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[President Understands Need to Control Healthcare Costs](#)

As President Barack Obama tours the country making a compelling case for real healthcare reform, his message is clear: *We must do a better job of containing costs by providing more effective and appropriate health care for all Americans.* This is especially true for people with complex healthcare needs who are homeless or at risk of homelessness.

The Corporation for Supportive Housing (CSH) believes community-based health services linked to permanent housing for homeless people facing serious medical and behavioral challenges should be an integral part of comprehensive reform. Supportive housing helps connect our nation's most vulnerable people to the most appropriate and cost-effective healthcare services. Without this connection, many homeless persons go without access to health services, other than expensive emergency interventions that may address a crisis, but cannot effectively address their long-term needs.

CSH has demonstrated how supportive housing can end the cycle of long-term homelessness. Along the way, CSH and our partners have also proven that supportive housing is fiscally responsible, resulting in reduced healthcare costs as well as the use of other costly systems of care. It is clear that tenants of supportive housing achieve better health outcomes than their counterparts still living on the streets. Consider the transformation of just one supportive housing tenant in California.

Every month Bob sought treatment at Highland Hospital's (Oakland, California) emergency department for cellulitis (a bacterial skin infection). Bob was homeless, so he was unable to shower or perform necessary hygiene. Years before, Bob experienced a difficult divorce and his life fell apart. He began abusing drugs and was arrested for shoplifting and drug possession more times than he can remember.

On one emergency room visit, staff notified Maria Culcasi, a case manager for Project RESPECT that Bob was a "frequent user" of emergency services. Culcasi connected Bob to a community clinic for medical, mental health, and dental care. She helped him find permanent supportive housing and apply for SSI and Medi-Cal (California's Medicaid program).

Eighteen months later, Bob was a new man and shared his experiences while appearing before the California Senate's Health Committee.

"Maria Culcasi helped me get treatment for drug use and depression," he said. "Now I have a place to sleep every night and a place to keep my medicine, so I don't get sick as much. And, I have a place to keep food and prepare meals. Because of help from Project RESPECT, I don't need to go to the hospital anymore. It's good to be out of jails and hospitals."

Bob is an example among thousands of successful supportive housing stories.

Several recent studies -- from California, Minnesota, Illinois, Massachusetts and Washington State - point to the savings that can be achieved when supportive housing and community-based health services replace expensive -- and often preventable -- emergency room visits and hospital stays.

An evaluation of the Minnesota Supportive Housing and Managed Care Pilot by the National Center on Family Homelessness for Health Connection found that supportive housing significantly improved residential stability and decreased both mental health symptoms and alcohol and drug use. The evaluators concluded the Pilot had an impact on the cost of mainstream public services and that there was a desirable shift from expensive inpatient mental health and chemical dependency services, detox, and prison to more routine and less costly preventative health care services.

Another report released by the Heartland Alliance Mid-America Institute on Poverty (MAIP), the Illinois Supportive Housing Providers Association (SHPA), and CSH found that affordable housing that provides on-site services for people who are homeless, people who have mental illnesses, and other vulnerable populations could also dramatically reduce the use and cost of expensive public services such as nursing homes.

In Massachusetts, the State Office of Medicaid tracked the first 97 participants in the "Home and Healthy For Good" pilot program and found that placing chronically homeless people in permanent housing saved money across systems including hospitals, corrections and emergency shelters. Massachusetts found that Medicaid costs dropped 67 percent among program participants.

And lastly, a study of a supportive housing program in Seattle, Washington published in *The Journal of the American Medical Association* (JAMA) shows that supportive housing is saving local taxpayers more than \$4 million a year while helping people with severe alcohol problems reduce their alcohol consumption. Researchers from the University of Washington maintain that placing homeless chronic inebriates in a safe living situation has helped some residents decrease their drinking or quit.

There are numerous other studies providing additional data and details on how supportive housing reduces the costs associated with institutional care and public services, and produces better health outcomes. As President Obama and Congress look for ways to advance healthcare reform and bring billions of dollars in skyrocketing budget costs back down to earth, they would be wise to turn to housing-based solutions as a key component of our national healthcare reform agenda.