

## Housing Solutions as a Community Health Improvement Strategy

**The research suggests cost savings and improved outcomes.**

Housing challenges, including homelessness and unaffordable housing, negatively impact population health and result in overutilization of health care services. There is increasing research documenting that housing programs can result in significant health care cost savings and improved health outcomes.



### The Business Case: Housing and Health Care Costs Savings

Housing First programs for the homeless in Chicago (focused on the chronically ill) and Seattle (focused on those with severe alcohol problems) found:

- A 29% reduction in hospitalizations, 1/3 fewer inpatient hospital days use and 25% fewer emergency room visits than their peers who relied on the usual system of care.<sup>1</sup>
- Per person Medicaid cost reductions of 34%, including reductions of: 49% for inpatient costs; 27% for outpatient hospital costs, 10% for physician visits, 9% for pharmacy, and 100% cost reduction in nursing home care.<sup>2</sup>
- A 53% total cost reduction for all publicly funded services.<sup>3</sup>
- Health care costs savings of \$42,964 per person per year, compared to the \$13,340 per person cost of providing housing per year.<sup>4</sup>

An Illinois study providing supportive housing to 177 residents found that over a two-year period:<sup>5</sup>

- Medicaid inpatient psychiatric care use decreased over 66%, and the use of inpatient/acute Medicaid services decreased 82%, while use of outpatient/preventive services increased by 32%.
- Uncompensated emergency room use declined by over 40% and inpatient medical care for the uninsured went down by 83%.

An analysis of the cost benefits of housing and services among New York City's homeless residents with severe mental illness found:<sup>6</sup>

- Placement in the housing program reduced the number of days a person spent in the hospital and the number of inpatient health services used, yielding annual health care costs savings of \$12,757 per housing unit.
- Additional savings of about \$3,500 per housing unit were attributable to reduced use of the City's shelter and criminal justice system.

Other studies show decreases in health care costs and total costs for chronically homeless placed in permanent supportive housing.<sup>7</sup>

- Portland, Oregon data show a nearly 60% reduction in hospital and behavioral health care costs and a 36% decrease of total costs, including housing and justice-involved services.
- Denver, Colorado saw a 60% decrease in health care costs and a 10% drop in total costs.

- A Los Angeles study found that the average per person cost of supportive housing of \$13,320 annually, was more than offset by health care services savings averaging \$27,492, with net savings of \$14,280 annually.<sup>8</sup>

### The Public Health Case: Housing and Health Outcomes Improvements

While it has been well established that poor health can lead to housing instability and vice versa, there is growing evidence that supportive housing leads to improved health outcomes.

The Chicago Housing First study found that after one year:

- 55% of HIV-positive homeless participants receiving housing were still living, compared with 34 percent of those receiving "usual care."<sup>9</sup>
- Those living in supportive housing had more positive indicators in areas such as intact immunity and undetected viral loads than their homeless counterparts.

Other studies further demonstrate that stable and affordable housing have positive impacts on health:

- Significant declines in unmet health care needs and a better outlook on life.<sup>10</sup>
- Reported reductions in alcohol use; with the median number of days drinking to intoxication decreasing from 28 days at baseline to 10 days after 10 months.<sup>11</sup>
- A decreased in the median number of drinks per day declined by 2% monthly for each month in the program.<sup>12</sup>
- Increased rates of medical care, maintenance of treatments regimens, and improved health outcomes among persons living with other chronic conditions such as diabetes and hypertension.<sup>13</sup>

Several studies have focused explicitly on the relationship between mental health and housing stability:

- The World Health Organization has found that housing improvements are been strongly linked to improvements in mental health, and the degree of mental health improvement may be linked to the extent of the housing improvements.<sup>14</sup>
- A review of studies found that homeless children are more susceptible to mental health problems, developmental delays and depression than their counterparts who are stably housed.<sup>15,16</sup>
- Among formerly homeless adults, stable housing is strongly associated with improved mental health outcomes.<sup>17</sup>

