Governor’s Proposed Budget FY2020-FY2021
Appropriations Hearing
Department of Social Services
Tuesday, March 5th, 2019

Senator Osten, Representative Walker, Senator Formica, Representative Lavielle, and distinguished members of the Committee, thank you for hearing my testimony today.

My name is Richard Cho and I am the Chief Executive Officer of the Connecticut Coalition to End Homelessness. I speak before you today, representing more than 100 member agencies across our state who are working to end homelessness. I am here to testify regarding a critical item in the Department of Social Services budget that will support our statewide effort to end homelessness.

As you have heard, Connecticut has made significant progress over the last several in reducing homelessness, and has been nationally recognized as a leader in creating collaborative systems to create and rapidly deliver housing and services to families and individuals experiencing homelessness. We have reduced homelessness overall by 34 percent since 2012 and reduced long-term homelessness among people with disabilities (chronic homelessness) by 62 percent. We have been certified by the federal government as being one of just a few states that has achieved an end to homelessness among veterans.

The recipe for our success has a number of ingredients. First is that the fact that we have focused our system on evidence-based programs like permanent supportive housing and rapid re-housing based on the Housing First philosophy, in which the focus is on helping people obtain stable housing as quickly as possible, without preconditions, and then helping them to use that housing as a platform for recovery, improved health and wellness, economic success, and other goals. These programs help people to exit homelessness as quickly as possible, rather than let people languish in shelters for months or years.

Second, our success can be attributed to the coordinated systems we have created—namely, the Coordinated Access Networks—which create a streamlined “front-door” to housing and services, match people to the right interventions based on a common assessment of need, and ensure that we are prioritizing the most vulnerable people with the greatest needs for assistance.

Third is the fact that we, as a statewide collaboration, work to use the state and federal dollars we receive in innovative and efficient ways to maximize outcomes. This includes not only the targeted funding for homeless programs we receive from both the US Department of Housing and Urban Development, from the state Department of Housing, and the Department of Mental
Health and Addiction Services, but also the non-targeted mainstream federal programs that we leverage.

Within the Governor’s proposed biennial budget for the Department of Social Services is a proposal to invest $580,000 in FY 2020 and $3.1 million in FY 2021 for a Medicaid supportive housing benefit for up to 850 homeless individuals with chronic health conditions who have consumed $40,000 per year or more in Medicaid-funded services. This benefit would provide wrap-around case management and supportive services that would be paired with state and federal rental assistance to create additional permanent supportive housing to enable some of the most vulnerable homeless people obtain homes and stabilize their health.

We urge this committee to support this proposal, which is the latest and perhaps best example of how Connecticut can use federal mainstream resources in innovative ways to cost-effectively improve outcomes for its most vulnerable residents. Specifically, the proposal would have the following benefits:

- First, it would enable us to expand the supply of permanent supportive housing for people with disabilities and chronic health conditions that are currently experiencing homelessness. Permanent supportive housing is the proven evidence-based solution to homelessness for people with disabilities and chronic health conditions. Our ability to end homelessness for this subset is dependent on our ability to expand access to permanent supportive housing.

- Second, the Medicaid supportive housing benefit will enhance our networks’ capacity to house and improve the health of some of the state’s most vulnerable individuals. These are individuals with multiple, co-occurring disorders including serious mental illness, substance use disorders, and chronic medical conditions. These are individuals who frequent hospital emergency departments and consume inpatient beds, and consume ambulance and emergency medical services. They are the clients who touch multiple state-funded services, but despite whose outcomes continue to worsen. They are, quite frankly, people who are falling through the cracks of service systems, because their needs are not well-served by any one system, but require a multi-disciplinary solution.

- Third, it would enable the State of Connecticut to finance services in permanent supportive housing in a new way, namely, through the use of Medicaid. The Centers for Medicare and Medicaid Services has clarified that states may use their Medicaid programs to cover case management services that help people obtain and retain their housing. By adopting this benefit in our state’s Medicaid program, we would not only open up a new financing mechanism for these services, but also leverage the federal match Connecticut receives through the Medicaid program. For every dollar Connecticut spends on Medicaid, Connecticut receives $0.90 from the federal government in Medicaid match for non-disabled adults and $0.50 in federal match for every disabled adult. This proposal would enable Connecticut to expand supportive housing options while letting the federal government share the cost.

- Fourth, this is one of the rare instances in public policy where the right thing to do happens to also be the fiscally smart thing to do. Research and evaluation has
demonstrated that providing these individuals with permanent supportive housing reduces Medicaid-funded hospitalizations and emergency services by as much as 40 percent. Analysis conducted by the State of Connecticut with assistance from the Corporation for Supportive Housing has found that the cost offsets of this Medicaid benefit has the potential to not only pay for itself and the cost of the rental assistance, but also generate a $4 million return on investment to the state. While an upfront investment is needed to generate this return on investment, these are exactly the type of investments and thinking that will help Connecticut solve its budget crisis.

Connecticut is not alone in adopting this Medicaid supportive housing benefit. Several states that have already moved forward with similar benefits including Louisiana, Washington State, Hawaii, and Illinois. Connecticut was one of eight states selected in 2016 to receive federal technical assistance through the Medicaid-Housing Partnership Innovation Accelerator Program to design such a benefit. While Connecticut is generally a national leader in ending homelessness, with regard to adopting supportive housing services a service within its Medicaid program, Connecticut is in danger of falling behind.

Let’s ensure that Connecticut remains a leader in ending homelessness. Let’s ensure that Connecticut leverages its federal resources in innovative ways to scale evidence-based programs. Let’s ensure that we take advantage of this opportunity to assist the most vulnerable individuals to achieve stable health and housing and to generate savings to the state. Let’s show Connecticut’s taxpayers that balancing our budget doesn’t mean cutting back services, but can also be done by investing in services—in this case, in the right services that shift the focus away from hospitalizations and towards community-based living.

Thank you for hearing my testimony and thank you for your support to efforts to end homelessness in Connecticut.

Sincerely,

Richard Cho
Chief Executive Officer
Connecticut Coalition to End Homelessness