STATE CONSIDERATIONS FOR PROVISION OF SUPPORT SERVICES TO AFFORDABLE HOUSING TENANTS

CMS Announced Medicaid Can Cover Housing Support Services - Now What?

INTRODUCTION

As our nation’s long-term services and supports (LTSS) transition increasingly to home-and community-based service (HCBS) care delivery models, the lack of affordable housing is rapidly becoming a major challenge. Dialogue around the impact of homelessness on healthcare has often focused on the need to house the homeless population.

In June 2016, the Centers for Medicare & Medicaid Services (CMS) issued guidance permitting payment for “housing supports” to help foster service coordination between Housing units and Home and Community Based Services waiver programs. However, states still have barriers to using this funding to prevent homelessness. While, the shortage of affordable housing is a critical hurdle in efforts to shift consumers to community-based settings and control expenditures, thousands of at-risk older and disabled tenants face increasing program requirements particularly those on the Department of Housing and Urban Development’s (HUD) Housing Choice Voucher program. Affordable housing providers are not well positioned to offer necessary support to tenants with disabilities, Medicaid agencies often lack entry points into and knowledge of affordable housing, which means there are no vehicles to foster service coordination.

The elderly and disabled households using HUD’s Housing Choice Voucher Program (HCVP) program, the largest proportion across HUD-subsidized housing programs. Participation on the HCVP requires a great deal from tenants compared to other HUD programs, and there is limited understanding among stakeholders of the type of housing supports needed by the thousands of vulnerable adults in these programs.

KEY TAKEAWAYS

Systematic failures to acknowledge the need for coordinated services between affordable housing units and Medicaid waiver programs results in potential homelessness and increased services expenses that could be avoided. States can receive federal Medicaid funding to provide housing supportive services and they can achieve significant Medicaid savings but they must be able to identify beneficiaries at risk of homelessness or at risk of using otherwise avoidable health services and forge new partnerships with housing authorities to coordinate communication, risk assessment and service delivery. Even though business requirements for integrating Medicaid, social and housing services are complex, it is possible to develop the critical partnerships needed to stabilize tenancy, avoid homelessness from occurring and thus avoid unnecessary spending.

This paper explores how Medicaid agencies, Units on Aging and Disabilities, Home and Community Based Service and housing providers can collaborate to assure effective and sustained care delivery in community-based settings. The focus of this paper is specifically on those Medicaid beneficiary tenants in the Department of Housing and Urban Development (HUD) Housing Choice Voucher Program (HUD HCVP) and other subsidized housing programs, including:

- The unique barriers faced by elderly and disabled HCVP participants
- How a Medicaid-funded housing support program could address these challenges
- Program design elements prospective partners must consider to implement housing support roles within existing HCBS systems

---

PREVENTING HOMELESSNESS OF OLDER ADULTS IS CRITICALLY IMPORTANT

Countless households reside in high-risk housing environments, including physically inadequate units and residing in units where the adult is not a leaseholder. These individuals are at high-risk to enter an already significant population of homeless older adults. Study conducted by the Homeless Research Institute indicated that nearly 45,000 older adults (defined as 50 years of age and above) are homeless, with a projected increase of 33 percent to nearly 60,000 by 2020 and nearly 95,000 by 2050. A report from Harvard’s Joint Center for Housing Studies projects a rapid increase in low-income households aged 50+ and an increase of 4.7 million households with income under $29,999 by 2024. The report cites that as many as 77 percent of households in this low-income population will meet the definition of being “cost-burdened” for housing, paying over a third of their monthly income for housing expense.

Access to safe, stable, affordable housing heavily influences the efficacy of LTSS service plans, and can reduce inappropriate healthcare utilization and associated costs for elderly and disabled consumers. Aside from the obvious quality of life and health benefits of stable housing, the costs of inadequate housing and homelessness amongst older adults further strains already-stressed Medicaid budgets.

Studies magnify the importance of overcoming service fragmentation and the need to integrate coordination of LTSS and housing benefits to stabilize HCBS service plans, improve

outcomes, and reduce unnecessary homelessness resulting in higher use of acute care. For example, one study found that the provision of Medicaid waiver and housing integrated services to those at risk in affordable housing arrangements resulted in significant drops in health care utilization within a year’s time. Savings can be even more dramatic when formerly homeless adults enter permanent housing that also offers case management. Additionally, successfully housed tenants can also result in potentially less than half the public health and criminal justice services used by homeless adults. Finally, providing alternative housing to nursing home eligible adults can result in significant Medicaid savings in the cost of nursing facility care.

