

# EVIDENCE BRIEF

SYSTEMS FOR ACTION



## Estimating Cross-Sector Impacts of Permanent Supportive Housing in Los Angeles

Los Angeles County  
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### About S4A

Systems for Action (S4A) conducts rigorous scientific research on how to build stronger connections between medical, social, and public health delivery systems in ways that support health equity.

Funded by the Robert Wood Johnson Foundation, S4A conducts studies in communities throughout the U.S. led by diverse teams of scientists and community stakeholders.

## The Problem

Seventeen out of every 10,000 people in the U.S. were experiencing homelessness on a single night in 2019.<sup>1</sup> In Los Angeles County, homelessness continues to increase steadily, with almost 59,000 people known to be homeless in 2019, a 12% increase from the 2018 count.<sup>2</sup>

People experiencing homelessness have elevated risk of death, illness and mental health disorders and worse reported health status than the general population.<sup>3</sup> Moreover, individuals experiencing homelessness face significant gaps in access to healthcare services, which leads to heavy reliance in acute emergency services and high rates of hospitalization for preventable conditions, thus increasing health care costs.<sup>4</sup>

In addition to medical services, individuals experiencing homelessness also have frequent encounters with other public sectors, including mental health treatment, substance use treatment, social services, and the justice system.<sup>5</sup> These services are usually provided by different organizations and often with little or no coordination. This system fragmentation can cause confusion among both clients and service providers, leading to inefficiencies in service provision and increasing gaps in access to services for this population, thus further exacerbating poor outcomes and maintaining the cyclical nature of homelessness, as people continue to experience health and social problems that contribute to housing instability.<sup>6</sup> This fragmentation also leads to high costs that further tax the medical, public health and social service sectors, which already struggle to meet the needs of people experiencing homelessness.<sup>7</sup>

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# Possible Solution

## Program Mission

The Los Angeles County Department of Health Services (DHS) created a novel initiative in 2012, Housing for Health (HFH), with a three-pronged mission:

- 1 to end homelessness in L.A. County,
- 2 to reduce the need for costly medical care services,
- 3 to improve health outcomes for people experiencing housing insecurity.<sup>8</sup>

The initiative provides permanent supportive housing programming (housing placement, financial subsidies, and supportive services) to homeless individuals who are high-utilizers of county-provided health services.

## Program Elements

### Permanent supportive housing (PSH)

*people identified as high utilizers of medical services are referred, by clinical care providers, to the program which links them to rental subsidies and other housing supports.*

### Intensive case management services

*a provider links individuals to benefits and services provided by a variety of agencies and sectors, including substance use treatment if needed.*

### The Flexible Subsidy Housing Pool (FHSP)

*a subsidy program funded by DHS with fewer restrictions than other federally funded subsidies.*

**D**uring the research period between 2012-2018, over 5,000 individuals enrolled in the program, of which more than 3,000 had been placed in housing by the time the research was conducted. Although there are other PSH programs operating in the area, HFH is distinguished by its vertical integration. While the traditional PSH model usually relies on housing, subsidies, and funding being provided by different organizations with little to no coordination, HFH facilitates coordination of services by centralizing the management of all PSH components under a single administrative hierarchy, in which HFH staff coordinates and provides oversight over every element of the program. HFH also is unique in having the FHSP, a fund that can be used to address various needs, including for clients that do not qualify for other funding sources and to support expenses outside the usual scope of care coordination or case management, such as moving costs or utility assistance.

Existing research has found that permanent supportive housing increases housing stability as well as reduces the use of acute care services, hospital admissions, length of stay, use of shelters and incarceration.<sup>9</sup> Evidence suggests that PSH programs have more impact on housing stability when they have better integrated care coordination.<sup>10-12</sup> But the evidence base is limited by inconsistencies in definitions and characteristics of PSH models, variability in implementation, and lack of integration of data systems. This research aimed to address some of these challenges and seek solid evidence about the impact of a robust model for addressing the needs of people experiencing homelessness.

