

# Foundational Community Supports (FCS)

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## Housing subsidies

Engrossed Substitute Senate Bill 5092; Section 215(42); Chapter 334; Laws of 2021

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Division of Behavioral Health and Recovery  
P.O. Box 45502  
Olympia, WA, 98504-5502  
Phone: (360) 725-0491  
Fax: (360) 586-9551  
[www.hca.wa.gov](http://www.hca.wa.gov)

# FCS Housing Subsidies

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## Acknowledgements

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## Executive summary

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During the 2021 legislative session, the Washington State Legislature appropriated \$3,109,000 of the general fund via Senate Bill (SB) 5092. The purpose of this bill is to supply short-term rental subsidies for individuals enrolled in the Foundational Community Supports (FCS) program.

This funding—known as the FCS Transition Assistance Program (TAP)—aims to link the following individuals with safe, quality, and affordable housing:

- FCS enrollees awaiting longer-term rental support resources
- FCS-eligible individuals transitioning out of behavioral health treatment facilities or local jails

Individuals who would otherwise be eligible for the FCS program, but are not because of their citizenship status, may also participate.

As a flexible, short-term subsidy, TAP may be used to bridge individuals exiting certain inpatient treatment facilities as they await longer-term rental resources and more.

This report reviews program expenditures and performance for Washington State fiscal year 2022 (SFY 2022), of which TAP was active for two months. This report also includes an overview of planning and implementation successes and challenges.

In addition, the report presents data for the number of individuals served and expenditures broken out by service region, treatment need, and demographics of individuals served. This includes but is not limited to age, country of origin within racial/ethnic categories, gender, and immigration status.

# FCS Transition Assistance Program (TAP)

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## Background

Unemployment and job insecurity, homelessness, and unstable housing contribute to poor health. Homelessness is traumatic and cyclical, putting people at greater risk for developing physical and mental health conditions, including substance use disorders.

FCS launched in January 2018 to address these issues by offering supported housing and employment services through targeted Medicaid benefits. These benefits assist vulnerable people, including individuals with complex care needs, by assisting eligible individuals to find and maintain housing and employment, ultimately helping build a healthier Washington.

FCS comprises a network of service providers in contract with a third-party administrator (TPA), called Amerigroup. Since its inception, over 27,000 individuals have enrolled in FCS services. Until TAP, FCS supportive housing did not have unique resources to assist FCS enrollees with lowering or removing financial barriers to housing stability. Instead, the options were limited housing vouchers that are available in the community. This is a time consuming and complicated process that prioritizes different populations in each community. FCS participants would not necessarily be competitive for these vouchers due to lengthy waitlists or lack of prioritization. TAP changes the landscape in creating a flexible resource tied to the FCS program that meets the needs of enrollees when and where they are needed.

## Design and implementation

On May 2, 2022, TAP launched as a flexible, short-term subsidy funding resource that solely serves FCS supportive housing enrollees. TAP aims to lower or remove barriers to housing stability for enrollees. TAP covers housing-related costs that are common barriers to housing stability, such as fees for IDs, application fees, move-in costs like first/last months' rent, deposits and non-refundable fees, and others. TAP uses a person-centered approach to supporting housing transitions for FCS supportive housing enrollees.

TAP's program design acknowledges:

- An enrollee's housing needs are dynamic and change over time.
- Each enrollee experiencing housing instability, including homelessness, faces unique obstacles.

Many FCS supportive housing enrollees encounter financial barriers along their path to obtaining or sustaining a safe, stable home they can afford. FCS supportive housing's support services assist enrollees as they identify their personalized housing preferences and goals in finding and maintaining stable housing. TAP's design encourages the FCS supportive housing network to meet enrollees where they are with flexible subsidy funding—including interim "bridge" subsidy funding—to cover housing-related costs as enrollees take steps toward achieving their personalized housing goals.