Inter-agency collaboration between HCBS and affordable housing providers, including Public Housing authorities, requires a shared system of information about an individual, as well as a coordinated understanding of how different providers will manage and deliver a variety of services. HCBS consumers receive a myriad of services from a multiple providers and this can pose challenges to designating which provider or agency has the lead role in coordinating services involving housing services and issues. States need to examine the needs for and foster formal partnerships between HCBS programs, social service agencies and housing providers to promote stable tenancy, particularly for aging and disabled households.

WHY CONSIDER HUD-SUBSIDIZED HOUSEHOLDS AN AT-RISK POPULATION?

One often-overlooked population who are at-risk for homelessness are elderly and disabled adults currently living in affordable housing. In its July 2016 Public and Indian Housing Information Center (PIC) report, HUD reported serving approximately 2.9 million households; over half of these households are classified as “elderly” or “disabled.”

Many of these households receive services in “demand-side” policy programs, where subsidies are applied to pre-existing private housing stock – an efficient alternative to constructing new housing stock that helps HUD to meet the high level of demand that exists for affordable housing. Demand-side programs include programs such as the HCVP, HUD’s largest program with more than 921,000 voucher households classified as “elderly” or “disabled” according to the July 2016 PIC report.

While demand-side programs like the HCVP offer expanded access to affordable housing, the program requirements for tenants differ from the requirements of elderly and disabled specific housing and traditional public housing. Failure to meet these requirements can result in a loss of housing for tenants. There are insufficient resources and understanding for how to support vulnerable tenants to ensure they maintain their HCVP eligibility, and a lack of consideration for the housing support needs of these tenants, often because their housing arrangements are incorrectly assumed to be stable and permanent by HCBS case managers. This has resulted in a systemic failure of affordable housing and HCBS systems to identify and respond to the high degree of risk faced by elderly and disabled HCVP participants, who could lose their housing when they fail to meet stringent HCVP requirements.

7. A Report by the Coalition for Senior Housing of Massachusetts Funded by The Boston Foundation, “Aging in Place Successfully with Affordable Housing and Services.” 03/07. Available online: https://www.chapa.org/sites/
WHAT ARE THE REQUIREMENTS AND THEIR IMPLICATIONS FOR HCVP HOUSEHOLDS?

Demand-side models such as HUD’s HCVP rely on partnership with the private real estate sector - a sector that can be difficult for low-income, older, and/or disabled adults to navigate. Some of the program participation requirements placing burdens on the elderly and disabled tenants include:

• **Conducting an independent unit search in the private rental market** - Tenants must self-identify prospective housing which often involves rental markets unfriendly to subsidized renters. Tenants may lack knowledge and understanding of how to select a unit that will meet HUD minimum inspection standards and/or meet their household needs.

• **Managing a business relationship with a private landlord** - While tenants receive their rental assistance through a public housing authority, tenants on HCV must work with their property owner and/or management company to resolve tenant issues related to unit maintenance, lease adherence, etc.

• **Administrative requirements** - Tenants on HCVP are subject to recurrent voucher recertification with their public housing authority, as well as lease recertification with their property owner. Tenants may require support with the high level of documentation required within both processes, which is required to maintain participation.

• **Maintenance of the unit** - Whereas many traditional affordable housing units are in multi-family housing settings, many HCVP participants identify single-family units, which often require increased maintenance by the tenant, up to and including maintenance of a yard.

• **Navigating mandatory moves** - Tenants on HCVP are subject to mandatory moves, which occur for a variety of reasons, including property sale, failed HUD-required inspection, program opt-out by a property owner, etc. These moves often occur over short spans of time, include a number of additional costs related to fees and expenses, and require further housing unit search.

• **Requesting reasonable accommodation** - Disabled tenants may require a reasonable accommodation, defined by HUD as “a change in rules, policies, practices, or services so that a person with a disability will have an equal opportunity to use and enjoy a dwelling unit or common space.”10 There are many types of reasonable accommodation, and making these requests is often a multi-step process that includes a formal request, obtaining third-party verification from a healthcare provider, and negotiating with a property-owner or housing provider.

