

# HOUSING HEALTH

Innovations in the Field



## Addressing Housing as a Health Care Treatment

By Janet Viveiros  
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## Type of Program

Accountable care organization with housing counseling services

## Partners

Four Hennepin County agencies and affordable and supportive housing providers

## Major Funding Sources

Medicaid reimbursement and ACO savings

## Population Served

Low-income, non-disabled adults under the age of 65 without dependent children

## Number of Individuals Served

Over 100 individuals housed through housing counseling and navigation assistance between 2012 and 2013

Cover photo: Linda, a Hennepin Health member.

Ron, a Hennepin Health member.



Increasingly, states are focusing on implementing Medicaid reforms as part of the Affordable Care Act's (ACA) goal to deliver high-quality care while containing health care costs. Some are authorizing a new kind of Medicaid health care delivery system, accountable care organizations (ACOs). ACOs are integrated health care delivery organizations that not only cover the cost of medical care like a health insurance company, but also offer care coordination for health and social services to address the complex health needs of patients. ACOs consist of networks of health care providers and organizations like hospitals and clinics that work together to coordinate the health care of members. Medicaid payment rates to ACOs are capitated, meaning there is a standard payment rate per member regardless of services utilized. In addition, ACOs keep a share of the savings achieved by spending less than the capitated rate. This is a strong incentive to contain health care spending by investing in preventative care and care coordination to improve the health of members and reduce the need for expensive acute care.

## Hennepin Health

In 2012, Hennepin County, Minnesota formed an ACO called Hennepin Health to offer health care coverage to the population newly eligible for Medicaid after Minnesota adopted the ACA's expanded Medicaid eligibility. Hennepin Health is a partnership of four Hennepin County agencies: Metropolitan Health Plan, Hennepin County Medical Center (HCMC), NorthPoint Health and Wellness Center, and the Human Services and Public Health Department of Hennepin County.

Hennepin Health enrolls the newly eligible Medicaid population in the county: non-disabled adults ages 21 to 64 without dependent children. As of April 2015,

Hennepin Health has over 10,000 members enrolled. Approximately 30 to 50 percent of this population is unstably housed, homeless, or living in a homeless shelter. When launching the ACO, it was clear to leaders at Hennepin Health that homelessness or unstable housing exacerbates the complex health needs of Hennepin Health members. Hennepin Health partners determined that addressing the housing needs of members is critical to effectively addressing their health needs. Therefore, the Human Services and Public Health Department of Hennepin County decided to leverage its existing contracts with supportive housing providers to begin housing homeless individuals enrolled in Hennepin Health through the county's Group Residential Housing (GRH) program. This allows the department to negotiate priority admission to supportive group housing for Hennepin Health members. In Minnesota, counties distribute state funding for the GRH program to pay for room and board in supportive group housing for low-income adults and elderly or disabled low-income individuals.

When the program began, Hennepin Health employed two housing navigators, or housing counselors, to assist Hennepin Health members with securing stable housing. Initially, the salaries of these two staff members were paid through the county's Human Services and Public Health's Housing and Homeless Initiatives



Darcy, a Hennepin Health member.

department. After the first year, Hennepin Health was able to pay for these staff positions by using the health care savings it achieved through spending less than the Medicaid capitated payment rates. In response to concerns by case management staff regarding their administrative burden of following up after members were housed, Hennepin Health changed the responsibilities of the housing navigators. Now, in place of the housing navigators, Hennepin Health employs three social service navigators who still help members to secure housing, but also help them address other social service needs and maintain long-term contact after members are housed. This allows the social service navigators to help members resolve issues that may jeopardize their housing status.

The social service navigators also develop and maintain good working relationships with housing provider staff to encourage GRH providers to accept Hennepin Health members and work with Hennepin Health to resolve any member-related issues that could potentially cause members to lose their housing. In addition to helping members to secure supportive group housing, social service navigators also support member efforts to utilize HOME tenant-based rental assistance vouchers for non-group housing. However, even with the assistance of the navigators, many members encounter difficulties with finding landlords who will accept tenants with criminal backgrounds—a challenge facing many members.