## Launching as a flexible, short-term funding resource

As a flexible, short-term subsidy, TAP may be used to bridge individuals exiting certain inpatient treatment facilities as they await longer-term rental resources and more. TAP also serves the FCS supportive housing network more broadly by covering a variety housing-related costs that are often obstacles to achieving housing stability.

TAP can cover housing-related costs, including:

- Washington State Identicards and other fees for identification documentation
- Application fees
- Certain transitional housing fees, including initial fees and interim rent coverage
- Certain moving expenses
- Move-in costs like first and last month's rent, deposits, and non-refundable fees
- Other housing-related costs to bolster long-term tenancies

TAP's flexibility helps address many unique and multifaceted barriers that may arise when seeking to establish or maintain housing stability.

## Implementation across the FCS network

At the end of state fiscal year (SFY) 2022, the FCS provider network included 171 providers working across 465 sites in Washington. FCS supportive housing services were provided by 135 providers at 390 sites across the state. Amerigroup, the TPA for FCS' supportive housing and supported employment programs, also administers TAP funding.

This funding has been implemented across the FCS supportive housing network. At the end of SFY 2022, Amerigroup amended FCS contracts with over 85 agencies so they can link FCS supportive housing enrollees with TAP funding to lower or remove financial barriers to housing stability.

## Successes

Before and during implementation, TAP's program manager hosted eight informational sessions to raise awareness and generate interest among the FCS supportive housing provider network. Each session offered attendees information regarding TAP's cost reimbursement structure, allowable expenditures, best practices, program guidelines, and more. Staff from the Department of Commerce's Office of Apple Health and Homes and Permanent Supportive Housing (AHAH-PSH) presented information about the Community Behavioral Health Rental Assistance (CBRA) program – a rental assistance program that provides flexible subsidy support with an aim of bolstering individuals experiencing behavioral health challenges in long-term permanent housing of their choice. Since TAP only provides interim funding support for housing-related costs, TAP's program manager worked closely with CBRA's program manager to raise awareness about how certain individuals accessing TAP may be eligible to receive longer-term rental assistance via CBRA.

## Challenges

FCS supportive housing experiences difficulty with reaching into certain facilities – namely jails, prisons, and longer-term inpatient facilities – to serve individuals due to lapsing Medicaid eligibility. Because of this difficulty, TAP identified an opportunity to assist all FCS supportive housing enrollees seeking to transition into the housing of their choice.

Due to limited availability of longer-term rental assistance programs like Housing Choice Vouchers (HCV), CBRA, and others, TAP did not have clear connection points with long-term subsidy programs across the state. For instance, TAP could be a short-term resource spent prior to funds from HCV or CBRA, assuming a participant would be eligible and enrolled in the longer-term resource when accessing the TAP funds. Therefore, TAP evolved into a flexible funding resource that covers interim rent fees and other housing-related costs that may be barriers to taking initial steps towards achieving housing stability goals.

## Eligibility criteria

Individuals are eligible to access TAP funding, so long as they:

- Are receiving FCS-eligible Medicaid
- Are authorized for FCS supportive housing services
- Identify as having a behavioral health treatment need

TAP can be accessed by FCS supportive housing enrollees across the state who are seeking to transition into the housing of their choice. If an individual is actively receiving FCS-eligible Medicaid and are authorized to receive FCS supportive housing services according to ProviderOne, they are eligible for TAP.

## Duration of funding assistance

Accessing TAP funds requires an FCS supportive housing participant to be making a housing transition. TAP offers FCS supportive housing enrollees with a rolling cap of up to \$5,000 in funding to be used throughout one year on approved housing-related expenditures. Implementing TAP with a rolling cap of this amount supports the program's aim to meet people where they are at any given time during their enrollment in FCS supportive housing. With a rolling cap, an enrollee can spend any amount up to \$5,000 on approved housing-related costs. Once an amount is spent for an enrollee, that amount is deducted from \$5,000, with the remainder being the balance they may spend on housing-related costs during the following 12 months. Exactly one year after any amount is spent, that cost no longer counts toward the amount spent by the enrollee per year.

