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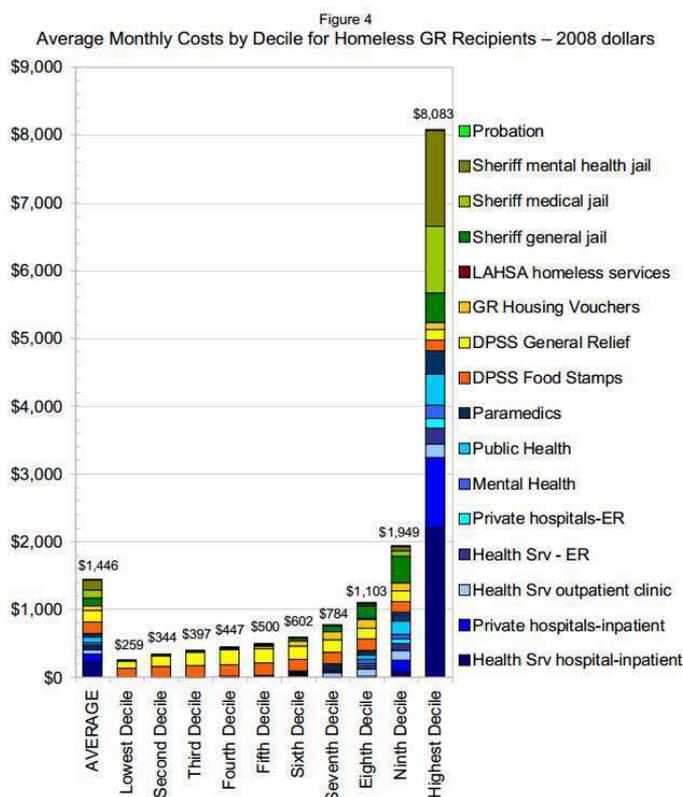
Proposal to Support Vulnerable Homeless Clients in Housing

Overview:

The County’s 10 Year Plan to End Homelessness has identified adoption of a Housing First policy for supportive housing as an important goal. Housing First is a low barrier housing model that has been recognized by the U.S. Interagency Council on Homelessness as an evidence-based, best practice for addressing chronic homelessness. Under the Housing First model, chronically homeless persons are placed directly from the streets into permanent, supportive housing coupled with supportive services.

To be considered chronically homeless, a person must meet two conditions. First, the person must have been homeless either for one year continuously or homeless for four times within the past three years. Secondly, the person must also have a disability. Persons who are chronically homeless are more likely than other homeless persons to have a mental illness and to utilize a disproportionate share of homeless services and public health and safety resources. In San Luis Obispo County, the most recent homeless Point-in-Time count identified 571 individuals who were chronically homeless. They represented approximately 26% of the homeless population in the County.

Persons who are homeless for more than six months are at greater risk of dying at substantially younger ages than the average U.S. population and they are frequent users of high cost health and other public services. French Hospital in San Luis Obispo reported 7,219 “encounters” (i.e. utilization of one or more hospital services) by homeless persons in 2012. The average cost was \$475 per emergency room visit and \$9,331 for inpatient stays. In some cases, such as those needing the longest stays or having certain conditions, the cost of providing services exceeded \$100,000.

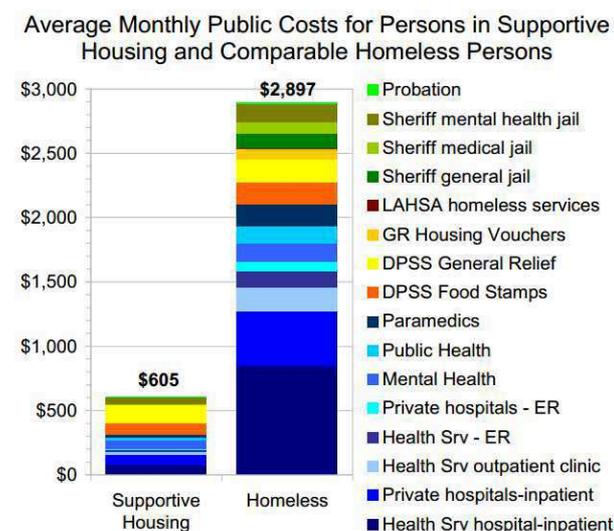


Source: 9,186 homeless General Relief recipients in Los Angeles County

Data from other communities suggest that the highest public service costs are incurred by a small percentage of the homeless population. For example, a cost analysis conducted for the Los Angeles Homeless Services Authority found that 10% of homeless General Relief recipients incurred health and public safety costs averaging more than five times higher than the average costs of other homeless persons who were General Relief recipients (see the chart to the left).

