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Overview

Supportive housing combines transitional or permanent housing with support services that help people experiencing or at risk of homelessness, people with disabilities, and older adults to secure and maintain housing.¹ Research shows that access to affordable, safe, and stable housing can improve health outcomes and reduce health care costs, particularly for avoidable inpatient hospital, emergency department, and nursing facility use.² State and federal policymakers increasingly are embracing these findings as they design programs to improve care quality and outcomes for high-need, high-cost Medicaid enrollees, including those with serious mental illness (SMI), substance use disorders (SUDs), and/or multiple chronic conditions, all of whom are particularly vulnerable to housing insecurity.

Medicaid does not generally pay for housing (room and board) for Medicaid enrollees, but **does** pay for some of the services that can help people obtain and maintain their housing.³ These services include medical care, mental health and SUD services, and also nonclinical housing-related services. Nonclinical housing-related services include community transition services that help individuals residing in institutions to plan and prepare for community living, such as housing searches and payment of security deposits, as well as home remediation and accessibility modifications.⁴

Based on available federal Medicaid authorities, states historically have covered a limited set of housing-related services for targeted high-need Medicaid enrollees who meet an institutional level of care as part of efforts to offer home- and community-based supports as an alternative to institutional care. More recently, new federal authorities to cover housing-related services and state community integration obligations under the Americans with Disabilities Act (ADA) have motivated states to think more broadly about the Medicaid populations who could benefit from access to housing-related services and the types of services that can promote housing stability. The Centers for Medicare & Medicaid Services (CMS), through its Medicaid Innovation Accelerator Program (IAP), continues to promote state efforts in this area by providing technical support to states that want to develop Medicaid-Housing Agency Partnerships under IAP Community Integration through the Long-term Services and Supports program area that, in part, seek to expand and align housing-related service options.⁵

Today, there are several authorities under which states are able to cover nonclinical housing-related services for high-need Medicaid enrollees:

1915(c) Authority. Under Medicaid rules, housing-related services are optional Medicaid benefits, and until recently could only be covered through Medicaid 1915(c) home- and community-based services (HCBS) waivers. HCBS waivers are capped programs that cover a set of typically nonclinical services designed to divert people at an institutional level of care from entering or reentering a nursing facility or other institution. Of the 47 states plus the District of Columbia with 1915(c) waivers, several states—including Alabama, California, Connecticut, Louisiana, Minnesota, and Wisconsin—cover housing-related services through these waivers.⁶ Louisiana and Wisconsin are examples of states that have approved 1915(c) waivers with robust supportive housing benefits.

1915(i) Authority. Due in part to the ADA and a seminal 1999 ADA lawsuit (*Olmstead v. L.C.*, 527 U.S. 581 (1999)), the federal government has created new opportunities and incentives for states to invest in housing-related services. The Deficit Reduction Act of 2005 created the Money Follows the Person (MFP) rebalancing demonstration, which provides states with enhanced federal matching for covering time-limited pre-transition and post-transition housing-related services to help people in institutions to successfully transition to and stay in the community. Forty-three states plus the District of Columbia implemented MFP programs, transitioning over 75,000 Medicaid enrollees out of institutional settings as of 2016, when funding for the program originally expired.⁷ The Affordable Care Act (ACA) of 2010 also created or strengthened options to provide HCBS, including housing-

related services, through a state's Medicaid state plan. In contrast to 1915(c) waivers, the 1915(i) HCBS State Plan option allows states to offer housing-related services to people who are not yet at an institutional level of care and without an enrollment cap. Eligibility for 1915(i) HCBS benefits must be needs-based, which can include social risk factors such as homelessness, and can target the services based on age, disability, diagnoses, or Medicaid eligibility category. States can even set service-specific eligibility criteria for each service covered under the program. As such, state 1915(i) programs typically are targeted to high-need Medicaid enrollees, and vary significantly across the states by populations and services covered. Roughly 23 states have 1915(i) programs, but only a small number cover housing-related services.⁸ Minnesota is an example of a state that has a recently approved 1915(i) state plan amendment that covers comprehensive housing-related services.⁹

1115 Waiver Authority. Medicaid demonstrations provide states with flexibility to test new Medicaid program features, including housing-related benefits, as long as they promote the objectives of the Medicaid program and meet specified federal budget neutrality requirements. Recently, several states are covering housing-related services for Medicaid enrollees through 1115 demonstration waivers, either as part of specific efforts to expand community-based behavioral health services to more populations or as part of broader waiver proposals. States are seeking to provide these services to new adults they are covering through the ACA Medicaid expansion option in addition to other high-need Medicaid enrollees. These programs are typically targeted to individuals who are chronically homeless or at risk of homelessness, individuals at risk of institutionalization, individuals with functional impairments and need assistance with their daily care needs, individuals with frequent hospital inpatient stays or emergency department visits, and individuals who have had frequent or lengthy nursing facility stays. States using 1115 waivers to cover housing-related services include Delaware, Florida, Hawaii, Maryland, Massachusetts, North Carolina, and Washington. Virginia is in the process of seeking 1115 authority to cover various housing-related services to high-need Medicaid enrollees.

North Carolina's recently approved 1115 waiver authorizing the Healthy Opportunities Pilots is a unique state program covering housing-related services through an 1115 waiver. North Carolina has defined needs-based and social risk factor eligibility criteria more broadly than other states with approved 1115 waivers. For example, North Carolina uses less stringent needs-based eligibility criteria for its program than what CMS has approved in other states (e.g., multifetal gestation, less than one year since last delivery, or children ages 0-20 enrolled in the foster care placement system), and includes individuals who are at risk of food insecurity and those experiencing interpersonal violence in addition to individuals with housing insecurity. In addition, North Carolina received approval for services beyond the more common housing-related case management covered through 1915(c) waivers or 1915(i) HCBS programs, including one-time payment for the security deposit and first-month's rent and short-term post-hospitalization housing.