While TAP does not provide ongoing rent assistance, the program can cover interim rent costs on an as-needed basis by offering month-to-month rent support for transitional and permanent housing for up to three months. Certain housing-related costs can be covered multiple times, such as the cost of an ID, while move-in costs and others can only be accessed once every 12 months.

## Allowable expenditures

TAP allows providers to automatically cover costs according to established categories listed on the [FCS TAP Quick Reference Guide](#). Common financial barriers to affordable housing, such as costs for IDs and other documentation, application fees, credit check fees, and move-in expenses like first/last month's rent (if one month of rent is under 120 percent Fair Market Rent value for the area), deposits, and non-refundable fees can be covered by TAP. While TAP cannot pay ongoing rent, it may cover several months of rent costs to assist enrollees as they generate employment income or identify longer-term rental resources to assist with housing costs.

Enrollees can request an exception to policies (ETP) to cover for certain housing-related costs related to stabilizing in a home (e.g., home modifications, basic home goods, cleaning supplies, and more). Arrearages and other housing-related expenses also require an ETP request.

## Findings

Data is presented based on the total number of funding requests submitted to Amerigroup by FCS supportive housing providers. FCS supportive housing enrollees are encouraged to submit funding requests as they travel along their unique path to housing stability. This means enrollees may access the fund more than once.

### Number of individuals served

In SFY 2022, TAP actively served FCS supportive housing enrollees for nearly two months. During this time, 128 expenditures were approved for 86 individuals across 20 FCS supportive housing providers working within Washington. The total amount of TAP funds spent during SFY 2022 was \$87,623.96. HCA anticipates a strong uptick in the number of providers and enrollees accessing these funds as the program begins to mature in SFY 2023.

### Age

TAP funding was accessed by enrollees between the ages of 38 and 47 more often than any other age group during SFY 2022, with 43 being the average age for TAP's SFY 2022 funding approvals. Enrollees between ages 38 and 47 spent more TAP funds than any other age group.

**Table 1: percentage of total TAP funding approvals by age during SFY 2022**

Age	% of approved TAP requests	% of total TAP funds spent
18 – 27	7.81%	11.99%
28 – 37	25.78%	22.37%
38 – 47	35.94%	38.77%
48 – 57	11.72%	12.91%
58+	18.75%	13.97%

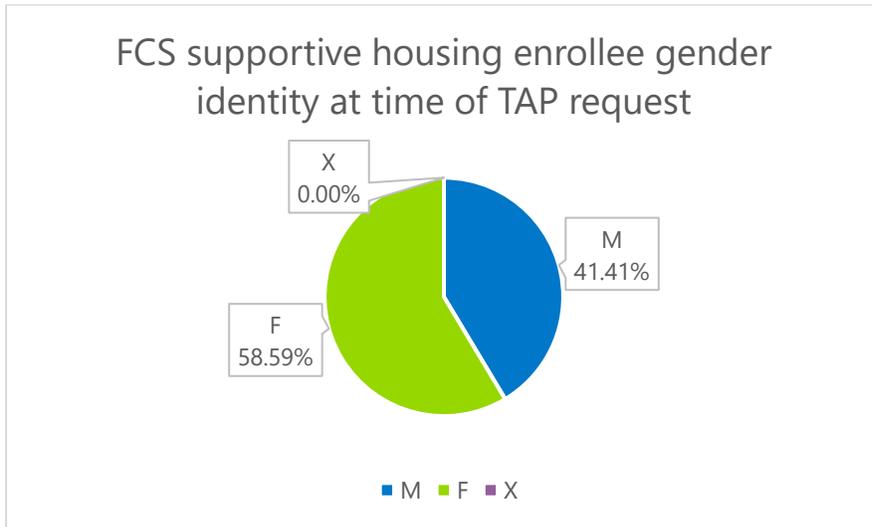
### Gender

Funding requests from female-identified individuals represent 59 percent of TAP approvals during SFY 2022, with \$52,237—or nearly 60 percent—of TAP funds spent going to these individuals.