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Evaluations of providing supportive housing to vulnerable homeless persons in other communities have demonstrated that the model significantly decreases use of high cost services such as psychiatric facilities, jails, hospital emergency rooms and inpatient stays. For example, a comparison of health and public safety service utilization in Los Angeles found the average monthly cost of services used by a person in supportive housing averaged \$605 per month, versus \$2,897 per month for a comparable homeless person (see chart to the right).



Source: 279 Matched pairs of supportive housing residents and homeless General Relief recipients. Costs shown in 2008 dollars.

100,000 Homes Campaign:

Earlier this year, the County’s Homeless Services Oversight Council (HSOC) voted to make Housing First its top priority for the coming year, and voted to join the 100,000 Homes Campaign, which uses a Housing First approach to assist the most vulnerable, chronically homeless persons who are at risk of dying on the streets. In response, the local Housing Authority has offered to make available 50 Housing Choice Vouchers to house the most vulnerable homeless persons. This offer was made contingent in part on the availability of case management and other supportive services to stabilize those persons in housing. Based on this offer and input from a cross section of stakeholders, including local nonprofit housing developers and homeless service providers, an ad-hoc committee of the HSOC recommended an initial goal of housing 50 of the most vulnerable, chronically homeless persons in San Luis Obispo County using the Housing First model and identified short term steps that would help to house and stabilize those persons. The committee also recommended (and the full HSOC endorsed) two steps that could be taken in the next year that would encourage the development of additional, affordable housing units in future years. The full list of HSOC recommendations is included in the staff report.

In September, the HSOC voted to recommend that new supportive services be created to help these 50 most vulnerable persons obtain and stay stabilized in housing. This proposal relates specifically to HSOC’s recommendation that funding be identified to create case manager and mental health professional positions to support individuals in housing.

Implementing this recommendation will require the resources and efforts of a broad coalition of public and private sector agencies. As a first step, the Department of Social Services and the Health Agency are proposing two possible routes for creating the needed supportive services. Input will be sought on these proposals from local stakeholders. Additionally, further information will be needed on the status of federal housing funding to determine the timeline for availability of the vouchers and whether there will be sufficient funding to make vouchers available within the next 12 months. If the number of housing vouchers available to HASLO declines, the HSOC and various partners will re-evaluate the targeted number of chronically homeless individuals to house in the coming year, based on the number of available vouchers.

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The first short term step identified by the Committee is the creation of five new Full Time Equivalent positions to provide outreach and engagement services, housing location assistance, and case management – including stabilization assistance, referrals to other resources, and coordination with other agencies assisting the person. The Committee also recommended creating one mental health professional position to provide treatment to the persons being assisted.

On September 18, the full HSOC voted to endorse these recommendations and to authorize HSOC funding to conduct a Point-in-Time Count and survey in early 2014 that would identify the most vulnerable homeless persons. Homeless persons in the County would be surveyed using a Vulnerability Index tool, which identifies factors associated with higher risk of early mortality. Based on the results of the Vulnerability Index surveys, homeless persons would be assigned prioritized rankings. Program participants for the Housing First program would be selected using the prioritized rankings.

Identified Resources to Assist with Implementation of Campaign:

In response to the HSOC recommendations, the County reviewed successful Housing First Models in other communities. Successful efforts to house the most vulnerable homeless persons have used coordinated public-private partnerships to achieve effective outcomes. Services are coordinated using Intensive Case Management or Assertive Community Treatment processes to help house and maintain stability for clients. Certain elements are typically present in successful programs, including case management services to engage clients and coordinate care, resources for crisis intervention that are available 24 hours per day, available and accessible mental and physical health services, and assistance with activities of daily living and personal care when needed.

The options below are two possible methods for providing these elements and implementing the HSOC recommendations. It should be noted that alternative configurations may also meet the proposed goals and the options below are offered for discussion purposes and are not yet being proposed as action items. The planning team for the local 100,000 Homes Campaign effort will be meeting for the first time in early November and the planning effort may result in modifications to the options listed below or the development of alternative options. In addition, Congress has not yet finalized the budget for the federal Fiscal Year 2014. The timing of the availability of housing vouchers and the number of vouchers available for the most vulnerable persons will be affected by the outcome of the budget negotiations. As a result, it is expected that final recommendations will be brought back to the Board early next year after more information is known about the availability of the vouchers and other possible resources.

