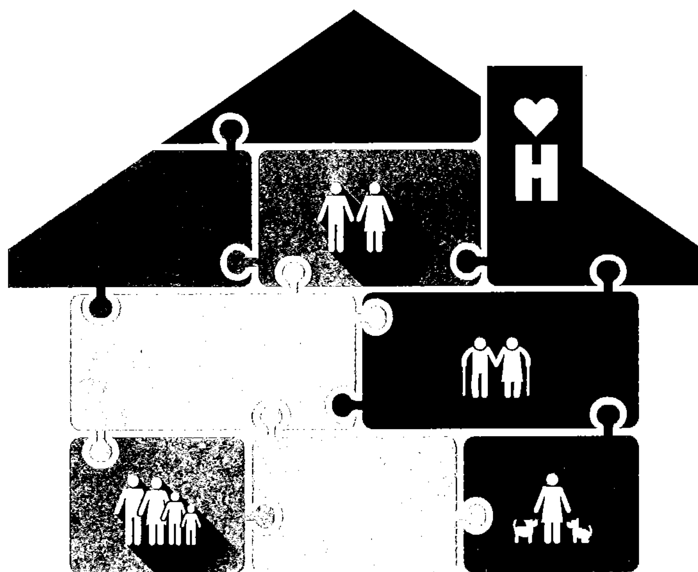
- A "housing first" program in Seattle found that the median per person, per month cost of incarceration, emergency medical services, hospital-based medical services, detoxification and other publicly funded programs fell from $4,066 to $958 after 12 months in housing. This added up to annual net savings — after accounting for housing costs — of $29,388 per person compared with a control group.

- A Massachusetts initiative that targeted homeless people with serious mental illness reduced the average number of hospital days per client from 102 to seven within two years after housing placement. That reduced hospital costs by about $18 million per year overall.

- A Los Angeles program that serves homeless patients with the highest public services and hospital costs documented that every $1 invested in housing and support reduced public and hospital costs by $2 the following year and $6 in subsequent years.

While Nazworth is eager to see the Florida-specific data, her experience tells her that supportive housing reduces the use of health care services. "If we can get people into stable housing, their health always improves," Nazworth said. — LOLA BUTCHER

Photograph by Damian Dovarganes/AP Photos



AHA: HOUSING IS HEALTH CARE

Housing instability provides a challenge for hospitals and health systems.

In 2015, the American Hospital Association and others joined to emphasize to the Internal Revenue Service that support for housing might constitute "community benefit" — both in plain language and in the language of the tax code — and that its Schedule H form and instructions on hospital facilities' community benefit needed to be clarified.

"Since [2007], numerous studies and research in the public health area have clearly established that 'housing is health care,'" the AHA, the Catholic Health Association and the Association of American Medical Colleges said in a letter.

A few months later, the IRS nodded in agreement. In December 2015, it announced that investments in clean and safe housing will be viewed as community benefit expenditures.

Priya Bathija, the AHA's senior associate director of policy, said housing instability is one of the challenges identified by the association's Task Force on Ensuring Access in Vulnerable Communities. The task force's 29 members are examining integrated, comprehensive strategies to reform health care delivery in vulnerable communities. One strategy being considered would specifically address how the social determinants of health, including housing instability, utilities, food insecurity, interpersonal violence, lack of transportation and other factors, limit access to health care services in the community.

The task force's report recommends several different paths for addressing these challenges through enhanced clinical-community linkages. One path focuses on screening patients to identify housing instability or other barriers and to inform them of resources that might help. Another path allows hospitals to provide navigation services that connect their patients with the services they need — and also ways to partner with other organizations to address specific problems, such as lack of affordable housing, that affect residents' health status.

In the area of housing, the task force discussed both housing instability and poor-quality housing, such as homes in which mold exacerbates asthma or causes allergic reactions.

"Hospitals are working to take whatever steps they need to take to improve the health of the population," Bathija said. — LOLA BUTCHER ●

"We were hoping to start a conversation around the city about this, and from that perspective, this has been very successful," Ghosh said. "We've had a number of people come to talk to us about what we're doing here."

Early data show why payers and policymakers will be interested. For patients enrolled in the program, the number of monthly hospital visits has decreased by 34 percent, and the cost of caring for them, on an annualized basis, has fallen by 42 percent.

Neighborhood revitalization

Not all provider-owned housing initiatives focus exclusively on the homeless. Bon Secours Baltimore Health System owns and operates more than 720 affordable housing units for low- and moderate-income seniors, families and people with disabilities. Most of the units are in the West Baltimore neighborhood, where the Sisters of Bon Secours established its first hospital in 1919.

The health system became a housing developer in the mid-1990s to counter rapid disinvestment in the neighborhood. Abandoned houses and open-air drug markets made it difficult to attract patients and staff despite Bon Secours' investment in a major hospital expansion, says George Kleb, the health system's executive director of housing and community development.

"Even though we had brand-new, nice facilities, physicians would send patients to other places," he says. "The reputation of the neighborhood took a dive, and it became a barrier for recruitment."

Bon Secours started buying vacant properties in the neighborhood and initiated a community engagement process to determine how to proceed. In the two decades since, the health system has evolved to become the primary anchor institution for community development activities ranging from housing and neighborhood revitalization to youth employment, workforce development and financial services.

