

Follow-up testimony, file under Gus Seelig for Wed. Feb. 24, 2016

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To Lower Medicaid Costs, Start With Affordable Housing

Last year, Utah made headlines for apparently solving chronic homelessness among its citizens by simply giving them homes. This year comes another so-obvious-we-should-have-seen-it-sooner report: Moving people into affordable housing lowers Medicaid costs.

The report, conducted by Enterprise Community Partners and the Center for Outcomes Research and Education (CORE) in Portland, Oregon, used Medicaid data for patients across the city to show that there is a direct correlation between moving into affordable housing and spending less on healthcare—12%, on average.

“For many of my patients,” writes Dr. Megan Sandel in the reports foreword, “concerns about keeping up with doctor appointments and medications are far outweighed by trying to pay their rent on time or finding safe and stable housing.” In other words, if they have one less thing to worry about, more patients will seek preventive instead of emergency care.

Researchers looked at Medicaid insurance claims data from 1,625 people across 145 affordable housing properties in the Portland area. The properties fell into three categories: supportive housing for families (two-to-four-bedroom apartments geared at families), permanent supportive housing (studios and one-bedrooms often occupied by people who were formerly chronically homeless) and housing for seniors and people with disabilities. The researchers also sent surveys with questions about health access and habits to 513 people at 12 properties, with a 54% response rate.

From the claims data, the researchers found that subjects’ healthcare expenditures were down 12% in the year after they moved into affordable housing—that’s \$48 per member, per month. Based on the survey portion of the report, researchers found most of those savings came from an increase in primary care visits (20% up) and a decrease in trips to the emergency room (down 18%). All three categories showed improvement across the board, though dental and mental health services were, predictably, still lacking.

As with those similar studies, the findings are obvious once they’re pointed out. Of course giving struggling people an added measure of stability allows them to plan ahead when it comes to health (as well as plenty of other things, like school and employment). But most studies that look at the link between health and housing focus on just permanent supportive housing, says CORE project manager Maggie Weller. Improvements in that population, much of which has been chronically homeless, aren’t that surprising.

Weller didn’t expect to see such dramatic improvements in other populations, but improve they did—even when people weren’t using other supportive services. “In this study we were able to look at family housing units and housing units for seniors and people with disability, and we saw those same changes in cost,” she says.

The results, though encouraging, are sure to vary across the country (and Enterprise, a collaborator on the report, does say it plans to conduct more of these studies in different areas). Oregon, for instance, has a relatively high density of doctors, and people in affordable housing in Portland may have better access than those in other areas.

And while Oregon ranks just 29th in the list of states with the most uninsured, its 9.7% of the population without health insurance likely fares better in healthcare pursuits than that of, say, Texas (top of the list with 19.1% of its population uninsured).

Whether affordable housing helps people stay healthier, at this point, isn't a question. But just how much healthier it makes them, and in what ways, is a question that deserves much more research in many more areas across the country. Research will beget policy recommendations, and new policy will, if this report bears out, beget a healthier population at a lower cost.

With good housing, everybody wins.

Health in Housing: Exploring the Intersection between Housing and Health Care

https://s3.amazonaws.com/KSPProd/ERC_Upload/0100981.pdf

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