Good evening, Senator Osten, Senator Formica, Representative Walker, Representative Lavielle, and distinguished members of the Committee. My name is Alicia Woodsby, and I’m the Senior Policy Advisor at the Partnership for Strong Communities (PSC). PSC is a statewide nonprofit policy and advocacy organization dedicated to ending homelessness, expanding affordable housing, and building strong communities in Connecticut. We staff and manage the statewide Reaching Home Campaign to end homelessness in the state.

Thank you for hearing my testimony today on an important proposal in the Department of Social Services budget to support efforts to end high need homelessness in Connecticut.

We ask that you please support the Governor’s proposal to develop a Medicaid Supportive Housing benefit for high need, high cost Medicaid recipients experiencing homelessness. The proposal will create a 1915(i) state plan home and community-based services benefit to cover supportive housing services for up to 850 individuals who experience homelessness and whose average Medicaid costs exceed $40,000 per year.

We have decades of research and evidence to support the fact that supportive housing works in ending chronic and high need homelessness (long term homeless and disabling condition). The model combines safe, secure rental housing that is affordable, independent, and permanent with voluntary support services provided by staff trained in working with people experiencing homelessness and with disabilities. Supportive housing is a solution for those with high needs experiencing homelessness because it addresses its root causes. It is an alternative to more expensive and less effective institutional settings and is proven to save communities up to 70% of the costs they will otherwise incur when chronic homelessness persists.

National research, including a national pilot evaluation right here in Connecticut, demonstrates that supportive housing is a cost-effective intervention to improve health outcomes among individuals with complex chronic health disorders while lowering Medicaid costs among homeless high-cost beneficiaries.

Research on supportive housing in several states\(^1\) consistently demonstrates that stable housing combined with case management improves health outcomes and can significantly reduce unnecessary costs

\(^1\) Colorado, Connecticut, Massachusetts, New York, Washington
associated with emergency room visits, inpatient hospitalizations, detox and psychiatric admissions, corrections, shelter, and emergency medical services.

In October 2018, a data match was conducted between the CT Homeless Management Information System (HMIS) and the CT Medicaid claims data identifying 6,733 people with average Annual Medicaid Costs of $19,013. This data match also identified a cohort of high cost beneficiaries whose annual cost for services exceeded $40,000 with a mean of $78,566 per beneficiary.

The total individual costs to Medicaid for the cohort of high-cost beneficiaries with at least one chronic health condition was $66,781,100 (n=850). Eight six percent have a chronic health condition and approximately 91% have a severe mental illness.

The state can achieve significant cost savings while potentially ending homelessness for those with serious mental illness in the state (SMI) by targeting a supportive housing benefit to this population. The proposal estimates reductions in Medicaid expenditures of $2.7 million in FY 20 and $13.9 million in FY 21

Homelessness is an unacceptable condition for any Connecticut resident, and an expensive public policy problem. For people with serious disabilities, it costs substantially more for them to be experiencing homelessness, than to have access to a rental subsidy and service supports. We have the opportunity to maximize federal revenue and expand the delivery of this important and cost-effective intervention.

Thank you for the opportunity to testify today. I’m happy to answer any questions.

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