CMS is closely monitoring states that cover or propose to cover housing-related services through 1115 waivers, rather than 1915(c) waivers or 1915(i) state plan programs. The agency continues to consider and approve such 1115 waiver programs (most recently, Hawaii's demonstration), but its policy guidance appears to be evolving. Ambiguity remains on what CMS will approve with respect to the needs-based eligibility criteria for the housing-related services, the specific services that states can cover, and the quality measurement and reporting requirements and other beneficiary protections around these services. For example, in July 2019, CMS denied Hawaii's request to cover a new Medical Respite Services Pilot program that includes benefits similar to the short-term post-hospitalization housing benefit it approved as part of North Carolina's Healthy Opportunities Pilots in April 2019.¹⁰ CMS may be signaling a growing preference for covering housing-related services through 1915(c) and 1915(i) authorities, which have specific statutory and regulatory parameters, rather than 1115 authority.

Regardless of the federal authority used to cover housing-related services, states will continue to pursue different pathways to covering housing-related services for different high-risk Medicaid populations.

The following chart summarizes select examples of states pursuing different authorities to cover these services. A [detailed version of this chart](#) provides in-depth information for each state example about the target populations and supportive housing benefits provided.

Table: Select States Using Authorities to Offer Supportive Housing

| Authority | State/Program Name | Effective Dates/ Demonstration Approval Period ¹¹ | Target Population | Supportive Housing Benefits |
|--|---|--|--|---|
| 1915(c) HCBS Waiver | Louisiana Residential Options Waiver (ROW): 1915(c) HCBS Waiver ¹² | July 1, 2018 through June 30, 2023 | Individuals with autism and Intellectual and Developmental Disabilities (I/DD) transitioning from an intermediate care facility to their own home/community | <ul style="list-style-type: none"> › Housing Stabilization Services › Environmental Accessibility Adaptations › One-Time Transitional Service |
| 1915(c) HCBS Waiver | Wisconsin Self-Directed Support Waiver ¹³ | May 1, 2016 through April 20, 2021 | Individuals 65+, adults with developmental and/or intellectual disabilities (18+), and adults with physical disabilities (18-64) and institutional level of care | <ul style="list-style-type: none"> › Housing Counseling › Home Modifications |
| 1915(i) HCBS State Plan Amendment | Minnesota Housing Stabilization Services ¹⁴ | July 1, 2020 through June 30, 2023 | Adults 18+ with a documented disability or disabling condition | <ul style="list-style-type: none"> › Housing Stabilization Service – Transition › Housing Stabilization Service – Sustaining › Housing Consultation Services |
| 1915(j) HCBS State Plan Amendment | Texas HCBS Adult Mental Health (HCBS-AMH) ¹⁵ | September 1, 2015 through September 30, 2020 | Adults 18+ with Serious Mental Illness (SMI) | <ul style="list-style-type: none"> › Transition Assistance Services › Minor Home Modifications |
| 1115 Waiver | Florida Behavioral Health and Supportive Housing Assistance Pilot ¹⁶ | August 1, 2017 through June 30, 2022 | Adults with SMI, SUD, or SMI with co-occurring SUD who are currently homeless or at risk of homelessness | <ul style="list-style-type: none"> › Transitional Housing Services › Tenancy Sustaining Services |
| 1115 Waiver | Hawaii Community Integration Services ¹⁷ | August 1, 2019 through July 31, 2024 | Chronically homeless adults/ adults at risk of homelessness | <ul style="list-style-type: none"> › Pre-tenancy Supports › Tenancy Sustaining Services › Community Transition Services Pilot Program |
| 1115 Waiver | Maryland Assistance in Community Integration Services Pilot Program ¹⁸ | January 1, 2017 through December 31, 2021 | High-risk, high-utilizing Medicaid enrollees who are at risk of institutional placement or homelessness post-release from certain settings. | <ul style="list-style-type: none"> › Tenancy-Based Case Management › Housing Case Management Services |
| 1115 Waiver | Massachusetts MassHealth Accountable Care Organization (ACO) and Community Partner Flexible Services Program ^{19,20} | July 1, 2017 through June 30, 2022 | MassHealth member enrolled in a participating ACO who meet ACO-developed target criteria | <ul style="list-style-type: none"> › Pre-Tenancy Supports – Individual Supports › Pre-Tenancy Supports – Transitional Assistance › Tenancy Sustaining Supports › Home Modifications |

| Authority | State/Program Name | Effective Dates/ Demonstration Approval Period ¹¹ | Target Population | Supportive Housing Benefits |
|-------------|--|--|--|--|
| 1115 Waiver | North Carolina Healthy Opportunities Pilots ^{21,22} | November 1, 2019 through October 31, 2024 | High-risk Medicaid adults, pregnant women, and children who meet certain social risk factors | <ul style="list-style-type: none"> > Housing Navigation, Support, and Sustaining Services > Inspection for Housing Safety and Quality > Housing Move-In Support > Reinstatement of Essential Utilities > Home Remediation Services > Home Accessibility and Safety Modifications > Healthy Home Goods > One-Time Payment for Security Deposit and First Month's Rent > Short-Term Post-Hospitalization Housing |
| 1115 Waiver | Washington Foundational Community Supports (FCS) ^{23, 24} | January 9, 2017 through December 31, 2021 | High-risk Medicaid adults who meet certain social risk factors and who could be eligible under a section 1915(c) waiver or 1915(i) State Plan Amendment (SPA) program | <ul style="list-style-type: none"> > Pre-Tenancy Supports > Tenancy Sustaining Services |

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ABOUT MANATT HEALTH

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