



MEDICAID AND TENANT SUPPORT SERVICES

SOCIAL SERVICES APPROPRIATION SUBCOMMITTEE
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ISSUE BRIEF

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In 2015, the Federal Center for Medicare and Medicaid Services (CMS) released a bulletin providing guidance on how some housing-related services provided by state and local governments may be eligible for Medicaid reimbursement. The state responded to these new guidelines during the 2017 General Session with [S.B. 88](#), which was passed to provide funding for a full-time Medicaid long-term support services (LTSS) housing coordinator. LTSS services focus on helping seniors and individuals with disabilities move from an institutional setting to a home- or community-based setting. Under the CMS guidance released in 2015, Medicaid billable tenant support services may also allow the state to assist a separate population, the chronically homeless. Other states that have incorporated this new guidance into existing programs for the chronically homeless include Louisiana, California, Florida, Illinois, Maryland, Massachusetts, and Washington. (See Appendix A for details) This brief gives an overview of CMS guidelines and how they may apply to homeless services in the state. It concludes with a recommendation for further study.

2015 CMS GUIDELINES

In 2015, the Federal Center for Medicare and Medicaid Services (CMS) released a bulletin providing guidance on how some housing-related services provided by state and local governments may be eligible for Medicaid reimbursement. While Medicaid's general policy has been to exclude room and board as Medicaid billable expenses, certain housing-related services may qualify. CMS released guidance with the goal of further assisting three target populations: individuals with disabilities, older adults in need of long-term support, and the chronically homeless.

Three specific types of housing related services were highlighted in the CMS bulletin as Medicaid-billable services. The first two services are applicable to individuals who are already eligible for, and enrolled in, Medicaid; the third permits Medicaid billing for aspects of generalized housing-support programs. For additional detail on billable services, please refer to the [CMS bulletin](#).

Individual Housing Transition Services: Encompasses housing case management, including:

- Conducting a housing assessment
- Developing an individualized housing plan
- Assistance with the search and application process
- Other related services

Individual Housing and Tenancy Sustaining Services: Encompasses continued case management once an individual has been successfully placed in housing, including:

- Education and training on the tenant-landlord relationship
- Mediation assistance between the tenant and landlords/neighbors
- Case management to assist with behaviors that may "jeopardize housing, such as late rental payment and other lease violations"

- Housing case management assistance in a situation of potential eviction
- Other related services

State-Level Housing Related Collaborative Activities: Strategic state-level activities that may broadly assist in securing housing resources for the target population. Such activities may include:

- Developing enhanced relationships between the state and local housing and community development agencies
- Contributions to the strategic housing planning processes, including providing relevant data to better inform the planning process
- Coordinating housing locator systems, or coordinating or developing data tracking systems that include housing

POTENTIALLY ELIGIBLE STATE HOMELESS SERVICES

There are some services provided through the Housing and Community Development Division (HCD) within Workforce Services (DWS) that fall under the categories previously described. Currently, homeless services are funded through a combination of state and federal funds; however, Medicaid funding is not currently leveraged for either cost savings (for programs funded primarily through state money) or program expansion (for programs currently funded primarily through TANF). Federal funding for homeless services comes primarily from TANF and the Emergency Solutions Grant (ESG). Funding breakdowns below reflect the percent of program expenses that are covered by each funding source.

Rapid Re-Housing Assistance: Rapid re-housing assistance services are for families facing eviction or who are already homeless. Rapid rehousing emphasizes housing searches, relocation services, and short- and medium-term rental assistance to move homeless persons and families as rapidly as possible into permanent housing. Short- and medium-term rental assistance would not be considered Medicaid-billable expenses under CMS guidelines. Housing case management could potentially qualify. Currently the program is funded through TANF (84%), ESG (12%), and the Pamela Atkinson Homeless Trust Fund (4%).

Permanent Housing Services: Permanent housing is defined as community-based housing without a designated length of stay in which formerly homeless individuals and families live as independently as possible. Permanent housing services include case management services to assist homeless individuals find and maintain permanent housing. This program is funded primarily through the Pamela Atkinson Homeless Trust Fund (95%) and TANF (4%).