**Table 2: percentage of approved TAP requests by gender at time of request**

Gender	% of approved TAP requests	% of total TAP funds spent
Male	41.41%	40.39%
Female	58.59%	59.61%
X (non-binary, intersex, and gender nonconforming)	0.00%	0.00%

**Graph 1: gender identity of FCS supportive housing enrollee at time of TAP request**



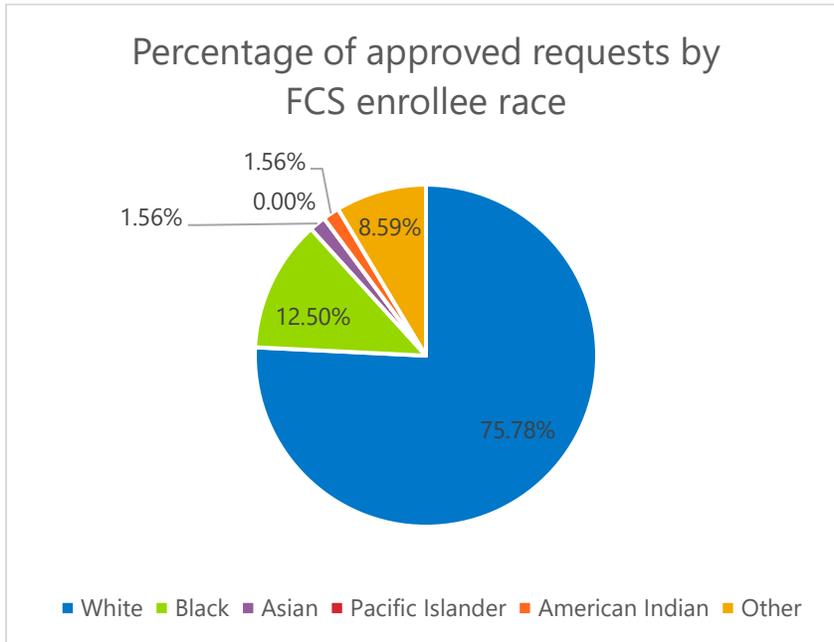
**Race and ethnicity**

Data about race and ethnicity is acquired administratively via ProviderOne (our state’s Medicaid database); TAP does not require enrollees to share this information with providers during the TAP eligibility check or the FCS supportive housing assessment processes. Although using ProviderOne restricts HCA’s ability to fully disaggregate race and ethnicity data by country of origin, it allows providers to serve individuals without asking details about race or ethnicity.

**Table 3: percentage of approved TAP requests by race**

Race	% of approved TAP requests	% of total TAP funds spent
White	75.78%	83.35%
Black	12.50%	8.92%
Asian	1.56%	1.08%
Pacific Islander	0.0%	0.0%
American Indian/Alaska Native	1.56%	0.25%
Other	8.59%	6.40%

