

Housing & Health Opportunities Waiver Amendment

Overview of Current AHCCCS Housing Programs and Services

AHCCCS currently receives approximately \$27.7 million annually in state General Fund monies for non-Medicaid housing services for individuals living with a Serious Mental Illness (SMI) and supported housing services, used to provide rent subsidies to persons determined to have a SMI and a small number of persons identified with general mental health needs and/or substance use disorders (GMH/SUD). The funding supplies rent subsidy support to approximately 2,850 members each month. On average, between 2,800 to 3,000 persons are eligible for rent subsidies but remain on a waitlist. Rent subsidies are used for permanent housing for individuals in SMI housing programs (Community Living Programs) and in standard apartment units (also known as Scattered Site Housing). The funds may also be used for limited one-time eviction prevention to assist individuals in maintaining housing. Recipients of housing subsidies are expected to contribute up to 30 percent of their income toward their rent.

AHCCCS’ contracted health plans provide an array of Medicaid reimbursable wraparound services to help Medicaid enrolled members, including beneficiaries who are experiencing homelessness or transitioning from institutional settings, secure and successfully maintain housing. (Figure 1). These services may be provided in the member’s home to facilitate coordination. While Medicaid funding may be used for the provision of these services, it may not be used for rent subsidies or other direct housing expenses in accordance with federal law.

Figure 1: EXAMPLES OF AHCCCS COVERED WRAPAROUND SERVICES	
Pre Housing (Attain)	In Housing (Sustain)
<ul style="list-style-type: none"> ● ID and Documents ● Completing Applications ● Understanding Lease/Notices ● Housing Search ● Accommodation Requests ● Move in Coordination ● Attending Housing Briefings ● Budgeting and Planning 	<ul style="list-style-type: none"> ● Crisis/Conflict Management ● Budgeting ● Employment Support ● Benefit Applications ● Life Skills ● Family and Natural Supports ● Landlord Communication ● Substance Use Disorder Services ● Lease Renewal

Overview of AHCCCS Housing Program Waiver Proposal

In conjunction with the renewal of its 1115 Waiver demonstration, AHCCCS is seeking to leverage the available state funding (see above) to draw down federal matching dollars for the purpose of enhancing and expanding housing services and interventions. With the additional resources, the agency will seek to:

- Increase positive health and well being outcomes for target populations including the stabilization of mental health conditions, reduction in substance use, improvement in the utilization of primary care and prevention services, and increased member satisfaction.
- Reduce the cost of care for individuals successfully housed through decreased utilization of crisis services, emergency department utilization, and inpatient hospitalization.
- Support state efforts to reduce homelessness and improve ongoing housing stability.

These goals will be achieved through three key strategies. AHCCCS will request Waiver authority and federal matching funds for the following enhanced or expanded services, not currently approved for federal participation, related to these strategies:

1. Strengthen homeless outreach and service engagement

- Obtain the authority to offer outreach and engagement services, allowing Medicaid providers to identify and successfully connect individuals experiencing homelessness to available services and supports, including transitional living arrangements and rent subsidies.

- Strengthen the coordination between community and governmental agencies and providers when an individual leaves an institutional setting in order to connect the individual to available housing supports and services.
 - Enhance and support data collection and administrative coordination with other systems of care including homeless programs, justice and correctional systems, and other state agency programs to foster informed care coordination and the maximization for available resources.
- 2. Secure funding for housing for members who are homeless or at-risk of homelessness**
- Obtain the authority to fund short-term, transitional housing (up to 18 months) for individuals leaving an institutional setting, allowing for the provision of Medicaid compensable intensive pre-housing wraparound services and stabilization in a temporary setting prior to moving into permanent housing.
 - Expand the agency's ability to offer financial assistance for move-in costs or Community Transition Services beyond members enrolled with the Arizona Long Term Care System (ALTCS) (e.g. deposits, fees, and furniture).
 - Obtain the authority to fund the provision of eviction prevention services to assist members in maintaining tenancies (e.g. payment for back rents, fees, or charges to avoid immediate eviction).
- 3. Enhance individualized wraparound housing services and supports to ensure housing stability as a platform to leverage improved health outcomes and reduce recidivism**
- Expand the agency's ability to pay for home modification (e.g. installation of ramps and other home repairs or upgrades) beyond members currently enrolled in ALTCS to prevent long term placement in an institutional setting.
 - Expand the agency's ability to pay for pre-tenancy and tenancy supportive services (e.g. housing navigation and skills training to teach independent living skills) to individuals experiencing chronic homelessness.