## Opportunities

Hennepin Health has achieved success in improving the health and wellbeing of low-income adults in the county by helping house the most vulnerable of this group. By targeting members who typically utilize the most costly health services and prioritizing them for GRH and other services, Hennepin Health has achieved significant health care savings which it then reinvests into helping more members.

**Agreement on how to prioritize and coordinate social services.** Hennepin Health made a decision to prioritize social services for individuals with the greatest and most complex health and service needs. The county created a tool for assessing the medical vulnerability of Hennepin Health members and uses the assessment results to prioritize the most vulnerable, placing them first in line for services—a new strategy in the county. In addition, Hennepin Health now coordinates the different county health and social services accessed by members in order to more effectively improve members' wellbeing. According to Hennepin Health Clinical Operations Manager Julie Bluhm, Hennepin Health has “focused on aligning services and resources the county already has, instead of creating new services. Previously, various county agencies were working with the same clients but not working toward the same goals.”

**Access to health and social service data.** Hennepin Health is able to use county administrative data (including health plan claims, electronic health records, and social services data) to gauge the outcomes of its services and investments. In the first year of the program, Hennepin Health observed a significant reduction in emergency department visits, an increase in outpatient health care visits, increased utilization of care for chronic conditions, and reduced health care expenditures. Among the 112 members who were housed after receiving housing counseling services, Hennepin Health found that health care utilization and costs decreased significantly. For these members, the average number of emergency department visits and the

associated costs went down by over 50 percent between 2012 and 2013, and inpatient hospital admissions decreased by almost 30 percent, resulting in an over 70 percent decrease in average inpatient admission costs per member, per month.

**Flexibility to explore and fund new strategies and approaches.** As an ACO, Hennepin Health has a great deal of flexibility in choosing how to invest its Medicaid savings. The organization has recently experimented with investing savings in the leasing of two public housing units from the Minneapolis Public Housing Authority to serve as three-month housing for homeless members transitioning out of inpatient hospital care. Sometimes hospital discharge for homeless patients is delayed because they have no home to discharge to, leading to higher-than-necessary hospital costs. The public housing units are intended to provide a safe temporary housing situation for individuals ready for discharge and to give them time to secure more permanent housing. However, Hennepin Health has found it difficult to provide the level of services and security needed by some members immediately after hospital discharge. In addition, other members who discharge into these units are able to live there successfully but are reluctant to leave the units after three months because they prefer to stay in a private unit rather than move to a GRH.

Hennepin Health social service navigators.







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**Elliott Twins, the Minneapolis Housing Authority development that houses Hennepin Health's transitional units.**

## Contact

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## Challenges

### The need for affordable housing exceeds the supply.

There are not enough GRH beds and other affordable housing units available to meet the demand among Hennepin Health members. The success of the housing navigation efforts at Hennepin Health has led to increasing numbers of referrals of members to the social service navigators for assistance locating housing. However, there are not enough affordable units—particularly units with supportive services for individuals with complex needs—in the county to house all the members who need housing. There is also a need for a wide spectrum of affordable housing types to meet the diverse housing and service needs of individuals and families.

**Membership is often short-term.** Another challenge in addressing the housing needs of Hennepin Health members is the difficulty of investing in permanent affordable housing for members. People enter and exit the health plan fairly frequently and do not have a “permanent relationship” with Hennepin Health. Many members eventually qualify for Supplemental Security Disability Insurance as a result of a disability diagnosed through their new access to health care as a member, making them ineligible for Hennepin Health. It is difficult for Hennepin Health to invest in permanent housing for members because once people no longer qualify for membership, they would no longer be eligible for housing. While Hennepin Health leaders see the value of making permanent affordable housing available to members, they are still searching for a way to effectively meet this need in a manner compatible with the ACO membership model.

PHOTOS: Lori Imsdahl, Hennepin County



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