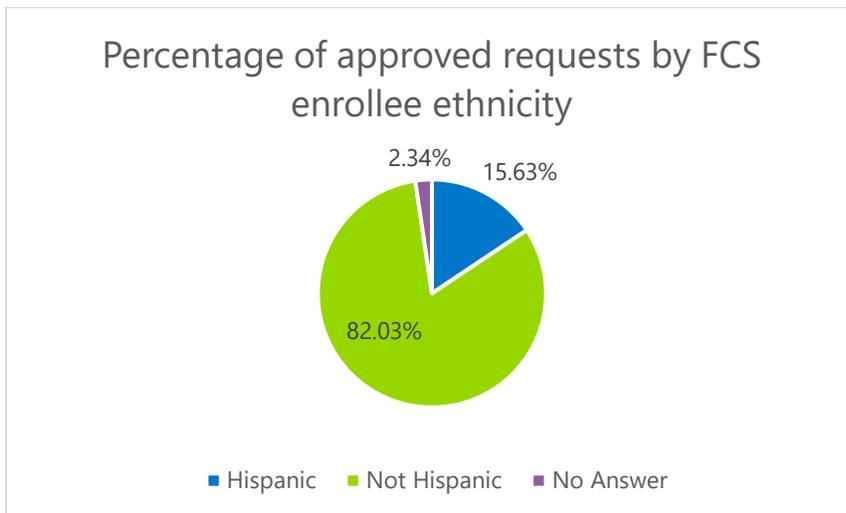
**Graph 2: percentage of total approved requests by race**



**Table 4: total number of approved TAP requests by ethnicity**

Ethnicity	% of approved TAP requests	% of total TAP funds spent
Hispanic	15.63%	12.64%
Not Hispanic	82.03%	86.59%
No answer/doesn't know	2.34%	0.78%

**Graph 3: percentage of total approved requests by FCS enrollee ethnicity**



## Citizenship and Medicaid eligibility

Only individuals who are enrolled in federally funded Medicaid and meet other health-related and risk factor eligibility criteria for FCS services can enroll in FCS. Lawfully present qualified immigrants who have not met the 5-year barring requirement, lawfully present non-qualified immigrants/nonimmigrants, and undocumented individuals are not eligible for federal Medicaid. Therefore, like FCS services, TAP may only be accessed by individuals who are enrolled in federal Medicaid.<sup>1</sup>

FCS has coordinated with Housing and Recovery through Peer Supports (HARPS) providers to ensure individuals not qualifying for FCS due to their immigration status can access housing support services, regardless of citizenship or immigration status. All HARPS providers are authorized to provide FCS supportive housing services across the state.

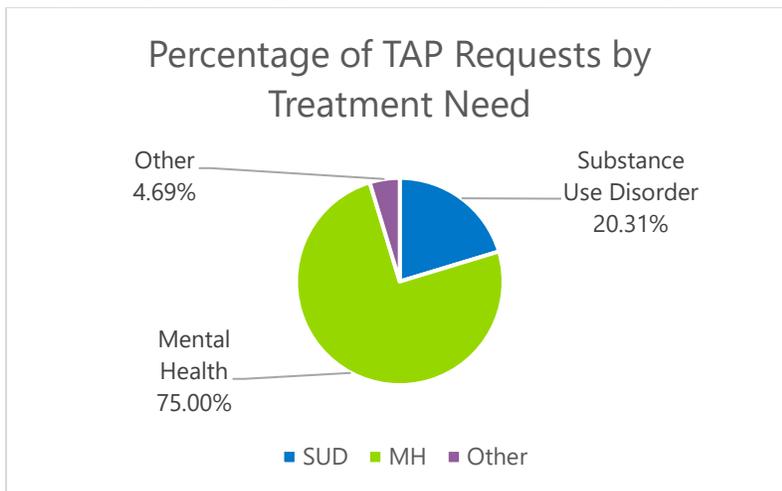
## Treatment need

TAP serves all individuals who are enrolled in FCS supportive housing, many of whom are experiencing a behavioral health treatment need. Nearly 100 TAP requests came from individuals experiencing mental health disorders. HCA assumes that some of these individuals accessed TAP upon discharge or soon after discharging from behavioral health inpatient facilities.

