

# Using Supportive Housing To Improve Health Outcomes: Evidence From Arizona

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Currently, [Medicaid is the single largest payer](#) for mental health services in the United States. Patients with serious mental illness face unique struggles in the health care system and in their lives, including lack of employment and housing, which then exacerbates their health issues and the cycle continues. In 2014, the National Alliance on Mental Illness [reported](#) that the national unemployment rate for persons with mental illness was 80 percent, with the rate as high as 92 percent in some states. The statistics around housing are even more dire. Of individuals who experience homelessness, approximately 25 percent suffer from a severe mental illness.

It is with these statistics in mind that health care providers, payers, and policy makers have begun to recognize that an important way to improve the health and well-being of people with serious mental illness is to make sure they have adequate housing.

# Tackling Mental Health Through Supportive Housing

To address these challenges, Mercy Care RBHA (formerly Mercy Maricopa Integrated Care), one of the Medicaid managed care plans administered by Aetna Medicaid in Phoenix, Arizona, launched a permanent supportive housing (PSH) program in 2014. The PSH program and its services enable members who are homeless and have a serious mental illness to access a supportive housing subsidy and support services. Mercy Care's program allows members who are homeless and have a serious mental illness designation to access a supportive housing subsidy, funded by state dollars allocated from a class action lawsuit in Arizona, and support services such as assistance with daily living, skills training and development, transportation, health education, conflict resolution, crisis response, and assistance with socializing and seeking employment.

Participants in Mercy Care's PSH program may choose from several housing options depending on their needs, but the largest available option is a scattered site housing program where individuals can select their own house or apartment anywhere in the community.

## Housing-First Integrated Member Support

Through the scattered site housing program, providers and Mercy Care staff expanded the supportive housing subsidies available to this patient population—including integrating housing support services into the mental health clinics. In particular, Mercy Care has taken a housing first approach to reducing homelessness, which

prioritizes getting members into housing above other factors such as obtaining employment or maintaining sobriety. This represents a shift from older models that often deferred housing individuals until they got a job or recovered from addiction, yet without housing.

In the Southwest Network's Estrella Vista Adult Clinic, housing specialist Clarybell Rivera helped one resident put an end to his hospital-to-the-street cycle. The Southwest Network is a health home that provides behavioral health services to infants, children, adolescents, and adults to help them overcome the obstacles they face to live their best lives possible. Every member is assigned to a health home where their clinical team is located and responsible for the members' care. The member had had challenges with housing for years, cycling among the hospital, temporary shelters, and the streets. Rivera supported him through the process and, once she secured an apartment, helped him turn that apartment into a sanctuary for recovery. Since then, the resident has successfully been housed for more than a year and has even created a garden within the apartment complex.

Mercy Care implemented and expanded its PSH program in line with the [Substance Abuse and Mental Health Services Administration fidelity model](#), in which providers reoriented their focus from provider-directed care to member-directed goals.

## Results

In January 2017, Aetna commissioned an independent [evaluation](#) from NORC at the University of Chicago to determine whether certain social determinant-of-health-related interventions offered by Mercy Care—including its scattered site housing program—reduced cost and improved health outcomes for people with a serious mental illness designation. NORC's mixed-methods evaluation included

quantitative and qualitative data collection and analysis. The quantitative portion used Mercy Care encounter and claims data, eligibility files, and roster data.

Approximately 600 individuals enrolled in the scattered site housing program met the study criteria and were included in the analysis. Prior to receiving housing subsidies, these individuals had average health care costs of approximately \$20,000 per member per quarter.

In a pre-post analysis, members receiving supportive housing services experienced a 24 percent decrease in total cost of care (a \$4,623 decrease per member per quarter). While pre-post results without a comparison group can suggest that these housing subsidies have promise, they do not account for outside factors or trends unrelated to the subsidies that may influence the cost reductions. The use of a matched comparison group, through a difference-in-differences design, helps to control for the influence that these outside factors may have on the cost and use. Indeed, when this comparison group was added, it was found that members enrolled in supportive housing experienced a \$5,002 decrease in total cost of care (per member per quarter) relative to a matched group of Mercy Care members not receiving housing services.

The breakdown of these findings suggests this difference is driven substantially by reductions in behavioral health costs. After receiving housing subsidies, members experienced a 23 percent (\$1,509 per member per quarter) decrease in costs for professional behavioral health services, such as individual therapy and rehabilitation. They also experienced a decrease of 46 percent (\$2,277 per member per quarter) in behavioral health facility costs after receiving supportive housing. And finally, members enrolled in the housing program experienced a 20 percent reduction (95 fewer hospitalizations per 1,000 members per quarter) in psychiatric hospitalizations after enrollment in the program.

The qualitative portion of the evaluation reviewed all PSH programs and services using information gathered through structured and targeted informant interviews as well as a review of relevant literature.

## Social Determinants Of Health

For individuals facing significant health issues, the [impact of social determinants of health](#) is even more acute. If you look at a patient population such as those with serious mental illness, factors such as housing, transportation, peer support, and access to employment opportunities multiply the burden of their illness. Yet, these are addressable issues with the potential to drastically improve quality of life, not to mention lower health care costs from the system. These results show that supportive housing programs can lower health care costs, and Aetna and NORC plan to continue studying housing interventions and other programs addressing social determinants of health in the hopes of effectively improving members' lives.