Diversion: Diversion is defined as the assistance of financial payment to meet immediate needs and divert homeless families with children seeking shelter to move toward housing stability. Diversion occurs through case management given immediately as the family enters the shelter with the intent to relocate the family superior housing alternatives before they resort to spending time in an emergency shelter. Diversion is funded 100% with TANF funds.

Administrative Costs: Some administrative costs associated with developing strategic housing plans for the target population may be billable to Medicaid, with a state match.

A more comprehensive overview of state homeless services programs can be found in a recent LFA [issue brief](#). The programs listed above, and their funding breakdowns, only represent the portion of funding that each program receives through Unified Funding allocations from the State Homeless Coordinating Committee; some programs, such as permanent housing services, receive additional funding from other sources.

ADDITIONAL CONSIDERATIONS

While the programs described above may be eligible for Medicaid billing, there are a number of considerations that may constrain the potential benefits to the programs described above.

- Individuals must be enrolled in Medicaid
 - Medicaid-billable services are only available to individuals who qualify for and are currently enrolled in Medicaid. Some of the population currently served by these programs may not be Medicaid-eligible; some may be eligible but must go through a lengthy enrollment process for these services to be covered. The Medicaid waiver granted in November 2016 expanded coverage to some segments of the homeless population which may affect these calculations. However, it is too early to have sufficient data on the waiver's effect on the population currently accessing homeless services.
- The state must develop a federally-approved waiver
 - Adaptations to current waivers will need to be developed and then approved by the federal government. This is a lengthy process that can take anywhere from several months to several years.
- Different waivers may place different cost burdens on the state
 - Depending on the waiver that is used, providing tenant-related services may place different cost burdens on the state. Including tenant-related services on a Medicaid waiver may expand benefits and increased enrollment, leading to higher state costs from the Medicaid match.

RECOMMENDATION

The LFA recommends that the Department of Health, together with the Department of Workforce Services, conduct further research on the costs and benefits of leveraging Medicaid dollars for homeless services, and report to the Social Services Appropriations Subcommittee on their findings before October 31, 2018.

APPENDIX A

Tenancy Support Services in Medicaid, Updated January 2017
Corporation for Supportive Housing (CSH)



TENANCY SUPPORT SERVICES IN MEDICAID UPDATED JANUARY, 2017

INTRODUCTION

CMS, through an Informational Bulletin released in June of 2015, recognizes the importance of supportive housing and outlined direction for states that CMS would look favorably upon¹. Services provided through Home and Community Based Waiver Services (HCBW) or other Medicaid authorities could be used to support persons with disabilities prepare for, obtain and sustain tenancy in supportive housing. States recognize that supportive housing, targeted for complex care or high cost, high need individuals can improve health care outcomes for these individuals, for populations and reduce Medicaid spending. Both CMS and states are working together to finance supportive services in a way that is more sustainable than short term government or philanthropic grants. CMS will shortly conclude intensive technical assistance for eight states that are building action plans focused on expanding supportive housing capacity by bringing together state Medicaid agencies with State Housing Finance Agencies.² What is summarized below is solely where the state has recognized tenancy support services as a Medicaid benefit through negotiations with CMS. Only in these cases, will the resources that are needed be available to take supportive housing to scale.

SUMMARY OF STATE ACTIVITY

State/City	Program Model	Medicaid Mechanism	Target Population	Status
California	<ul style="list-style-type: none"> • Create incentives for health care delivery systems to fund tenancy support services as an option within the “Whole Person Care Pilots. • Includes Outreach, Engagement in services for supportive housing and Move in Costs (e.g. security deposits). 	1115 Medicaid Waiver	<ul style="list-style-type: none"> • New prospective tenants only. • People with two chronic conditions or one serious mental illness who are either homeless or could exit institutions with available supportive housing. 	<ul style="list-style-type: none"> • Waiver finalized 12/30/15 • Whole Person Care being implemented, starting with 10 Northern CA counties in July, 2017.