• **Increased financial responsibility compared to traditional public housing** - HCVP participants are often required to maintain their own utilities, which is not always the case in traditional public housing and/or housing for the elderly and disabled. In addition, HCVP programs are not required to cover the extra expenses of the private market including deposits, application fees, etc.

The disability related challenges of meeting these requirements threatens the ability of elderly and disabled households to preserve their affordable housing arrangement. With extensive wait lists and high demand for affordable housing, loss of this benefit can have profound and lasting negative impact – including regression of vulnerable households into sub-standard housing arrangements and even homelessness.

Studies have shown that patients with insecure housing arrangements struggle to access needed healthcare services. A Harvard study found that cost-burdened renters aged 50 to 64 spend nearly 70 percent less than their affordably housed peers on healthcare related costs, with households aged 80 and up spending nearly 60 percent less.11 Inattention to health needs can increase the risk of acute care and emergency room utilization when conditions exacerbate or remain untreated.

11. Joint Center for Housing Studies of Harvard University, “Housing America’s Older Adults: Meeting the Needs of an Aging Population.” 2014
WHAT ARE THE ADVANTAGES AND BARRIERS OF COLLABORATION BETWEEN HCBS PROGRAMS AND HOUSING?

Medicaid HCBS providers can benefit from collaborating with affordable housing providers through the implementation of housing support roles to support large programs such as HCVP. Potential benefits include:

- **Increased understanding of the affordable housing system**, which can drive improved assessment of housing risk among HCBS waiver participants at-risk for loss of housing benefits.
- **Enhanced care coordination** that better addresses key social determinants, such as housing and utilities, are needed to implement stable service plans. Services plans delivered in safe, stable home environments are less likely to demand additional resources from waiver case managers and HCBS providers.
- **Establishment of safeguards** to prevent the re-entry of housed Medicaid recipients into homelessness, which results in increased healthcare costs due to unnecessary healthcare utilization.
- **Creating in-roads with the affordable housing network**, which may provide future opportunity for other collaboration that bridges scarce affordable housing resources with healthcare and HCBS services.

Healthcare and HCBS providers are not the only providers with potential to benefit in a coordinated model of housing support. Managing the needs of the disabled is resource intensive for a affordable housing providers who could benefit from the reduction of expense and time related to:

- **Cost of staff time and ongoing maintenance** attributable to high-demand tenants and/or excess unit wear and tear;
- **Costs associated with excessive unit turnover** due to reduced length of stay;
- **The cost of staff time spent managing tenant behaviors, excessive complaints, and non-housing related concerns including service requests among high-demand, vulnerable tenants**;
- **Staff time spent navigating the Reasonable Accommodation process**, as well as reducing potential liability and litigation resulting from fair housing complaints related to Reasonable Accommodation denials;
- **Costly legal actions including evictions proceedings**; and
- **Risk of negative publicity and/or property marketability**, which carries particularly high risk for properties with a mixed-income, market-rate component.

Housing providers benefit from stable communities, and partnerships with other community and state service providers that support vulnerable tenants, ultimately foster more stable tenancy. The CMS guidance on Medicaid funding of housing support services describes how state Medicaid agencies can address homelessness and at-risk housing through Medicaid waivers. This guidance creates a role within Medicaid waiver programs for a focus on providing housing services and presents an opportunity for collaboration between HCBS programs and the affordable housing sector. Housing supports can range in scope and potentially assist tenants with:

- Conducting and applying for a housing unit
- Coordinating managing landlord relations
- Maintenance
- Navigating moves
- Administrative requirements
- Acquiring reasonable accommodations
- Obtaining utility assistance

Although they offer strong potential for cross-sector benefit, collaborative efforts and formal partnerships pose significant challenges, because affordable housing and Medicaid programs operate under distinct and separate regulatory frameworks. Barriers include:

- A lack of understanding around the volume and needs of the older and disabled tenant population, which diminishes the need for partnership.
- Fragmentation within the housing network, which includes PHAs of varying size and location and a vast network of private property owners, making it hard to identify potential partners.
- The restrictions of both the Health Insurance Portability and Accountability Act (HIPAA) and Fair Housing laws on sharing disability related information across HCBSS and housing providers, making it difficult to communicate about tenant issues and develop collaborative plans of action.
- Lack of cross-sector understanding: Medicaid policy-makers and leaders are not always well versed in the affordable housing system, affordable housing providers often lack understanding of Medicaid programs. This gap is an inherent barrier in identifying shared opportunity to incentivize partnership.