**Table 5: total number of approved TAP requests by treatment need**

Treatment Need	% of approved TAP requests	% of total TAP funds spent
Substance use disorder	20.31%	31.72%
Mental health disorder	75.00%	66.69%
Other	4.69%	1.59%

**Graph 4: percentage of total TAP requests by treatment need**



<sup>1</sup> For more information about citizen and immigration status standards in relation to Medicaid coverage, please visit: [https://www.hca.wa.gov/assets/free-or-low-cost/citizenship\\_alien\\_status\\_guide.pdf](https://www.hca.wa.gov/assets/free-or-low-cost/citizenship_alien_status_guide.pdf)

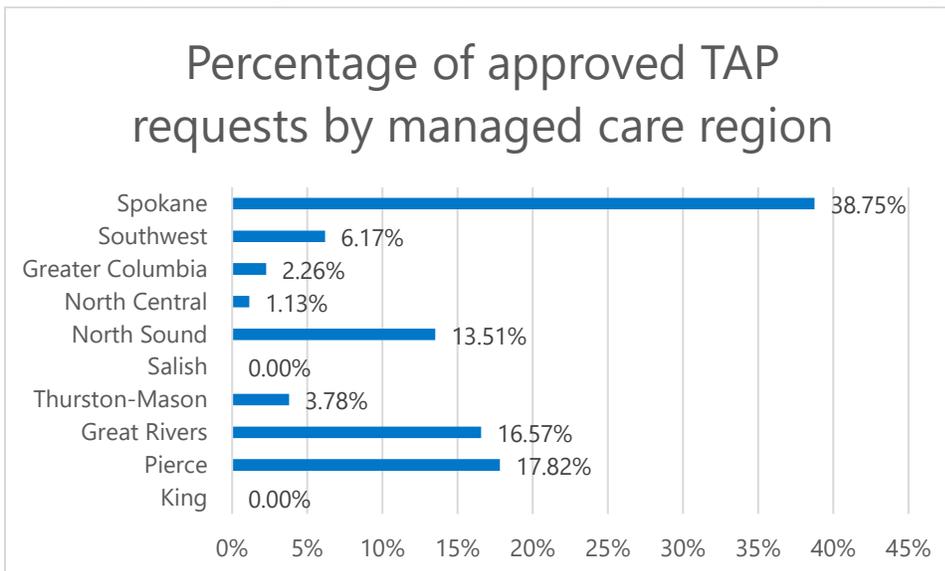
## Service regions

Spokane County received the highest number of TAP approvals, with nearly 40 percent of disbursed funding going to individuals in the region. King County and the Salish regions of the state did not access TAP within the first two months of service.

**Table 6: TAP utilization across managed care regions in Washington State**

TAP spending by region	% of approved TAP requests	% of total TAP funds spent
King	0.00%	0.00%
Pierce	10.94%	17.82%
Great Rivers	11.72%	16.57%
Thurston-Mason	5.47%	3.78%
Salish	0.00%	0.00%
North Sound	14.06%	13.51%
North Central	7.03%	1.13%
Greater Columbia	9.38%	2.26%
Southwest	7.81%	6.17%
Spokane	33.59%	38.75%

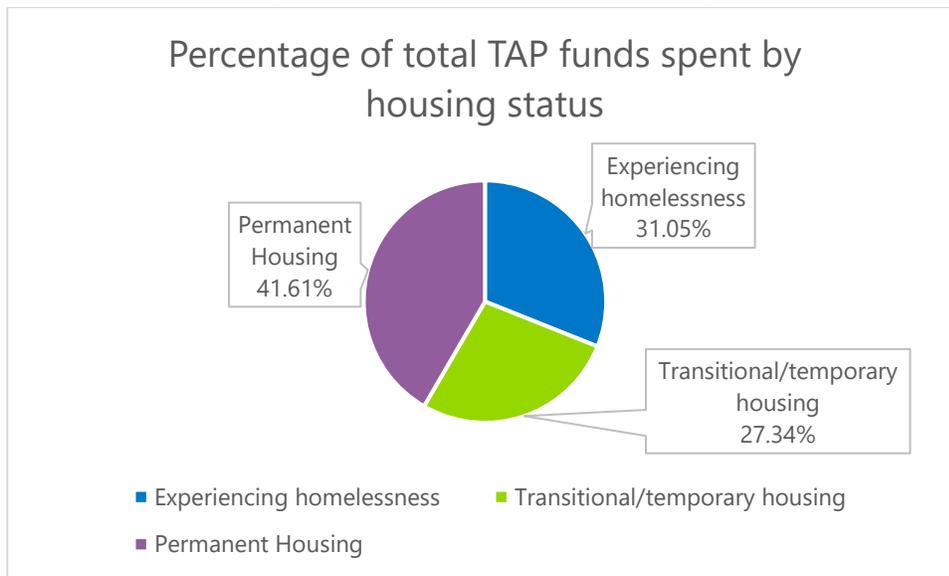
**Graph 5: percentage of total approved TAP requests by managed care region**



