“Housing is Health Care”: The Impact of Supportive Housing on the Costs of Chronic Mental Illness

Morrison Institute for Public Policy
Center for Health & Information Research
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Housing is Health Care: Challenges of Chronic Mental Illness

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Interview participants
What could be more important than having a safe place to deal with the horrible challenges that people with serious mental illness face? … [T]he lack of stable housing increases hospitalizations and arrests.

– Family member of an individual with CMI
Arizona Health Care Cost Containment System: Treatment and Housing Continuum

Level of placement is not linear, but based on Individual Service Plan/clinical need

- Treatment Focused
- Services Manatory
- Length of Stay Clinically Determined
- Restricted Egress Based Upon Voluntary Status of Admission
- Site/Facility Based

- Treatment Focused
- Services Voluntary
- Length of Stay Clinically Determined
- 24 hour supervision
- Community Based

- Housing Focused
- Services Voluntary
- Length of Stay Member Determined
- Renewable Leases
- Independent Living
- Community Based

Source: Arizona Health Care Cost Containment System (AHCCCS), 2021
Serious Mental Illness in Maricopa County

139,267
Individuals estimated to have SMI in Maricopa County

34,451
Adults with SMI served by Mercy Care (2019)

5,221
Beds in behavioral health facilities and supportive housing available to AHCCCS members with SMI (2018)
965
Individuals experiencing homelessness who self-reported having mental illness (2020)

1,100
Estimated individuals with SMI in County Jails
Affordable housing challenges

163,000
Estimated affordable housing units needed to meet current demand in Phoenix alone

4 in 10
Arizonans earning a low-income pay more than half their income in rent or experience homelessness, but do not receive federal rental assistance
Research Questions

- How do housing and in-home supports affect public spending on individuals with chronic mental illness in Maricopa County?

- What do local experts recommend to improve care and reduce costs for the CMI population?
Approach

- Cost analysis by housing setting (2014-2019)
- Small-sample case study of high support setting for high-need individuals (2016-2019)
- Expert interviews
Housing is Health Care: Cost Analysis

Gevork Harootunian
Arizona Alliance for Community Health Centers
Center for Health Information & Research (CHiR),
College of Health Solutions, ASU
Cost Analysis: Methods

- Data was collected from six sources under three Business Associate Agreements (BAA), one Intergovernmental Agreement (IGA), and one Data Use Agreement (DUA).
- Matched individuals across systems absent unique identifiers using probabilistic algorithms.
- Data harmonization to ensure comparable views, definitions, and units of key concepts.
Operationalizing Chronic Mental Illness

- Designated as having Serious Mental Illness (SMI), and
- At least two episodes requiring crisis assistance in the last two years, and
- Did not adhere to the follow-up treatment within 14 days, and
- Had an interaction with the criminal justice system, made a claim for suicide or intentional self-injury or harm, or experienced recurrent crisis episodes.
18.5% of people with serious mental illness in Maricopa County have a chronic form of their disease.
Individuals with CMI, by housing setting

- Chronic Homlessness: 768
- Unknown Support Services: 955
- Permanent Supportive Housing: 233
Total costs

Average costs of individuals with CMI in Maricopa County, per person per year, by housing setting.
Average costs of individuals with CMI in Maricopa County, per person per year, by housing setting.
Health costs

Average costs of individuals with CMI in Maricopa County, per person per year, by housing setting.
Inpatient costs

Average costs of individuals with CMI in Maricopa County, per person per year, by housing setting

- Permanent Supportive Housing: $11,992
- Housed with Unknown Support Services: $14,485
- Chronic Homelessness: $17,778
Other mental health and substance use treatments

Average costs of individuals with CMI in Maricopa County, per person per year, by housing setting

- Permanent Supportive Housing: $2,103
- Housed with Unknown Support Services: $9,155
- Chronic Homelessness: $4,981
Transition from chronic homelessness to permanent supportive housing (N=78)

Average public spending per person per year, by housing setting

- **Chronic Homelessness**: $64,195
- **Permanent Supportive Housing**: $58,341
Small-N Case Study: Lighthouse Model Community Homes, Copa Health

- Group homes for individuals with SMI and high support needs
- 24/7 in-home support from behavioral health technicians with SMI expertise
- Two locations, nine residents
- Tenants sign annual lease, 30% income on rent
- Tenants can return after hospitalization, treatment, arrest; avoid eviction
Health costs pre- & post-Lighthouse setting, 2016-2019 (N=9)

Average costs of Lighthouse tenants, per person per year

- 2016 (Pre-Lighthouse): $123,036
- 2017 (Half in Lighthouse): $112,487
- 2018: $101,204
- 2019: $108,098
Health cost breakdown, pre- and post-Lighthouse setting, 2016-2019 (N=9)

Average costs of Lighthouse tenants, per person per year

- **Behavioral Health**
  - 2016 (Pre-Lighthouse): $7,780
  - 2017 (Half in Lighthouse): $17,335
  - 2018: $21,309
  - 2019: $24,249

- **Pharmacy**
  - 2016 (Pre-Lighthouse): $5,939
  - 2017 (Half in Lighthouse): $8,139
  - 2018: $9,840
  - 2019: $13,470

- **Physical Health**
  - 2016 (Pre-Lighthouse): $109,317
  - 2017 (Half in Lighthouse): $87,013
  - 2018: $70,055
  - 2019: $70,379
Spending on select services in Lighthouse setting, 2016-2019 (N=9)

Average costs of Lighthouse tenants, per person per year
Housing is Health Care: Expert Recommendations

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Methods: Interviews

Semi-structured interviews via Zoom & phone

Purposive & snowball sampling
- 36 experts
- 5 individuals with CMI

Inductive analysis to identify recommendations for improving care and reducing costs

Interview Participants, by type (N=41)*

- Family Member: 10
- Advocate: 8
- Emergency Responder: 8
- Housing Provider: 7
- Behavioral Health Provider: 6
- Individual w/CMI: 5
- Legal Professional: 5
- Homelessness Services: 4

*Several participants fell into more than one category.
Provide higher levels of treatment and support

“

[T]here’s not really a lot of places that can manage people when they’re symptomatic and keep them housed. … So, it’d be nice to have something in the middle, between complete lockdown-secure hospital setting to out in the community.”

– Law Enforcement Professional
If you have diabetes, you need care literally for your whole life, and some people’s diabetes is more severe than others’. You need more intensive care. Well, it’s the same thing with mental illness.”

– Family Member of an Individual with CMI
Set realistic expectations for recovery

“[T]hese are people… they’re going to make decisions that, later on, they might regret, and let’s go into this knowing that and accepting that and saying that part of our program is dealing with that and then saying, ‘What does our program need to look like in order to achieve some level of success?’”

– Supportive Housing Provider
Increase the supply of appropriate housing

“I have found—whether it’s housing or it’s hospital beds or it’s residential to go to—if you open up capacity, then all of a sudden, all of those bureaucratic barriers go away. And so, to me, the bottom line is we need more units.”

– Legal Professional

“It comes down to voters. And government. They need to put more money into our society’s most vulnerable…”

– Behavioral Health Professional
Create opportunities for social connection and community integration

“If” they’re starting to get to where they can manage [their illness] … are we working to partner with local businesses to see: Can we get this person a job? Even if it’s not enough to pay the rent… there’s that sense of accomplishment, that interpersonal and the leisure part. Are we talking to them about: what are your hobbies?”

– Law Enforcement Professional