Appendix A details the tenant needs that could address.

Although they offer strong potential for cross-sector benefit, collaborative efforts and formal partnerships pose significant challenges, because affordable housing and Medicaid programs operate under distinct and separate regulatory frameworks. Barriers include:
CASE STUDY OUTCOME

- Case Study Outcome: Mrs. Davis’ inspector advises the local housing authority of the urgent concerns he has about her housing situation. A referral is made to the local Medicaid HCBSS point of contact, who coordinates the following Medicaid housing support:
  - Verification of her disability by her physician
  - Filing for a reasonable accommodation and release from her lease contract
  - Confirmation of her eligibility for a live-in aide
  - Recruitment of a live-in aide to assist her
  - The eventual move to a first floor apartment
  - Coordinating the move, including coaching on transfer of utilities and arranging low-cost moving services.

WHAT ARE KEY CONSIDERATIONS WHEN IMPLEMENTING HOUSING SUPPORTS?

- Risk Identification: States and Housing Authorities must evaluate and understand existing need to understand how to direct these services to high-risk consumers. Scale is an important consideration - how many can be served with the resources made available to implement this HCBS service? How will tenants at risk of homelessness or who have insufficient housing arrangements for their needs be assessed and measured? How will this risk identification and assessment information be collected, stored and reported? How will risk of housing loss be measured?

- Staffing: How will partners share in the hiring practices, acknowledging that a Housing Support role will have heavy interface with both HCBS Medicaid programs and affordable housing providers? Are joint hiring practices needed, and if so, what policies may be required to facilitate shared hiring? What are the required qualifications to identify qualified professionals for the role?

- Roles and Responsibilities: The roles and responsibilities of a Housing Support professional must be clearly identified to include communication, obligations to work with all partners, and how existing roles might change. Which direct service providers will be needed to facilitate service plans that address housing risk? Medicaid HCBS may need to collaborate with affordable housing to identify new providers for housing-related services such as real estate agents, packing and moving services, temporary housing providers, etc.

- Training: What training will be required in the Medicaid HCBS and housing workforce, to create an effective understanding of the purpose of this new role and how to identify those at risk? This type of training is critical to open pathways for risk identification and referral to a housing support role.

- Communication: What safeguards and protocols are necessary to develop communication strategies that allow providers to remain compliant with privacy laws? The Health Insurance Portability and Accountability Act (HIPAA) and federal Fair Housing laws both restrict information sharing in an effort to protect consumers. Any system must include required safeguards so that Medicaid HCBS and affordable housing systems remain compliant with privacy requirements.

- Safeguards: What consumer protections and safeguards must be implemented to allow consumers the ability to issue formal grievance when dissatisfied with housing support services? There are existing formal grievance systems in place for both Medicaid and affordable housing programs. What grievance system is needed within a Medicaid-Affordable Housing partnership?

- Program Changes: Which Medicaid waivers require an amendment to include a housing support role? How does this process relate to existing waiver renewals or new waiver programs?

- Performance Measurement: Collaboration and service coordination have the opportunity to generate positive outcomes that lead to savings for all partners. Both Medicaid programs and affordable housing entities will need to agree on common goals, outcomes and measures of success including how savings will be tracked and measured. Partners may consider reinvestment of shared savings for sustainably funding housing support services, or investing in other housing opportunities for at-risk Medicaid beneficiaries.
HOW NAVIGANT CAN HELP

Navigant offers comprehensive knowledge of Medicaid LTSS systems and care management approaches through our experts’ front-line experience delivering housing services and developing collaborative approaches among housing, government, and community service programs. We offer the following services to guide and support states in addressing housing complexities for their Medicaid LTSS beneficiaries:

• Strategic planning including evaluation of options for achieving enhanced collaboration and care coordination.
• Regulatory analysis and drafting of regulations and related guidance.
• Conduct baseline and needs assessments to identify gaps and leading practices, and make recommendations for improvement.
• Stakeholder outreach and engagement.
• Establishment of partnerships and recruitment of housing partners.
• Development of practical program policies and infrastructure needed to enhance and sustain care coordination improvements.
• Conduct organizational assessments and development of recommendations for refining workflows to accommodate new care coordination models.
• Additional activities to support design, implementation, ongoing operation, and assessment of care coordination initiatives and programs.
## Appendix A: Potential Housing Supports Needed by Category