Kleb works to secure financing, oversee construction and supervise the companies that handle leasing and property management. His staff members inclue those with job titles no common in health systems: housing developer asset manager and resident services coordinator. Bon Secours' housing operations are budgeted to break even; they neither drain money from health care services nor generate

Illustration by Thinkstock

enough profit to jeopardize the health system's nonprofit status.

While there may have been trepidation when Bon Secours started buying the first vacant properties three decades ago, housing is now considered central to the health system's mission.

"We are very proud of what we have done in Baltimore in housing and feel that it is an integral piece of our ministry," Kleb said. "Our mission in Baltimore includes housing."

Redefining patient care

Meanwhile, in the Bronx, SBH just kicked off a housing and neighborhood development designed to reduce health care costs in support of New York state's Medicaid reform initiative.

SBH, parent of St. Barnabas Hospital, has a strong incentive to bend the cost curve because the health system will eventually be part of a consortium that will be financially at risk for the care of about 384,000 Medicaid patients. A $156 million mixed-use development being built on the SBH campus will include 314 homes for low-income residents and an array of services to improve residents' health.

CEO Perlstein thinks the development will help reorient the way people think about health care.

"It no longer means just a doctor's visit or an emergency room visit," he says. "We need SBH to be seen by our community as a place they come to stay healthy, not a place they come just because they're sick."

SBH gradually assembled the real estate — nearly a square city block — for the project over several years, always with the hope of finding a partner that shared its vision. More than 80 percent of the health system's patients are covered by Medicaid or are uninsured, and the county's residents have relatively poor health status.

"We need to move the Bronx from being the least healthy county in the state to being much healthier," Perlstein said. "Our feeling is that by addressing the social determinants, by making sure that people have a safe place to live and making sure they have access to healthy foods and healthy lifestyles, we are moving in the right direction and improving the lives of our patients."

The opportunity to move forward coincides with the launch of New York's Delivery System Reform Incentive Payment Program, part of a federal waiver to move the state's Medicaid system from volume-based payment to value-oriented pay models over a five-year period. The state's Medicaid Redesign Team has identified affordable housing as an essential part of that transition.

"If you don't address the housing issues facing our population and give people a safe place to live, it's going to be very difficult to change the Medicaid cost curve," says Len Walsh, SBH chief operating officer.

SBH sold its land to a development company that will build 314 affordable homes, some of which are supportive housing units backed by MRT funding. The project will also include an urgent care center, women's and pediatric services, and a fitness center, all operated by SBH. Further, the health system will develop a rooftop farm, a greenhouse to grow produce and a teaching kitchen.

'Under the new health care paradigm of value, we can decide where it's best to spend our money to reduce health care costs.'

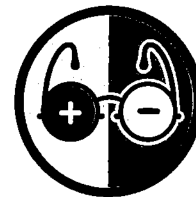
"We will do community education on healthy eating and healthy cooking, but also educate our medical students, our house staff and our nursing students so that they can be good advocates for healthy eating," Perlstein said.

The developer has pledged to lease space to a local pharmacy that will not sell cigarettes or alcohol — and a greengrocer that will sell healthy foods.

The real estate deal was structured so that SBH will have below-market rent on its space in the development, which will keep operating costs for urgent care and other facilities lower than they otherwise would be. But the big win financially will come from the improved health status of patients who live in or use the health-promoting services in the development.

"Under the new health care paradigm of value, we can decide where it's best to spend our money to reduce health care costs," Walsh says. "If we can keep an asthmatic or a diabetic out of the emergency room and avoid a hospital admission, that cost avoidance will add up."

— *Lola Butcher is a contributing writer to* Hospitals & Health Networks.



EXECUTIVE CORNER

A 2014 report, *Addressing Patients' Social Needs: An Emerging Business Case for Provider Investment* (Deborah Bachrach et al., Manatt Health Solutions, commissioned by the Commonwealth Fund, Skoll Foundation and Pershing Square Foundation) found that the Affordable Care Act and emerging health care payment strategies give health systems a good reason to address the social needs of their patients.

The Toll of Unmet Social Needs

- MORE ILLNESS: Inadequate housing, food insecurity and unemployment are all closely tied to poor health.
- SHORTER LIFE EXPECTANCY: The report cites a study that attributed nearly 133,000 deaths to individual poverty in 2000.
- INCREASED HEALTH CARE SPENDING: Emergency department use, hospital admissions and hospital readmissions are associated with unmet social needs.

How It Pays to be Proactive

- CAPITATED, GLOBAL AND BUNDLED PAYMENTS: Addressing social needs can be "low-hanging fruit" that reduces overall costs when providers are responsible for managing patient care in a fixed budget. In Oregon, coordinated care organizations serving Medicaid beneficiaries provide social support services — and have seen ED visits and hospital admissions drop sharply.
- PENALTIES FOR READMISSIONS: Patients are less likely to return to the hospital if they have a safe place to sleep and food to help their recovery.
- SHARED SAVINGS PROGRAMS: Montefiore Medical Center, in the New York City borough of the Bronx and one of the most successful Pioneer accountable care organizations, attributes its ability to reduce the cost of care for Medicare patients by 7 percent — and earn $14 million in shared savings payments — in part to services such as housing, legal, financial, employment and transportation assistance.