Option A: Provide Funding to Outside Agencies to Create Case Manager Positions and Mental Health Positions

The County currently has contracts with various non-profit agencies who administer programs on behalf of the County. To provide additional resources for homeless services, the County could issue a Request for Proposal (RFP) to seek proposals from outside agencies that have the capacity and interest in providing supportive services to homeless individuals.

The services described below are responsive to HCOC's recommendation that five case manager positions and one mental health professional position be created to support individuals housed with the 50 vouchers provided by HASLO. However, if the Board elects to allocate additional funding to homeless services and to provide that funding to outside agencies via an RFP, the County would look to responsive agencies to propose staffing and program

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configurations to best provide supportive services to the most vulnerable, chronically homeless individuals.

Estimated costs are based upon a review of the County's existing contracts with various non-profit agencies and information collected from community partners to determine costs for similar staffing in other programs.

Case Management:

Case managers would be responsible for:

- In coordination with other partners, conducting outreach to and engaging the most vulnerable homeless persons as prioritized by the Vulnerability Index
- Working with community partners to assist identified clients with procuring housing
- Securing or providing supportive services to address individual client needs such as mental health, drug and alcohol services, daily living skills, transportation to appointments, and potential employment skills
- Conducting crisis management during the stabilization process
- Maintaining regular contact with clients served to measure progress, provide support, and collaborate with other agencies to assist with newly identified service needs
- Ensuring client data is entered into the Homeless Management Information System in accordance with Continuum of Care requirements
- Referral to the appropriate County Departments for assessment of eligibility for services.

In order to be successful, entities receiving funding should have experience working successfully with persons who are chronically homeless, including persons who have co-occurring mental illness, addictions disorders, and chronic health conditions. Additionally, such agencies should have extensive community partnerships.

Costs for Case Management: It is estimated that the cost of five case management positions would be approximately \$300,000-\$350,000 per year, including salaries and benefits but not including other direct and indirect costs.

Mental Health:

The County Health Agency recommends that if an outside agency provides mental health services, that agency provide a continuum of behavioral health care including:

- Psychiatry
- Therapy (including co-occurring disorders)
- Medication management
- Recovery-oriented mental wellness supports

Costs for mental health professional(s): The cost of mental health professional positions will depend on the type of professional and the configuration of services.

Strengths: Nonprofit agencies that already serve chronically homeless persons have existing relationships with many of the homeless persons who would be assisted with this effort and these relationships would facilitate engagement and housing placement. Additionally, agencies that have experience working with chronically homeless persons also have existing relationships with landlords and may be able to secure housing units that would not be available to this population absent the relationships with landlords. Agencies working with chronically

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homeless persons also are likely to have knowledge of existing local resources and have partnerships that would help them to coordinate needed services for participants.

Mental health services and other services under this option may be reimbursable through MediCal if services are provided by an entity eligible to bill for MediCal services and if provided at a clinic or other location allowed under existing Medicaid rules. This would reduce the cost of mental health services and may allow the mental health services to be co-located at a homeless service site, provided it meets Medicaid rules.

Nonprofit agencies may be best positioned to accept private donations. Non-profit agencies also may have a lower gross cost per position than the County.

Concerns: Maintenance of funding for case management services would likely need to be continued with General Funds. The Governor of California recently signed into law AB361, which authorizes the State to submit a Medicaid waiver to create a Health Homes program, which may create opportunities for some health services provided at clients' homes and some case management services to be reimbursable when provided by licensed professionals. Under existing state MediCal waivers, case management services and many of the in home support services provided by a nonprofit would not be reimbursable under MediCal.

Option B: County Provides Case Manager Positions and Mental Health Positions

A second option would be for the County to provide the needed case management and mental health services internally, through a new, coordinated effort between the Department of Social Services and the County Health Agency.

Case Management (Department of Social Services):

The Department of Social Services would provide social work, case management services, and other supportive services to engage the most vulnerable homeless persons, and to place, stabilize, and maintain such persons in housing. The Department would create a coordinated team that would include social workers and benefits enrollment specialists that would streamline services for homeless clients. In addition, this team would assess clients for eligibility for other DSS services that could help stabilize clients in housing, including In Home Support Services and personal care specialists.