<table>
<thead>
<tr>
<th>TASK</th>
<th>POSSIBLE SUPPORT NEEDED</th>
</tr>
</thead>
</table>
| **Conducting and applying for a unit** | • Assisting tenants with obtaining and reviewing property listings, often available via web-based platforms  
• Arranging accessible transportation for property tours  
• Coaching on unit identification of needs vs. wants, required accessibility features, and how to identify units that meet HUD inspection requirements  
• Assistance with application process, often including additional expenses |
| **Managing landlord relations** | • Coaching tenant on lease terms and requirements  
• Assisting with communication with property owner, including communication impairments, behavioral health concerns, and other factors that impede communication.  
• Advocating for tenant during tenant-property owner disputes, including educating tenant on available protections and/or grievance procedures.  
• Responding to lease violations, developing corrective plan to prevent future violations |
| **Maintenance** | • Helping tenant identify services to assist with indoor / outdoor unit maintenance  
• Coaching with communicating maintenance requests  
• Performing follow-up with property owners, who may be slow to respond.  
• Assisting property owners and PHA staff with conducting inspections, often required when tenant exhibits paranoia or other behavioral health symptoms impairing their willingness to cooperate with standard inspections |
| **Administrative requirements** | • Assisting tenants with completing recertification associated with lease and HCVP standard processes  
• Assistance with organizing necessary documentation e.g. personal identification, required credit information, and documents related to household members, including youth  
• Arranging for transportation to PHA or property owner offices to conduct housing related business  
• Assisting tenants with “portability” – when HCV holder wishes to move subsidy to another housing authority / municipality.  
• Assisting homebound tenants with obtaining documents and arranging for home visits from housing providers  
• Co-attending voucher briefings and other required meetings |
<table>
<thead>
<tr>
<th>Navigating moves</th>
<th>Reasonable accommodation</th>
<th>Utility assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Assisting tenants with unit identification (see above), voluntary move requests</td>
<td>• Educating tenants about reasonable accommodation e.g. how to communicate requests to</td>
<td>• Helping tenants apply for federal energy assistance programs annually and attending</td>
</tr>
<tr>
<td>• Arranging for services / and making informal supports to move personal belongings</td>
<td>property owners / PHA staff</td>
<td>interviews with benefit providers</td>
</tr>
<tr>
<td>• Obtaining financial assistance for associated fees / added expenses e.g. application fees, security deposits, utility transfers</td>
<td>• Obtaining third-party verification of disability-related need on tenant’s behalf, including acting as verifying party</td>
<td>• Supporting tenant with money management e.g. budgeting, bill paying</td>
</tr>
<tr>
<td>• Identifying temporary housing / storage arrangements when tenant requires rapid relocation or hasn’t leased up in new unit prior to a contractual move-out date</td>
<td>• Assisting tenants in requesting / attending fair hearings, issuing formal complaints, and navigating the formal grievance and appeals process when a request is denied</td>
<td>• Arranging for utility budget plans, negotiating payment arrangements, and obtaining other available financial assistance or age / disability-related programs</td>
</tr>
<tr>
<td>• Securing affordable furniture and other household supplies</td>
<td>• Help with recruiting eligible live-in aides</td>
<td>• Obtaining utility service during disruptions</td>
</tr>
<tr>
<td></td>
<td>• Supporting tenants in negotiating co-payments for physical, high cost upgrades e.g. wheelchair, tub cut, which private landlords may require.</td>
<td></td>
</tr>
</tbody>
</table>
About Navigant

Navigant Consulting, Inc. (NYSE: NCI) is a specialized, global professional services firm that helps clients take control of their future. Navigant’s professionals apply deep industry knowledge, substantive technical expertise, and an enterprising approach to help clients build, manage and/or protect their business interests. With a focus on markets and clients facing transformational change and significant regulatory or legal pressures, the Firm primarily serves clients in the healthcare, energy and financial services industries. Across a range of advisory, consulting, outsourcing, and technology/analytics services, Navigant’s practitioners bring sharp insight that pinpoints opportunities and delivers powerful results. More information about Navigant can be found at navigant.com.