Homelessness in Massachusetts

Policy Points for the Patrick Transition Team
December 6, 2006

Massachusetts has responded to homelessness with an emergency response for more than 20 years. While this emergency response has saved lives, it has not provided a permanent solution for people without housing, and has done little to decrease the number of individuals entering the front doors of homeless shelters, which remain in a constant state of overflow.

The state has constructed a massive infrastructure for temporarily combating the symptoms of homelessness, and shelters have become an accepted residential response for an entire segment of poor people. But the shelter system has done little to actually reduce homelessness. According to data collected by the Massachusetts Housing and Shelter Alliance (MHSA), state-funded shelters have been over capacity every month for eight consecutive years.[1]

Shelter counts do not include many of the homeless individuals living on the street. In December 2005, the City of Boston counted 261 homeless street dwellers during its annual one-night census.[2] Across Massachusetts, Continuums of Care reported more than 2,000 unsheltered homeless individuals in their January 2006 one-night counts required by the HUD McKinney-Vento application process.

The January 2006 street and shelter count showed 7,781 homeless unaccompanied adults and 5,952 homeless family members across the entire Commonwealth.[3] This is the most comprehensive statewide count to date.

Chronic Homelessness

Research has shown that a small group of homeless individuals – the *chronically homeless* – make up 10% of the homeless population yet consume more than 50% of the resources targeted for homeless individuals.[4] By federal definition, chronically homeless individuals have long-term disabilities. And whether that means health

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[1] Massachusetts Housing and Shelter Alliance. Nightly Census of State Funded Shelters. August 2006.
[2] City of Boston Emergency Shelter Commission. Boston Homeless Census. December 19, 2005.
[3] Massachusetts Housing and Shelter Alliance. Compilation of Continuum of Care One-Night Counts. 2006.
[4] Kuhn R, Culhane DP. Applying Cluster Analysis to Test a Typology of Homelessness by Pattern of Shelter Utilization: Results from the Analysis of Administrative Data. Am J Community Psychol 1998; 26 (2): 207-232.

problems, substance abuse, mental illness, these individuals share one need for certain: HOUSING.

Because resources are scarce, it is obligatory for government to use resources strategically. By focusing on the most costly population of homeless people – the chronically homeless – the state can greatly reduce the demand for emergency shelter and the burden that chronically homeless individuals place on health care, mental health and correctional systems of care. By reducing the number of chronically homeless people in the Commonwealth, there would be substantial savings to taxpayers and greatly improved outcomes for people living on the streets.

A new approach called "Housing First" is a disruptive technology that has reconfigured the traditional model of housing homeless people. The Housing First approach places chronically homeless individuals in housing immediately and then follows up by coordinating access to mainstream services via an intensive case manager. Other cities across the country, including San Francisco, Portland, New York and Philadelphia, are actively engaging homeless people on the street and moving them directly into housing using this model with great success.

It is unacceptable to have citizens living on the streets of our communities when the tools and resources are so readily available to end their homelessness. By 1) focusing on chronic homelessness, 2) forwarding a Housing First approach, and 3) defeating the mindsets of hopelessness that have emerged around this solvable issue, the Commonwealth can *end* homelessness rather than *manage* it – an accomplishment in the best interests of all citizens.

While shelters and homeless services have provided a critical safety net, they have not provided a way out for chronically homeless individuals living on the street who are unable to follow the inflexible and daunting track toward housing opportunities now in place. MHSA supports the approach of making the chronically homeless a housing priority and works with local communities, state agencies and homeless and housing providers to advance these efforts. MHSA advocates for housing approaches for the chronically homeless that are locally-based, creative, innovative and effective.

Housing First: Changing the Paradigm
The Continuum of Care approach to addressing homelessness promoted a linear model that suggested that housing was the end result of an individual moving from streets to shelter, to transitional programs, or to permanent supportive housing. Housing was the prize at the end of the process for a client who could demonstrate compliance to a system of care that made any number of demands, ranging from sobriety to medication regimens. The end result of these models was service intensive programs that put very few resources into actual housing. New models have emerged that challenge these assumptions.[5]

[5] For more information, see "Strategies for Reducing Chronic Street Homelessness." Martha Burt, Urban Institute. January 2004.

Commonly referred to as "Housing First," this approach abandons the linear model of the Continuum of Care and puts housing at the front of the process, placing a person in housing first and then dealing with the service needs of the individual. Empirical research has indicated that the mere act of placement in housing produces a level of stabilization that allows the individual to address his or her other needs more effectively.

All too often, housing and homeless programs have been implemented to meet the needs of a program or agency – not the needs of homeless consumers. Programs have reached out to – and invested the most in – those who were likely to succeed. As shelter numbers continue to grow, it has grown apparent that this practice of "creaming" hinders the effort to actually reduce shelter occupancy or the number of homeless persons on the street.