## Housing status

TAP is designed to meet FCS supportive housing enrollees where they are in their transition to stable housing, so long as the enrollee is making or recently transitioned into a housing opportunity of their choice. During the first two months of service, 58 percent of approved TAP requests served individuals who were not living in permanent housing at the time of their request. Forty-two percent requested TAP funds as they entered or established a new permanent housing opportunity.

**Graph 6: percentage of total TAP funds spent by enrollee housing status**



## Expenditures

TAP can cover a variety of housing-related costs as FCS supportive housing enrollees take steps to achieve their individual housing goals. TAP aims to cover certain pre-tenancy costs like fees for ID, entering transitional housing, permanent housing applications including background and credit checks, and more.

TAP also covers certain move-in costs and provides funding assistance to individuals as they stabilize in a new home with tenancy support services. TAP may cover home modifications when approved by a property owner, as well as the cost of a reasonably priced mattress, light furnishings, and other housing-related items. These items can help enrollees make their new apartment into a customized home that meets their needs.

TAP aims to lower or remove financial barriers to housing security by covering housing-related costs that may exacerbate housing instability. Through ETP, TAP can cover costs for past-due rents and more.

During SFY 2022, the most requested ETP was to cover past-due rent charges with TAP. By covering past-due rents with TAP, FCS aims to reduce the need for more costly housing interventions in the future.

During the two months TAP was active in SFY 2022, the program covered \$37,588 in ETP requests, with nearly \$26,000 covering past-due rents for FCS supportive housing enrollees.

**Table 7: percentage of approved TAP requests by expenditure type**

<b>TAP expenditure category</b>	<b>% of approved TAP requests</b>	<b>% of total TAP funds spent</b>
Fees associated with entering transitional housing (i.e., urinalysis)	1.56%	0.60%
Rental application fees, including background checks and credit checks	14.06%	0.93%
Move-in fees, including first/last month's rent, deposits, and non-refundable fees	42.19%	54.91%
Identification documents/cards	0.78%	0.08%
Moving expense assistance	2.34%	.57%
Exceptions to policies (ETPs)	39.06%	42.90%

## Conclusion

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TAP offers timely, flexible funding assistance that enrollees can use along their personalized path to obtain and maintain housing stability. Although TAP was only active for two months of SFY 2022, the program is proving to be a critical tool in lowering or removing financial barriers to housing stability for FCS supportive housing enrollees who are discharging from an inpatient treatment environment, awaiting longer-term rental resources, and experiencing housing instability including chronic homelessness.

As a short-term funding resource, TAP aims to be combined with longer-term resources when appropriate, while covering move-in costs for all individuals actively enrolled in FCS supportive housing. It is critical that TAP continue providing interim funding support to enrollees as HCA continues working with Commerce's Office of Apple Health and Homes and Permanent Supportive Housing to design and implement the Apple Health and Homes (AHAH) benefit.

As a funding resource managed by Amerigroup, TAP will offer individuals flexible funding assistance for interim housing opportunities and other housing options as individuals eligible for the AHAH benefit work with FCS supportive housing providers as they engage program enrollees to obtain housing via AHAH's or FCS Community Support Services.