DESC
opening doors to end homelessness

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October 8, 2015

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

Dear Ms. Wachino:

I am writing to express Downtown Emergency Service Center's (DESC's) support for Washington state's application to the Centers for Medicare and Medicaid Services for a section 1115 Medicaid Transformation Demonstration waiver. We especially want to commend the portions of the application calling for initiatives to provide supportive housing and supported employment services statewide to eligible Medicaid beneficiaries.

As a major provider of supportive housing, emergency shelter, and behavioral health services for people experiencing homelessness, at DESC we know from direct experience that supportive housing is the solution to ending chronic homelessness. It also relieves many of the physical and behavioral health problems that disproportionately affect chronically homeless people.

DESC has been a leader in supportive housing innovation, particularly in applying this intervention to homeless people with the most severe health conditions, including those who are the heaviest users of crisis health services. The outcomes of our work have been documented in numerous peer-reviewed studies published in scientific journals. One supportive housing program we developed and operate was evaluated by University of Washington researchers and found to dramatically reduce health system use and cost by the tenants served in the program. In a study published in the Journal of the American Medical Association, the research team documented over $4 million in avoided health and criminal justice system costs in the first year of the program, across the 95 individuals served. The majority of these avoided costs were in Medicaid charges.

Additional published research on DESC programs shows improvements to individual health of supportive housing tenants, reduced problems from substance use, and reductions in use of crisis services such as psychiatric hospitals, jails, and EMS. Links to these studies are available at our website at desc.org/research.

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

Supportive Housing
1811 Eastlake
Aurora House
Canaday House
Cottage Grove Commons
Evans House
Kerner-Scott House
Lyon Building
The Morrison
Rainier House
Union Hotel
Scattered Site

Mental Health Services
Crisis Respite
HOME-Housing Opportunities & Meaningful Engagement
HOST-Outreach & Engagement
PACT-Intensive Team
SAGE-Case Management

Employment Support

Chemical Dependency Services

Emergency Shelter

Connections

Crisis Solutions Center

Pioneer Thrift

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intervention financially feasible. In Seattle and King County, creating more supportive housing is increasingly constrained by the lack of additional funds to pay for services. A Supportive Housing Medicaid benefit will establish the financial feasibility of more supportive housing unit creation, in effect leveraging affordable housing resources.

We believe the inclusion of supported employment in this waiver will enhance the effects of the other supportive services not only for those who will gain employment but for other tenants who will derive the hope and a positive focus from seeing their neighbors and peers get and keep jobs. Many studies have shown the cost benefits through reduced hospitalizations, emergency room visits, and incarcerations for those in the mental health system who participate in supported employment programs. We believe the same effects can be experienced in Supportive Housing and our limited experience with a small grant funded project bares this out. The Medicaid funding will allow us to leverage additional funding through the state Division of Vocational Rehabilitation and will create a stronger message to all, that greater community inclusion is a realistic goal for supportive housing tenants.

Thank you for considering Washington's 1115 Medicaid Transformation Waiver application. If implemented, the supportive housing and supported employment components of this proposal will create significant health care savings while ensuring people with serious disabilities are able to live with security, autonomy, and dignity in their own communities. We are very pleased with the steps our state is taking with this application, and we are eager to work with the Washington Health Care Authority and other stakeholders on the final benefit design and implementation to ensure it most closely addresses the needs of the population it is intended to assist.

Sincerely,

Daniel Malone
Executive Director