¹ <https://www.medicaid.gov/federal-policy-guidance/downloads/cib-06-26-2015.pdf>

² <https://www.medicaid.gov/state-resource-center/innovation-accelerator-program/community-integration-lts/ci-ltss.html>

State/City	Program Model	Medicaid Mechanism	Target Population	Status
Florida	<ul style="list-style-type: none"> • Pilot Program in 5 Central Florida Counties • Services include Pre-Tenancy (called Transitional Housing Services), Tenancy Sustaining Services and Mobile Crisis Management and Peer Support. 	1115 Waiver	<ul style="list-style-type: none"> • 21 and Older • Significant Behavioral Health needs including SMI and SUD. • Homeless or at risk of Homelessness. • Noted as a pilot program, Program cap is noted as “42,500 member months”. 	<ul style="list-style-type: none"> • Awaiting response from CMS. • Current waiver ends 6/30/17.
Illinois-	<ul style="list-style-type: none"> • Waiver focused on Behavioral Health Transformation. • Services include Pre-tenancy services, move in services. Security Deposits not noted. 	1115 Waiver	<ul style="list-style-type: none"> • Significant or HIGH Behavioral Health needs and Homeless or at risk of Homelessness. 	<ul style="list-style-type: none"> • Awaiting response from CMS
Louisiana	<ul style="list-style-type: none"> • Tenancy supports are reimbursed as a Medicaid service under 1915 (c) waivers and as a component of state plan Mental Health Rehabilitation. • Tenancy support providers are required to work across disabilities and must be trained and certified by the state to provide tenancy supports. They must enroll in FFS Medicaid and must also contract with all Medicaid MCOs. Medicaid MCOs are likewise required to 	<ul style="list-style-type: none"> • 1915(c) waivers for Aged/Disabled and ID/DD • Medicaid state plan for Mental 	<ul style="list-style-type: none"> • Eligible populations as Medicaid beneficiaries who have a significant, long-term disability (physical, developmental, behavioral, etc), who are receiving services from the Louisiana Department of Health, and who are in need of housing and tenancy support services. • Priority is given to persons/households who 	<ul style="list-style-type: none"> • 67% of participants in Louisiana’s PSH program now have their tenancy supports covered under Medicaid. That percentage has been steadily increasing. Other tenants have their services covered using CDBG, Ryan-White, and other funding.

	contract with all certified tenancy support providers. There are currently 14 agencies statewide that are certified to provide tenancy supports.	Health Rehab.	are homeless or institutionalized.	<ul style="list-style-type: none"> Recent analysis shows statistically significant reductions in hospitalization and ER usage for PSH participants post-housing.
MD	<ul style="list-style-type: none"> Use Medicaid for Tenancy Support Services per 6/26/15 IB 	1115 Waiver	<ul style="list-style-type: none"> Homeless or at risk of homelessness Capped at 250 people 	<ul style="list-style-type: none"> Approved by CMS. Negotiating Special Terms and Conditions. Persons served will need to be determined eligible for Home and Community Based Waiver Services.
Mass.	<ul style="list-style-type: none"> Medicaid funds used for tenancy support services, billed monthly on a per diem rate Project is called CSPECH or Community Support Program for people Experiencing Chronical Homelessness, Pays supportive housing providers to deliver housing based case management (\$17 per day, per person) Provider must house the member within 60 days. 	1115 Waiver through ACOs	<ul style="list-style-type: none"> Members who are chronically homeless or high utilizers of homeless and health services Initial cap of 50 with two providers, being expanded to state wide population 	<ul style="list-style-type: none"> Expanded through Pay For Success Model CSH Provider Profile is being drafted.
New Jersey	<ul style="list-style-type: none"> Use Medicaid for Tenancy Support Services per 6/26/15 IB 	1115 Waiver	<ul style="list-style-type: none"> Health Care super utilizers. 	<ul style="list-style-type: none"> NJ is an IAP state. State revised the waiver and now in state Public Comment period.
WA	<ul style="list-style-type: none"> Have Medicaid fund Pre-Tenancy, Tenancy Sustaining Services and , Supportive Employment 	1115 Waiver	<ul style="list-style-type: none"> Capped at 4,000Currently homeless population as they are engaged for supportive housing 	<ul style="list-style-type: none"> Beginning Implementation. Medicaid Academy completed there in September, 2016.