

PSH Funding Transition: Barriers Created by Shifting PSH Fund Administration

During the 2018 Virginia general assembly session, a budget amendment (place budget amendment item number and chief patron info) has been introduced that would move permanent supportive housing (PSH) funding increases requested in the governor's budget from the Department of Behavioral Health and Developmental Services (DBHDS) to the Department of Medical Assistance Services (DMAS). While the intent is noble in its efforts to streamline services and breakdown silos between populations served, moving PSH funding from DBHDS to DMAS may lead to a decrease in access and quality of services due to the way Medicaid is currently structured in Virginia.

- PSH is an evidence-based housing practice for adults with serious mental illness (SMI) that has been implemented, refined, and studied for more than 30 years. A notable subset of individuals with SMI in Virginia are unstably housed or homeless and as a result, have poor behavioral health outcomes and are high utilizers of costly hospital, shelter, and criminal justice resources (DBHDS, 2016).
- The core components of the PSH model are: access to permanent housing through long term rental subsidization **and** wrap around supportive services to help keep an individual stably housed. All elements must be simultaneously available and offered in order for a program to be considered PSH.
- According to the Centers for Medicaid and Medicare Services (CMS), Medicaid under no circumstances may be billed for long term rental payments -- meaning DMAS would be unable to provide the critical rental assistance component needed to fully administer a comprehensive PSH program.
- Currently, through the PSH program administered by DBHDS, adults with SMI are able to gain access to both housing subsidies and supportive services. DMAS would need to spend time to build capacity to administer this program beyond just housing supportive services to include ways to also pay for long term rental assistance.
- DBHDS has spent the past three years increasing its capacity to effectively administer the funding and program structure of the PSH program in partnership with local housing services organizations, as well as Community Service Boards (CSBs) throughout Virginia.
- DBHDS, DMAS, Department of Housing and Community Development (DHCD), other housing and supportive service state agencies, as well as housing services, criminal justice and mental health advocacy groups have been meeting and working since the Summer of 2017 on building a cross disciplinary, cross sector system to better coordinate providing PSH for people with a variety of barriers to their health and housing stability.
- Due to the low turnover rate within PSH (approximately 10% of housing units per year), the proposed budget amendment would result in DBHDS being able to only place approximately 70 people into PSH per year as opposed to over 200 per year (with the funding increase).

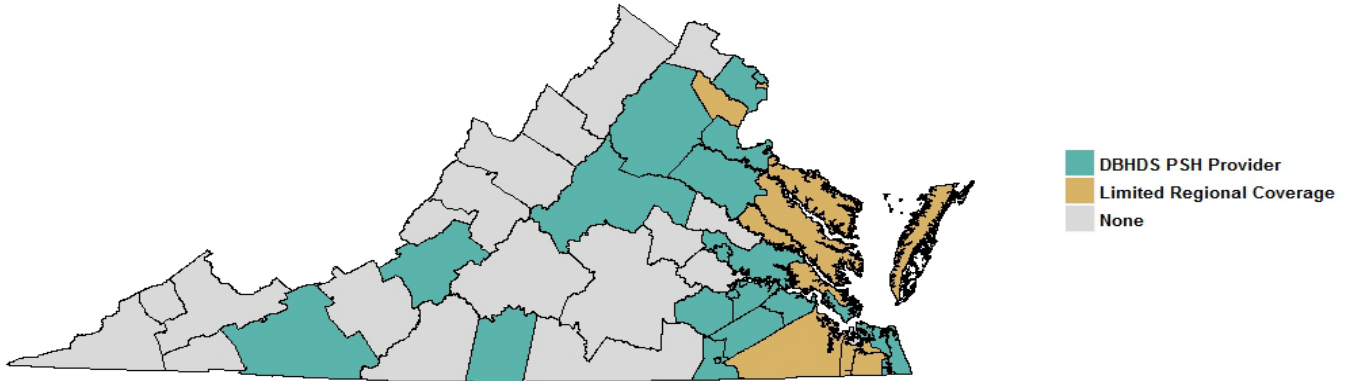
- Given the 95% success rate reported by DBHDS for adults who have been placed into housing through PSH, without additional funding, the Commonwealth will be unable to move individuals from long-term care facilities to permanent supportive housing while also preventing the admission of new patients as the PSH model has been proven to reduce utilization of long-term psychiatric stays.

DBHDS Findings

- Of the 48 clients housed in state facilities in 2015, DBHDS followed the outcomes of 20 the following year. The data found that one year outcomes for those individuals reduced costs to the Commonwealth of Virginia by 93.8% (from \$1,787,078 in services received before entering PSH to \$106,474 in services received after entering PSH).
 - Total days spent in state hospitals decreased from 2,333 bed days in the year before housing to 139 in the year after housing, a 94% decrease in state facility bed days.
 - With an average cost of \$766 per bed day, this reduction in state hospital utilization translates to nearly \$1.7 million in avoided hospital bed day costs for this group.
- In 2016, for 62 PSH participants with history of local hospitalizations, the total number of days spent in a local hospital decreased from 633 days in the six months before housing to 214 days in the six months after PSH enrollment, a 66% decrease.
 - Moreover, emergency admissions decreased from 402 to 80 days, an 80% decrease

Virginia Department of Behavioral Health and Developmental Services. (2016, October 1). Permanent Supportive Housing – Program and Participant Characteristics. Retrieved January 9, 2018, from <https://rga.lis.virginia.gov/Published/2016/RD337/PDF>

DBHDS PSH Clients Served by CSB Catchment



| Region CSB | Total Units |
|----------------------------------|-------------|
| Northwest (Region 1) | 64 |
| Region Ten | 38 |
| Rappahannock - Rapidan | 26 |
| Northern (Region 2) | 148 |
| Arlington | 40 |
| Fairfax SUSTAIN | 63 |
| Pathway Homes (Alex, PWC, FFx) | 45 |
| Southwest (Region 3) | 141 |
| Blue Ridge Behavioral Healthcare | 70 |
| Danville - Pittsylvania | 30 |
| Mt. Rogers | 41 |
| Central (Region 4) | 154 |
| District 19 | 30 |
| Henrico | 30 |
| Richmond Behavioral Health | 94 |
| Tidewater (Region 5) | 254 |
| Hampton-Newport News | 92 |
| Norfolk | 92 |
| Virginia Beach | 70 |
| Grand Total | 761 |