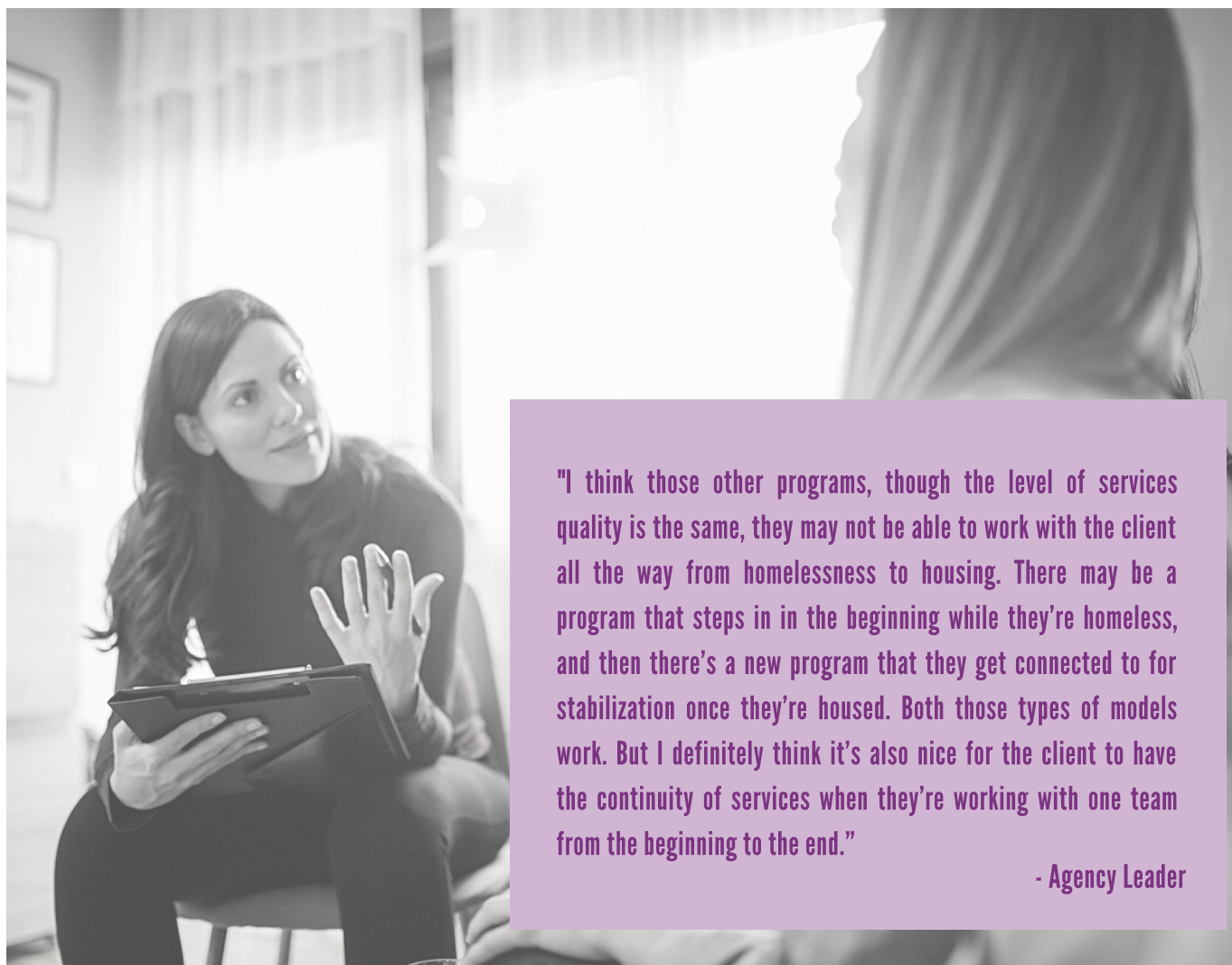


# Research Methods & Data

This research study used a mixed-methods approach to assess the cross-sector impacts of Housing for Health, using quantitative methods to estimate the impact of the program on service utilization and outcomes across multiple sectors, and qualitative methods to gain an in-depth understanding of the experiences of the program's clients.