By targeting the chronically homeless and employing a Housing First approach, housing providers have recreated service provision in a positive way: the focus has moved from being a good *client* to becoming a good *tenant*. Housing First programs have placed emphasis on the needs of the consumer, not the needs of an agency or program. MHSA believes that the Commonwealth should research these models and promote movement away from reliance on linear models for dealing with the chronically homeless population.

Housing as Health Care

Chronically homeless people have unique health vulnerabilities. This subset of people suffers from extraordinarily complex medical, mental, and addiction disabilities that are virtually impossible to manage in the setting of homelessness. With an extreme level of disability, these individuals are among the highest-end utilizers of our state's health care systems.

In 2005, the City of Boston looked at the most frequent utilizers of emergency departments at three Boston hospitals. At each hospital, more than half of the top 25 emergency department utilizers were homeless. At one hospital, 23 of the top 25 (92%) emergency room utilizers were homeless.[6]

Research done by the Boston Health Care for the Homeless Program has shown the extraordinary costs that chronically homeless individuals have on the health care system alone.[7] Over the course of five years, medical costs incurred by a cohort of 119 chronically homeless individuals in Boston were studied. The results were staggering:

- The cohort accounted for 18,384 emergency room visits
- The cohort accounted for 871 medical hospitalizations
- Total health care cost of the cohort was $12.7 million dollars
- The average annual health care cost for those on the street was $28,436

[6] O'Connell JJ. Thoughts on the Once and Future Role of Hospitals and Academic Medical Centers in the Care of Homeless Persons. Presentation, National Alliance to End Homelessness Conference. Washington, D.C. 2006.
[7] O'Connell JJ, Swain S. Rough Sleepers: A Five Year Prospective Study in Boston, 1999-2003. Presentation, Tenth Annual Ending Homelessness Conference, Massachusetts Housing and Shelter Alliance, Waltham, MA 2005.

- The average annual health care cost for those who became housed was $6,056
- 93% of the cohort was insured through Medicaid
- 30% of the cohort died homeless on the streets

A growing body of evidence in the mental and public health literature shows dramatic improvement in health outcomes, residential stability, and cost to society when homeless people receive supportive medical and case management services while living in permanent, affordable housing units. This concept, linking health to housing, has become the focus of the MHSA advocacy agenda and is consistent with the recent goal put forth by the federal government of ending chronic homelessness in the next ten years.

Closing the Front Door. Prevention and Discharge Planning

Although addressing chronic homelessness is a way to dramatically drop emergency shelter occupancy and better utilize scarce resources, it should be noted that planning should include steps that prevent people from entering the “front door” of the shelter system. The efficacy of homelessness prevention programs has been difficult to prove; accurately predicting whether an individual or family will become homeless has been extremely difficult to do.[8]

With this in mind, MHSA has focused on appropriate discharge planning for people coming from state systems of care – one of the more “reliable” feeders of the shelter system – as the most effective form of homelessness prevention. In the mid-1990s, MHSA instituted a monthly census of emerging subpopulations in shelters across the state. This effort documented growing numbers of individuals falling into homelessness upon discharge from mental health facilities, substance abuse treatment facilities, state and county corrections, foster care, and managed care. Research regarding these homeless subpopulations dispelled the old myth that homeless people are anonymous street people wandering from shelter to shelter. Rather they are known – in fact, quite well known – to the state-funded residential treatment, corrections, and youth programs that they cycle through at a cost to taxpayers.

Discharge planning prepares a homeless person in an institution to return to the community. Discharge planning is the process, beginning upon admission to an institution, to prevent clients from falling into homelessness by linking individuals to essential housing and services.

Sadly, homeless shelters have become an acceptable “housing” alternative for those exiting state systems of care. MHSA finds this practice unacceptable: shelters are neither adequate nor appropriate placements for people coming from mental health, public health, corrections, youth services, and social services systems. Discharges into the shelter system are a costly and ineffective way to address the unique needs of mentally ill and other persons in the community and contributes to, rather than prevents, homelessness.

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[8] Shinn, Marybeth et al. The Prevention of Homelessness Revisited. Analysis of Social Issues and Public Policy. 2001. p. 95-127.

Moving Forward: Building Capacity

It is essential for the Commonwealth to end homelessness by adopting and implementing a housing investment strategy that builds upon a coordinated targeting of resources which fully integrate housing production strategies coupled with a supportive social service provision. The Commonwealth should employ an "Integrated Development Model" that deliberately invests in an infrastructure to support Single Person Occupancy (SPO) housing production initiatives requiring the integration of appropriate supportive services through existing service contracts and new targeted program resources.

This model should include the strategic utilization of housing production financing resources, social service delivery programs and ongoing operating supports. The Integrated Development Model can serve as an optimal vehicle to reduce the current shelter population through a housing production strategy that is cost-effective, more dignified, leverages additional public and private investment and delivers a permanent solution to ending homeless. This can be accomplished by creating the infrastructure, providing incentives, and supporting the capacity of service providers and community developers. We must partner to expand the supply of service-enriched affordable housing and end single adult homelessness as we know it in the Commonwealth of Massachusetts. Many homeless service agencies are prepared to make this transition.