### References

1 Sadowski, L., Kee, R., VanderWeele, T., & Buchanan, D., 2009. Effect of a Housing and Case Management Program on Emergency Department Visits and Hospitalizations among Chronically Ill Homeless Adults: A Randomized Trial. *JAMA* 301: 17, p. 1771. <https://www.ncbi.nlm.nih.gov/pubmed/19417194>

2 The Center for Housing and Health. Return on Investment for Medicaid Proposed 50 SH Unite Project – MCO Demonstration “A” In a Three-Year Period – 2015 to 2017.

3 Larimer, Mary E., et al., 2009. Health Care and Public Service Use and Costs Before and After Provision of Housing for Chronically Homeless Persons with Severe Alcohol Problems. *JAMA* 301(13): 1349- 1357 <https://www.ncbi.nlm.nih.gov/pubmed/19336710>

4 Larimer, Mary E., et. al., 2009.

5 The Heartland Alliance Mid America Institute on Poverty, 2009. Supportive Housing in Illinois: A Wise Investment. <https://www.issuelab.org/resource/supportive-housing-in-illinois-a-wise-investment.html>

6 Culhane, D.P., Metraux, S., & Hadley, T., 2002. Public Service Reductions Associated with placement of homeless persons with severe mental illness in supportive housing. *Housing Policy Debate* 13(1): 107-163

7 Doran, K.M., Misa, E.J., & Shah, N.R., 2013. Housing as Health Care – New York's Boundary-Crossing Experiment. *New England Journal of Medicine* 369(25):2374-7.  
<https://www.ncbi.nlm.nih.gov/pubmed/24350949>

8 Flaming, D., Matsunaga, M. & Burns, P., 2009. Where We Sleep: Costs When Homeless and Housed in Los Angeles. *Economic Roundtable*. <https://economicrt.org/publication/where-we-sleep/>

9 Buchanan, D., Kee. R., Sadowski, L.S. & Garcia, D., 2009. The Health Impact of Supportive Housing for HIV-Positive Homeless Patients: A Randomized Controlled Trial. *American Journal of Public Health* 99 Suppl 3:S675-80. <https://www.ncbi.nlm.nih.gov/pubmed/19372524>

10 The Center for Outcomes Research & Education, Providence Health & Services, 2013. Integrating Housing and Health: A health focused evaluation of the apartments at Bud Clark. <https://shnny.org/images/uploads/Oregon-SH-Report.pdf>

11 Larimer, Mary E., et al., 2009.

12 Larimer, Mary E., et al., 2009.

13 Maqbool, N., Viveiros, J. & Ault, M., 2015. The Impacts of Affordable Housing on Health: A Research Summary. Center for Housing Policy. <https://www.rupco.org/wp-content/uploads/pdfs/The-Impacts-of-Affordable-Housing-on-Health-CenterforHousingPolicy-Maqbool.etal.pdf>

14 Thomson, H., Petticrew, M., 2005. Is housing improvement a potential health improvement strategy? WHO Regional Office for Europe. [http://www.euro.who.int/\\_data/assets/pdf\\_file/0007/74680/E85725.pdf](http://www.euro.who.int/_data/assets/pdf_file/0007/74680/E85725.pdf)

15 Kyle, T., & Dunn, J.R., 2008. Effects of Housing Circumstances on Health, Quality of Life and Health Care Use for People with Severe Mental Illness: A Review. *Health and Social Care in the Community* 16 (1): 1-15.  
<https://www.ncbi.nlm.nih.gov/pubmed/18181811>

16 Newman, S. & Holupka, C.S., 2014. Housing Affordability and Investments in Children. *Journal of Housing Economics* 24 (C): 89-100. <https://jhu.pure.elsevier.com/en/publications/housing-affordability-and-investments-in-children-3>

17 Kyle, T., & Dunn, J.R., 2008.