Arizona's 1115 Waiver demonstration proposal will target AHCCCS members who are homeless or at risk of becoming homeless and who have at least one or more of the following conditions or circumstances:

- Individuals with a SMI designation or a general mental health need and/or substance use disorder;
- Individuals determined high risk or high cost based on service utilization or history, including individuals with repeated avoidable emergency department visits or crisis utilization;
- Individuals who are pregnant, have a chronic condition, and/or co-morbid conditions (e.g. end stage renal disease, cirrhosis of the liver, HIV+/AIDS, co-occurring mental health condition, physical health condition, and/or substance use disorder);
- Individuals at high risk of experiencing homelessness upon release from an institutional setting (e.g. Institution for Mental Disease/IMD, psychiatric inpatient hospital, correctional facility); and
- ALTCS members who are medically able to reside in their own home with wraparound services and require affordable housing in order to transition from an institutional setting.

Special consideration will also be given to populations who may be disparately impacted or have more limited access to housing and housing supports and services including American Indians/Alaska Natives. All proposed services and enhancements will be implemented statewide and will take into consideration the unique needs of Arizona's diverse urban and rural communities.

Proposed Funding for the AHCCCS Housing Waiver Demonstration

Through this waiver, AHCCCS is seeking to leverage existing state-only expenditures to draw down federal dollars for the proposed housing service enhancements and expansion. This would expand the total funding available for these housing initiatives without requiring any additional General Fund investment. Leveraging state funds would not impact current service levels or state requirements designating the use of state funds for persons with a SMI designation.

APPENDIX

History of AHCCCS Housing Programs

State involvement in housing as a social determinant of health began in 1989 through the *Arnold v. Sarn* settlement which, in part, required the state to fund housing for persons determined SMI. The state began allocating funding for the acquisition and renovation of housing for the SMI population at that time. The housing requirement was included in the 2014 stipulations related to the termination of the *Arnold v. Sarn* litigation. In 2016, oversight of permanent supportive housing and services for persons determined SMI was transferred to AHCCCS as part of the statutory transfer of behavioral health services from the Arizona Department of Health Services (ADHS) to AHCCCS.

AHCCCS housing programs follow a Permanent Supportive Housing (PSH) model -- an evidence based, cost effective strategy for addressing and improving outcomes for persons with behavioral health needs. PSH consists of two integrated strategies: 1) availability of safe, affordable housing including rent subsidies as necessary, coordinated with 2) individualized wraparound supportive services to assist members in securing and maintaining housing as a key element in their service plan goals.

TABLE 1: SFY 2021 ANNUAL AHCCCS HOUSING FUNDING		Target Population		Member Eligibility (Medicaid Enrollment)		Eligible Activities			
General Fund Services	Current Funding	SMI	GMHSUD	Medicaid Enrolled	Non Medicaid	Rent Subsidies	1 Time Supports	Capital	Supportive Services
Non-Medicaid Seriously Mentally Ill (SMI) Services	\$22,400,000	YES	NO	YES	YES	YES	YES	YES*	NO
Supported Housing Services	\$ 5,300,000	YES	YES	YES	SMI ONLY	YES	YES	YES*	NO
TOTAL General Fund Services	\$27,700,000								

*Subject to AHCCCS approval only. AHCCCS does not fund capital for GMH/SUD housing projects