One MHSA member, the South Middlesex Opportunity Council, Inc. (SMOC), has embarked on a regional plan to end homelessness for the single adult population in the MetroWest Region and Worcester County. SMOC is a regional anti-poverty agency that possesses the capacity to serve as a homeless service provider and a non-profit housing development organization. SMOC has served as one of the leading agencies in utilizing the Integrated Development Model to reduce and end single adult homelessness. SMOC has employed a regional strategy by creating new Single Person Housing that is safe, decent, income appropriate, and service-enriched. SMOC's strategy is to create a marketplace of meaningful and appropriate housing choices for homeless individuals in both the MetroWest and Worcester County regions. The organization has developed a comprehensive Continuum of Housing and Care providing:

- Housing First choices
- Service-enriched Housing
- Program-structured Housing
- Transitional Housing
- Permanent Housing

SMOC has developed the capacity and infrastructure that meets the housing and service needs of both the chronically and episodically homeless individuals. This model can and should be replicated throughout the State.

SMOC has been successful due to the utilization of the targeted "SPO Housing Production Initiative" that has been set aside in the Housing Bond Bill. This SPO

financing resource provides neighborhood-based housing developers and service providers the capacity to create appropriate new housing for this disadvantaged population. SMOC will produce over 200 dedicated housing units that will be correlated directly to single adult shelter reduction and the creation of permanent housing. MHSA is strongly recommending the preservation and the expansion of this cost-effective "SPO Housing Production Initiative". It will serve as a central financing resource to build the necessary capacity and community infrastructure to end homelessness in the Commonwealth through a strategic, service-enriched, housing production strategy.

Signs of Promise

The effort to end homelessness in Massachusetts has seen significant progress in recent years. Below are some notable achievements.

Housing First Conference. In conjunction with One Family, Inc. and the United Way of Massachusetts Bay, the Massachusetts Housing and Shelter Alliance recently co-sponsored a Housing First conference in Worcester that brought together presenters from across the country to discuss research and best practices for housing homeless individuals and families. Evidence suggests that there are reasons to reconfigure our systems for responding to homelessness, and the Housing First model has been successful in housing chronically homeless individuals who have spent years bouncing among expensive health care and correctional systems.

Home and Healthy for Good Pilot Program. In 2006, the Massachusetts Legislature recognized the need for new and innovative ways to serve homeless people. The FY 2007 state budget included an appropriation of $600,000 for Line Item 4406-3010, a Housing First pilot program called Home and Healthy for Good. The purpose of this pilot is to move homeless people directly into housing and to study the effectiveness of the Housing First model, both in human and financial terms. MHSA is in the process of rolling out the Home and Healthy for Good Initiative. MHSA hired a Housing First Coordinator and planning meetings have already taken place with the five subcontracting agencies throughout the state. When all contracts are implemented, Home and Healthy for Good will serve more than 100 chronically homeless individuals representing hundreds of years of homelessness in the Commonwealth.

Community Support Program for People Experiencing Chronic Homelessness (CSPECH). In 2005, the Massachusetts Behavioral Health Partnership (MBHP) partnered with the Massachusetts Housing and Shelter Alliance to create CSPECH, a Housing First program for people with psychiatric and substance abuse disabilities. In its first year, the program provided case management services to consumers via community-based mobile teams of professionals or paraprofessionals. By delivering services to formerly homeless individuals in housing, the program expects clients to experience a substantial reduction in emergency room visits and inpatient hospitalization. ValueOptions, the parent company of MBHP, develops and implements managed behavioral health and Employee Assistance Program services for Fortune 500 companies, national and regional health plans, as well as federal, state and local governments. The CSPECH initiative is significant in that it brings together a for-profit

company, non-profit homeless providers, and public agencies to provide housing and services for chronically homeless individuals.

Commission to End Homelessness. In October 2006, HB 5206 was signed into law, creating a special commission to end homelessness that would include members of the Legislative and Executive branches, city and county officials, and the Massachusetts Interagency Council on Housing and Homelessness. The Commission to End Homelessness bill, sponsored by Representative Byron Rushing and Senators Steven Panagiotakos and Dianne Wilkerson, represents a major advancement in the effort to end homelessness in the Commonwealth. The Commission's plan will outline the "necessary steps to replace the decade-old system of ad hoc and disparate emergency responses to homelessness with a coordinated and consolidated plan for permanent solutions to homelessness involving housing, economic development, and job creation."

About MHSA

The Massachusetts Housing and Shelter Alliance is a public policy advocacy organization with the singular mission of ending homelessness in the Commonwealth. Founded in 1988 by a dedicated group of "first responders" working with unsheltered adults in Greater Boston, MHSA initiates solutions to move people out of crisis to permanence.

MHSA membership includes 88 organizations serving homeless individuals across the state. These agencies have created over 250 programs which provide permanent housing; transitional programs; emergency shelter; outreach, assessment, and treatment programs; health services; day programs; employment and housing placement programs; economic development opportunities; and homeless self-advocacy.

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