

2014-15 Biennial Budget

Human Services

Change Item Title: Reform 2020: Housing Stability Services Demonstration

Fiscal Impact (\$000s)	FY 2014	FY 2015	FY 2016	FY 2017
General Fund				
Expenditures	(480)	(3,216)	(3,799)	(4,821)
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(480)	(3,216)	(3,799)	(4,821)

Recommendation:

The Governor recommends providing services to low-income adults with chronic health conditions who lack stable housing under a Medicaid waiver that will provide coordinated services across multiple systems, and will provide tenancy support and community living assistance. This proposal includes funding for two full-time equivalency positions to implement the initiative. If approved, supplementary service costs that are currently paid by the state would be covered by Medicaid at a 50 percent federal match rate, resulting in savings to the General Fund of \$3.7 million in the 2014-15 biennium.

Rationale/Background:

Low-income adults with chronic health conditions who lack stable housing often experience gaps in services that result in frequent use of high cost medical services. To reduce the use of high cost medical services, these adults would receive coordination of services across multiple systems, tenancy supports and community living assistance through the Medicaid waiver. It is expected that this would result in increased access to necessary and appropriate levels of health care, improved housing stability and a reduction in costly emergency medical interventions.

Proposal:

This is a new initiative and is part of Reform 2020. Two target groups who receive Medicaid are included in this proposal: those who receive General Assistance (GA) who are disabled or in advanced age and are homeless; and those who are eligible for Group Residential Housing (GRH) and live in a registered housing with services establishment developed specifically as part of the state plan to end homelessness, or are in a specific supportive housing demonstration project for homeless adults with a mental illness, a history of substance abuse, or human immunodeficiency virus or acquired immune deficiency syndrome.

Both groups will receive the same services, including service coordination, tenancy support services and community living assistance, which will be individualized through person-centered service plans. For the GRH target group, residents of Housing with Services establishments for the homeless and the Metro Demonstration (a project that uses GRH in place of a rental subsidy and provides funding for support services) will be excluded from eligibility for the supplemental service rate if they are eligible for Housing Stabilization services under Medicaid. Currently, GRH pays for room and board costs for low-income adults who have been placed in a licensed or registered setting. In addition to costs for housing, the GRH program pays a supplementary service rate designed to cover additional costs for services such as case management. If the Medicaid waiver is approved, all of the supplementary costs currently covered by GRH for the target group will be covered by Medicaid at a 50 percent federal match rate, resulting in savings to GRH.

When fully implemented, approximately 3,000 people on average per month will be served under the program.

The Reform 2020 package contains elements that are contingent upon 1115 waiver approval by the federal government.

Performance Measures:

It is expected that this proposal will increase access to necessary and appropriate levels of health and community living supports, improve housing stability, reduce costly emergency medical services and improve consistency of care. Measures include assessment of service utilization and housing stability at enrollment, annually and at termination; and fewer inpatient and psychiatric hospitalizations, emergency room visits and ambulance transports. Data will be collected through the state's eligibility and medical claim computer systems, MAXIS and the Medicaid Management Information System.

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Statutory Change: Minnesota Statutes 2012 § 256I

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (000's)			FY 2014	FY 2015	FY 14-15	FY 2016	FY 2017	FY 16-17
General Fund			(480)	(3,216)	(3,696)	(3,799)	(4,821)	(8,620)
HCAF								
Total All Funds			(480)	(3,216)	(3,696)	(3,799)	(4,821)	(8,620)
Budget Detail	BACT#	Description	FY 2014	FY 2015	FY 14-15	FY 2016	FY 2017	FY 16-17
GF	25	GRH Grants	(1,166)	(8,602)	(9,768)	(8,748)	(8,748)	(17,496)
GF	33	MA-AD	615	5,252	5,867	4,815	3,793	8,608
GF	12	CFS Admin.	109	206	315	206	206	412
GF	REV 1	FFP @ 35%	(38)	(72)	(110)	(72)	(72)	(144)
Requested FTE's								
GF	12	CFS Admin.	2	2	2	2	2	2