

Testimony to Public Health Committee on 3-12-2010

Support for S.B. 405, An Act Concerning the Development of Cost Effective Supportive Housing for Frequent Users of Costly State Services

My name is Ron Krom and I am the Executive Director of St. Vincent DePaul Place in Middletown. I serve as the Chair of the Middletown/Middlesex County Continuum of Care, and I sit on the Steering Committee of the Middlesex County Coalition on Housing and Homelessness. I have been involved in the provision of permanent supportive housing initiatives in Connecticut for more than 10 years. I have worked with the homeless, the chronically homeless, men and women with severe mental illness, substance abuse disabilities, co-occurring disorders, and HIV/AIDs.

I am also in my final semester for a Masters of Public Health degree at UCONN. My final project for this degree is titled *Housing First: A Public Health Response to Chronic Homelessness*. The early research indicated that the chronically homeless make up 10% of the overall homeless population but consume almost 50% of the available resources. The chronically homeless are one group of frequent users of costly state services.

Since 2003, there have been more than 40 studies undertaken in local communities across the country to demonstrate the cost effectiveness of a Housing First intervention with the chronically homeless. They have, without exception, succeeded in showing that once housed, the chronically homeless reduce their use of services and that the costs associated with the services reductions fully offset the costs of the housing interventions. In most of the studies, there was a significant cost savings even after the provision of permanent housing and support services.

Malcolm Gladwell's account of *Million Dollar Murray* is perhaps one of the best known studies. Murray was a Reno, Nevada homeless man who consumed approximately a million dollars worth of tax-payer funded services to remain homeless over a 10 year period before he finally died on the streets. I am here today to tell you that many of the supportive housing providers in this room have a man or woman in their community who has received close to a million dollars worth of services over the last ten years.

In 2008, Middlesex Hospital conducted a Community Health Assessment and found many frequent users among their mental health and substance abuse patients. Over a 21 month period in 2006 and 2007, they found:

- 42% of ED patients were repeat users
- 25 patients had 430 visits (20% of all ED visits)
- 3 patients utilized the ED a minimum of 28 times each

Many mental health and substance abuse patients rely on the hospital system for routine treatment.

Last year my agency housed one of these homeless men who often used the ER as his shelter. I recently worked with the hospital, the Eddy Shelter, and our City officials to estimate the costs of his services prior to housing. Middletown's "Murray" had 50 ER admissions in 2008, most over a 5-month period, at a cost of \$77,000 to the hospital. We estimated over \$6,000 in emergency medical transportation, and another \$7,740 for emergency shelter bednights and some case management costs - a very conservative total for 2008 of \$90,740. He's been in one of our scattered-site apartments for the last year. He has no income. We spend \$735/mo for rent, approximately \$55/mo for utilities, and we spend about \$8000 a year for very intensive case management services (at a ratio of 1:8). The total in 2009 - \$17,480. Let me repeat - for our "Murray" to remain homeless in 2008 it cost our community \$90,740; for him to be housed and supported with intensive services in 2009, it cost our program \$17,480.

We cannot show such a dramatic cost savings for everyone in our program, but we know that there are some savings for every individual that we've housed. With DMHAS, DSS and HUD funding for supportive housing, Middlesex County providers have put 49 units of permanent housing for the chronically homeless on line since May 2008. Despite the challenges, over 90% are still housed today, almost 2 years later. Almost all were high utilizers of services. (The sixteen that we housed with funding to my agency had been homeless for between 6 and 16 years.) Supportive housing works.

The argument I make today is about cost savings. Supportive housing for the high users of services will save you money. If I had more time, I'd tell you about the studies that show that it is also right thing to do - the homeless deserve better than to live and die on the streets when we know that housing is a better choice for their health and quality of life. It is also a better choice for our community's health and quality of life. Thank you.

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