WASHINGTON STATE
HOUSING FINANCE COMMISSION

Karen Miller
Chair

Mr. Kim Herman
Executive Director

September 23, 2015

Victoria Wachino, Director
Center for Medicaid and CHIP Services
Centers for Medicare and Medicaid Services
200 Independence Avenue Southwest
Washington, DC 20201

Dear Director Wachino:

On behalf of the Washington State Housing Finance Commission, I am writing to express our strong support for the Supportive Housing Medicaid benefit proposed in Washington State's 1115 Medicaid Transformation Waiver application to the federal Centers for Medicare and Medicaid Services.

Supportive housing is a nationally recognized evidence-based best practice for serving people who are chronically homeless and have serious behavioral and/or physical health disabilities. People who are chronically homeless experience significant health disparities, including high rates of chronic and acute behavioral and physical illnesses, risk of injury, trauma, and exposure from living outside, and barriers to accessing uninterrupted, appropriate levels of health care. As a result, this population also has high costs to public systems, including Medicaid, due to frequent emergency department utilization, hospitalizations, and high utilization of other public crisis services.

A strong body of local and national evidence has demonstrated that supportive housing is effective in helping people who are chronically homeless access and retain permanent housing and regular, appropriate levels of health services. This intervention leads to housing stability, positive health outcomes, and improved utilization of health and social services. These proven outcomes result in significant savings to public systems that often exceed the cost of providing supportive housing. An evaluation of DESC's 1811 Eastlake Project, a supportive housing program in Washington State, found that over $4 million in savings to public systems was achieved within the first year of the program. Of this total, 56% of the savings was in Medicaid cost reductions[i].

One of the barriers to bringing supportive housing fully to scale in Washington is a shortage of funding for the housing services that are critical to the model's success. If approved, the Supportive Housing Medicaid benefit will bring additional resources for supportive housing services to Washington and will help make the expansion of this intervention financially feasible.

In my community, this benefit will help Building Changes, a Washington nonprofit organization that operates the Washington Youth and Families Fund, has shown through their research and programs that supportive services provided to low-income homeless individuals and families can make a significant difference in an individual's or parent's ability to obtain stable housing, improve their work skills for future employment, stabilize relationships with healthcare providers and improve children's performance in school. The Tacoma Housing Authority, though its cooperation with a local elementary school, has demonstrated that stable housing combined with social services improves both attendance and performance for children in school and provides a base for parents to work with social services in a more meaningful way to improve their lives and incomes. Both of these examples demonstrate that supportive services provided

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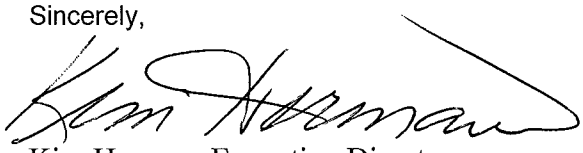
to low-income families in a planned and concerted can make a difference in their lives. The proposed Supportive Housing Medicaid Benefit being requested by Washington State will help provide these services and will benefit many of Washington's low-income residents when it is approved.

Thank you for your consideration of Washington's 1115 Medicaid Transformation Waiver application. We look forward to continuing to work with the Washington State Health Care Authority to implement the 1115 waiver and a supportive housing Medicaid benefit. If approved, this proposal will result in significant savings to Medicaid while ensuring people with serious disabilities are able to live with security, autonomy and dignity in their own communities.

Sincerely,



Kim Herman, Executive Director

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[i] *Journal of the American Medical Association.* 2009;301(13):1349-1357. doi:10.1001/jama.2009.414.