Based on HSOC's recommendation and existing resources within the Department of Social Services, the Department proposes to create up to five new positions, including three Social Worker positions to provide the following services:

- In coordination with other partners, conducting outreach to and engaging the most vulnerable homeless persons as prioritized by the Vulnerability Index
- Working with community partners to assist identified clients with procuring housing
- Providing or securing supportive services to address individual client needs such as mental health, drug and alcohol services, daily living skills, transportation, and potential employment skills
- Conducting crisis management during the stabilization process
- Maintaining regular contact with clients served to assess needs, measure progress, provide support, and collaborate with DSS staff and other agencies to assist with newly identified service needs

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- Ensuring client data is entered into the Homeless Management Information System in accordance with Continuum of Care requirements
- Assessing clients for eligibility for In-Home Supportive Services (IHSS) and coordinating with DSS IHSS staff to ensure such services as provided as appropriate
- Ensuring clients are assessed for eligibility for public benefits and assisted with enrollment

The Department of Social Services also proposes to reallocate the two Benefits ARCH Employment Resource Specialists (ERS) to this project. It is expected that the most vulnerable homeless persons will have significant disabilities that prevent them from working and the ERS workers will assist these clients to apply for Social Security Disability Insurance or Supplemental Security Income benefits as appropriate. The ERS workers also will enroll clients into CalFresh, MediCal, and other benefits for which they are eligible. The changes to the Benefits ARCH team would not result in new functions for the Department but would streamline access to enrollment services for the most vulnerable homeless persons.

At this time, it is anticipated that a unit of three Social Workers, one Social Work Supervisor, two Employment Resource Specialists (ERS), and one Administrative Assistant would be needed for full staffing. The program cost for the Social Worker positions combined with the Supervisor and the Administrative Assistant would be approximately \$467,551 for gross salary and benefits. Additional costs would be expected for related expenses, such as transportation, computers and other equipment. The two ERS staff positions currently exist and would not require new funding.

Mental Health (Health Agency):

This proposal will create a mobile team which includes a Mental Health Nurse Practitioner to conduct psychiatric services and mental health professionals to provide ongoing co-occurring disorder treatment and mental health wellness and recovery (rehabilitation) services.

The Behavioral Health Department recommends the following staffing and program costs to best serve the case management being proposed, as well as increase capacity for the Department's homeless (and veteran) outreach programming:

- .5 FTE Mental Health Nurse Practitioner \$67,335 (Diagnosis, Medication, Ongoing)
- .5 FTE Mental Health Therapist IV \$55,238 (Assessment, Treatment, Ongoing)
- .5 FTE Mental Health Therapist III \$49,970 (Med. Mgmt, Treatment Plan maint.)
- .5 FTE Personal Support Specialist \$45,000 (i.e. wellness/ recovery support)
- Operating Expenses \$30,000 (e.g. Vehicles, space, computers)

The total expense before reimbursement is \$247,543. It is estimated that MediCal billing would reduce that overall figure by \$80,000, for a final cost of \$167,543.

By expanding Behavioral Health services for clients enrolled in this new housing program, access for other high-need populations will be increased as well. Currently the Behavioral Health Department's Homeless Outreach Team is working to engage high-risk homeless individuals across the county in seeking mental health and substance use treatment. While successful in stabilizing and often housing difficult-to-serve clients, the delay in accessing psychiatry is often too long in order to keep the most vulnerable homeless individuals engaged. Additionally, the Department's co-occurring approach would include use of substance use treatment and detoxification (including medication) services in the field.

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Strengths: Combining the ERS workers who currently perform benefits enrollment and the Social Workers who would provide case management into a single team would create a client-centered approach that would enhance efficiencies. Social workers would also be trained in conducting assessments for eligibility for other DSS programs such as In Home Support Services.

Benefits ARCH workers have existing relationships with some of the persons who may be assisted by this effort, and additional clients may have been seen by other DSS eligibility staff who could refer the clients to the homeless services team for assessment of eligibility for assistance. DSS has offices throughout the County and existing networks in each community that would help it to serve clients effectively.

Lastly, this option could commence more rapidly than if the County were to issue a Request for Proposals.

Concerns: Upfront costs under this option would initially be higher than the cost of case managers at a non-profit agency. Funding for this option could be provided from existing funds available to DSS however, and would not require General Funds. A portion of these costs could be billable to certain state and federal social welfare programs. Moreover, implementation of a statewide Health Homes program may allow certain case management activities to be billed to MediCal if provided by licensed professionals, such as Licensed Clinical Social Workers. The specific activities that would be eligible for reimbursement and the amount of MediCal reimbursement that would be provided under a Health Homes program is unknown at this time.

DSS staff may not have an existing relationship with all clients that would be served. Thus, Social Workers would need to spend time in the beginning building relationships and trust with clients who were not already working with the Benefits ARCH workers or other staff.

Lastly, not all vulnerable homeless individuals will have a mental illness that meets the criteria to be eligible for Mental Health Department services. Absent written agreements with other agencies or independent contractors to provide mental health services, it is possible that the proposed mental health configuration would not serve those persons whose mental health diagnoses did not reach a certain level of severity.