



AB 1085 (Maienschein) Fact Sheet: Creating a Medi-Cal Housing Support Benefit

People Experiencing Homelessness Need Housing Support Services to Get Healthy

Homelessness dramatically impacts health outcomes, costs, and access to care. Health costs for Medicaid beneficiaries experiencing chronic homelessness averages over \$33,000/year and over \$100,000/person for frequent hospital users.¹ Despite this high spending, people experiencing homelessness die, on average, 25-30 years younger than housed people with similar health conditions.² In a single year, over 1,000 people died on the streets of Los Angeles alone *before the pandemic* from causes attributable to homelessness.³

Housing support services help people access housing, remain stably housed, and are essential for individuals experiencing homelessness to access meaningful care. These services include:

- **Housing transition & navigation services** to find eligible beneficiaries, form trusting relationships, assist with paperwork to access housing subsidies, and connect people to housing;
- **One-time “housing deposits”** to help people access a place to live, such as security deposits, utility arrears, and essential furnishings; and
- **Housing tenancy and sustaining services** to help people maintain leases, take care of their homes, and connect to treatment and community supports they need.

Unless individuals experiencing homelessness stabilize in housing first, health treatment is often ineffective. In fact, their acute care costs continually increase, so long as they remain homeless, regardless of the quality of their treatment.⁴

OTHER STATES USING MEDICAID TO FUND HOUSING SUPPORT SERVICES

Over 15 states provide Medicaid-funding housing support services for people experiencing or at risk of homelessness, including Arizona, Minnesota, Oregon, Washington State, and Washington DC.

A Housing Support Services Benefit Will Take to Scale the Objectives of CalAIM, While Scaling Up Federal Funding for Services

DHCS’ California Advancing & Innovating in Medi-Cal (CalAIM) Community Supports offer Medi-Cal plans the option to fund housing support services, but plans decide eligibility, the number of people served, and the duration of services. A statewide benefit would be more equitable, available to all eligible Medi-Cal enrollees, not merely those deemed most expensive to plans (typically older, white enrollees). Also, a benefit would allow California to take advantage of a **federal match of up to a 90%** (for the expansion population).

Two years ago, DHCS [shared an intent](#) is to make housing support services a Medi-Cal benefit for Californians experiencing homelessness by 2024. However, DHCS leadership expressed concern that California faces an inadequate statewide network of providers to meet state or federal requirements. Since then, DHCS has worked to build a statewide network of providers with capacity to offer culturally competent housing support services through significant funding programs that build provider capacity. DHCS will report findings from an independent analysis of network adequacy by January 2024 (Welfare & Institutions Code § 14124.16).

As a next step toward offering meaningful, person-centered health care to people experiencing homelessness, DHCS should fulfill commitment to seek federal approval for a Medi-Cal housing support services benefit in 2024. Setting a deadline will drive plans to develop their capacity and providers to participate. A benefit would satisfy the Administration’s and the Legislature’s priorities of improving health outcomes among Californians experiencing homelessness, while also reducing homelessness.

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¹Creating a Medicaid Supportive Housing Services Benefit. Appendix A: Study Population and Measures Used by the Research and Data Analysis (RDA) Division of the Department of Social and Health Services (DSHS) in Data Sample of Washington State DSHS Clients. 2014.

²Carol Caton Et Al., Nati’l Symposium On Homelessness Research, [Characteristics And Interventions For People Who Experience Long-Term Homelessness](#), 2007; Margot Kushel, M.D., Associate Professor of Medicine in Residence, UC San Francisco, [Testimony to Legislative Forum on Homelessness in California](#), Jul. 2007.

³Harriet Blair Rowan. “Homeless Deaths Surge in Los Angeles County.” *California Healthline*. Apr. 2019.

⁴ Studies show programs offering care coordination without housing support services fails to curb increasing acute care costs among people experiencing homelessness. Karen Linkins, Jennifer Brya, Daniel Chandler. *Frequent Users of Health Services Initiative: Final Evaluation Report*. Aug. 2008.