For the quantitative component, the study team followed a group of 1,812 program participants before and after their participation in the program, comparing them with a statistically matched comparison group of 899 people who were enrolled in other PSH programs. Using longitudinal, individual-level service utilization data across several public service systems, the study team was able to assess relationships between participation in the HFH program and outcomes across sectors. The key metrics of interest were housing retention, utilization of health services, utilization of mental health services, enrollment in substance use treatment, reception of income support benefits, and number of days in jail. The team used propensity score matching and difference-in-differences methods to reduce the likelihood of selection bias, given the HFH client eligibility criteria is unique (being a high utilizer of medical services). The team linked administrative data to observe utilization patterns across multiple sectors, including publicly-funded health, public health, mental health, social and corrections services – as well as homelessness data from the Homeless Management Information System. The researchers also utilized data on health outcomes and quality of care from the public health care system in the county.

For the qualitative component, the research team gathered data through focus groups with HFH service providers and clients, as well as other permanent supportive housing programs and service providers. They conducted four program staff focus groups (N=29) and five tenant focus groups (N=42). They also interviewed key informants (N=14) -- agency leaders in housing programs and related sectors.



"I think those other programs, though the level of services quality is the same, they may not be able to work with the client all the way from homelessness to housing. There may be a program that steps in in the beginning while they're homeless, and then there's a new program that they get connected to for stabilization once they're housed. Both those types of models work. But I definitely think it's also nice for the client to have the continuity of services when they're working with one team from the beginning to the end."

- Agency Leader

# Key Findings

-  Results indicate that the program was effective in addressing the housing needs of program participants while reducing healthcare utilization and incarceration.
-  HFH reduced by 52% the average number of days its clients spent in jail, when compared to clients of other PSH programs in the county.
-  The percent of clients retained into housing one year after being placed into housing is higher for HFH (96%) than for clients from other PSH programs (92%).<sup>12</sup>
-  HFH reduced by 52% the average number of days its clients spent in jail, when compared to clients of other PSH programs in the county.<sup>12</sup>
-  HFH had mixed impact on other public sector services. HFH clients had 47% fewer psychiatric hospitalizations, but there was no statistically significant difference in the use of outpatient mental health services. There were also not statistically significant differences in participation in substance use treatment or in reception of income support benefits.
-  HFH reduces the use of acute health care services for its clients when compared to other PSH programs. For example: the number of emergency room and inpatient visits were 52% and 44% lower, respectively, for HFH clients.<sup>12</sup> There was no reduction in the use of outpatient medical services.
-  The qualitative findings indicate that PSH programs in Los Angeles County exhibit significant variation in:
  - funding sources & mechanisms
  - program elements & requirements
  - philosophical approaches
  - types of housing
  - level of staffing
-  Participants in focus groups and interviews noted that HFH's distinguishing features include:
  - management & program referrals
  - a maximum client to case manager ration of 20:1
  - streamlined reporting & administrative processes
  - the integration of funding
  - the level of funding dedicated to supportive services, which enables providers to focus on case management<sup>13</sup>





# Recommended Action

Based on this compelling evidence of program success in Los Angeles, health and social service agencies should actively consider testing this approach to implementing PSH in additional communities and in a wider array of settings.

**Coordinated supportive services can help to break a negative feedback loop wherein people who have uncontrolled medical or behavioral health issues have increased contact with law enforcement, leading to arrests and incarceration, which adds additional stress and trauma and perpetuates their risk of future negative outcomes. By breaking this cycle with intensive case management services, programs like HFH can divert from criminal justice system involvement and increase use of appropriate services to manage individual conditions.**

Permanent supportive housing is a promising approach, but is subject to implementation issues that can limit effectiveness. This evidence demonstrates that Housing for Health, with a centralized implementation model and several unique features, is a more robust implementation of PSH than other programs. Agencies implementing permanent supportive housing should be attentive to aspects of implementation that appear to drive stronger outcomes – including streamlining program processes and funding, as well as providing intensive case management services.

It is also important to consider the resources required to implement and where cost-savings are realized in order to develop sustainable mechanisms to share costs and savings across agencies and sectors. By reducing suboptimal utilization of health services and time spent in jail, the HFH program appears to save money for the healthcare and criminal justice sectors, but may impose new costs on housing and other social service agencies.

When making investments in permanent supportive housing models, decision makers should ensure programs are designed with enhanced linkages and referrals between housing and services, are implemented with fidelity, streamline funding for services, and include co-located supportive services whenever possible.

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