

Illinois Nursing Home Safety Task Force

Public Hearings

Testimony Presented by
Supportive Housing Providers Association
Lore Baker, Communications and Outreach Director
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On behalf of the Supportive Housing Providers Association and our 118 member organizations across the state, I wish to thank the Illinois Nursing Home Safety Task Force and its Chairperson, Michael Gelder, for this opportunity to testify. I am here this morning to express our desire to be a partner in the solution to nursing home safety concerns and to put forth supportive housing as a more cost effective and more progressive recovery model for people with mental illness than nursing homes. Also, supportive housing leverages more than a 50% return in federal funding.

Defining Supportive Housing

Supportive housing is affordable, rental housing with supportive services intertwined with the housing. It is designed for people who have been chronically homeless and/or for people living with chronic health conditions, such as mental illness.

Supportive Housing for People with Severe Mental Illness

Today, I will be talking about supportive housing for people with mental illness. Currently, there are 3,911 units of supportive housing for people with severe mental illness in many locations throughout the state, each location having 16 or fewer units. Each of these supportive housing buildings is serviced and operated by a community mental health provider who provides 12 to 24 hour on site services, around the clock on-call services, and access to all the services provided by the community health provider including psychiatrists and medication management. These state-licensed providers use tested evidence-based practices to move people living in supportive housing to recovery, and beyond—to reuniting with their families, with the community, and in many instances, with employment. Individuals living in supportive housing pay 30% of their adjusted gross income for rent. They keep the rest of their income, affording them dignity, the ability to connect with the community around them and the purchasing power to meet their basic needs.

Supportive housing –

- Enables even the most vulnerable to remain housed¹.
- Impacts positively on people with mental illness, affording both independence and much-needed support.
- Helps people with histories of substance abuse, stay clean and sober².
- Helps people become employed³.

¹ A study of almost 5,000 homeless individuals with mental illness placed in supportive housing confirmed that nearly 80 percent remained housing a year later, with 10 percent moving on to independent settings. Lipton, F.R. (1997). *The New York-New York Agreement to House Homeless Mentally Ill Individuals: Summary Placement Report*. New York, NY: New York City Human Resources Administration/Office of Health and Mental Health Services.

² A study in Minneapolis found that 90 percent of those living in supportive housing remained sober one year after completing a treatment program, while only 57 percent of those living independently stayed sober. Eden Programs, (1993). Unpublished manuscript. Minneapolis, MN: data available from Eden Programs and Corporation for Supportive Housing.

Cost Effectiveness

The recently released Study of Supportive Housing in Illinois⁴ (each of you has a copy of the Executive Summary) explored the kind and cost of public services used by 177 supportive housing residents two years before they entered supportive housing and two years after they moved into supportive housing. There were cost savings in every system studied from pre to post-supportive housing. There was a 39% reduction in the cost of services for an overall savings of \$854,477. Most notably, the number of overnight stays in state mental health hospitals decreased almost 100% after individuals moved into supportive housing, for a savings of \$400,000. There was a 100% decrease in the time spent in state prison and an 86% decrease in the time spent in county jails, for a savings of \$240,000. Pertinent to this conversation, there was a 97% decrease in use of Medicaid funded nursing home stays.

Cost Comparison

Nursing homes cost the State of Illinois an average of \$117 per person per day. Supportive housing for the mentally ill costs the state an average of \$28 per person per day. **The state could pay for four units of supportive housing with the same amount of money that it currently pays for one person in a nursing home.**

Leveraging Federal Dollars

Providers of supportive housing for people with mental illness provide Medicaid eligible services and the state receives a 50% Medicaid return for these services. On top of this 50%, supportive housing leverages federal funding for property acquisition, rehabilitation, new construction, and rental assistance, often through the U.S. Department of Housing and Urban Development's Section 811 program. On average this additional federal funding is four times the state's general revenue expenditure for supportive housing or **400% federal return on the state's investment, on top of the 50% Medicaid reimbursement.**

Supportive Housing: A Partner in the Solution

Supportive housing is an effective, dignified solution for individuals with mental illness, moving these individuals to recovery and reintegration in the community. Supportive housing is extremely cost effective, costing significantly less than nursing homes and leveraging a 450% federal return on the state's investment.

For all of these reasons, wise public policy dictates that supportive housing can and must be part of the solution for removing individuals under 65 with mental illness from nursing homes. To make this solution possible, the state must protect the current state service funding for existing supportive housing. It must also find funding, approximately \$7 million for services in the new supportive housing units coming on line, 537 units this year (FY 2010), 300 units in FY 2011, and 400 units in FY 2012. This funding will leverage approximately \$31.5 million in federal funding.

³ Long, D.A., et al., (1999). *The "Next Step: Jobs" Initiative Cost-Effectiveness Analysis: Final Report*. New York, NY: Corporation for Supportive Housing.

⁴ Supportive Housing in Illinois: A Wise Investment, April 2009, The Social Impact Research Institute of the Heartland Alliance.