



UNDERWRITING SUPPORTIVE HOUSING PROJECTS WITH MEDICAID SERVICES FUNDING: A QUICK GUIDE FOR HOUSING FINANCE PROFESSIONALS IN WASHINGTON STATE

The Solution to Supportive Housing Services Funding

As supportive housing developers are housing highly vulnerable people through homeless coordinated entry systems and efforts to transition people out of unnecessary institutional care, Washington State’s Medicaid health insurance program is stepping up to provide a dedicated, reliable payment for services in supportive housing of approximately \$6,300 per person, per year.¹ Medicaid can fund these services *in addition* to other Medicaid and community services, such as behavioral health and employment services. In the past, Medicaid was difficult to use as a payment source for services in housing. Now, we can rely on services funding in supportive housing projects as if “project-basing” services, through the Washington State Foundational Community Supports (FCS) benefit. Medicaid is now *the* solution to complete supportive housing services funding.

Washington’s Foundational Community Supports Benefit

Washington’s new FCS benefit funds services at approximately \$6,300 per person served in supportive housing per year. For fifteen tenants, a service provider would receive \$94,500 per year. The benefit pays for helping applicants obtain documentation and complete paperwork necessary to move into housing and, once housed, the benefit includes funding to assist tenants with—

- Planning to meet treatment and services needs.
- Working with property managers.
- Life skills training.
- Budgeting.
- Accessing treatment and benefits.
- Eviction prevention.

Providers that determine their tenants need more support can access enhanced payment through additional authorization.

“Project-Basing” Services Funding

A supportive housing developer can ensure funding for services in each unit designated as supportive housing if eligibility for housing is based on eligibility for the FCS benefit. In this way, the services would attach to every person living in a supportive housing unit, thereby directly connecting the housing to the services. Eligibility for the benefit is based on three key eligibility requirements for supportive housing:

- ✓ **Income:** Eligibility for Medicaid (less than 138% of the poverty level).
- ✓ **Health Services Need:** Mental health need, substance use need, long-term care need, or complex physical condition (such as a chronic medical condition).
- ✓ **Housing Risk Factor:** Such as chronic homelessness or a history of frequent or lengthy institutionalization.²

¹ Service reimbursement is dependent on the person’s need and number of service encounter claims submitted by the provider.

² To be eligible for the benefit, recipients must also be age 18 or over. Additional housing risk factors include frequent adult residential care stays, frequent turnover of in-home caregivers, or a Predictive Risk Intelligence System (PRISM) score of 1.5 or above.

Questions

Is underwriting supportive housing projects that use Medicaid as a services source risky?

The FCS benefit now provides one of the most reliable, robust supportive housing services funding sources available. In the past, providers using Medicaid to fund supportive housing services had to use portions of their mental health services funding to help tenants with housing supports. Today, the FCS benefit for supportive housing services is available *in addition* to mental health and other community-based services.³ The FCS benefit is guaranteed to remain in place for five years and, after demonstrating effectiveness, the benefit can become an entitlement for everyone who needs supportive housing services. The State has repeatedly indicated intent to create more supportive housing and sees FCS as a way to expand the supportive housing stock throughout the State.

Is anyone accessing this benefit now?

Yes! A total of 56 supportive housing services providers, with 169 services locations, are already contracted with Amerigroup. More than 600 people who were experiencing chronic homelessness or unnecessary institutionalization are now receiving supportive housing services in Washington State!

What if a tenant becomes ineligible for the FCS benefit during his/her tenancy?

The benefit works similarly to other services funding in that it remains in place as long as a tenant continues to need the services to remain stably housed. (The benefit can be extended every six months for tenants who remain eligible and enrolled in Medicaid health insurance.)

Since the benefit is Medicaid-funded, do tenants have to participate in services?

Federal Medicaid rules require services providers to offer tenants services but prohibit providers from requiring tenants to participate in services. In supportive housing, services participation is similarly not a condition of tenancy. Providers use evidence-based practices such as assertive engagement, motivational interviewing, and trauma-informed care to engage people in accessing the services they want and need.

What if someone is working with one service provider while they are homeless or living in an institution and then moves into housing where the services are managed by a different service provider?

Providers can be reimbursed for pre-tenancy supports to help people access housing and tenancy supports that help people remain stably housed. If “Provider A” helps someone move into a building where “Provider B” provides tenancy-sustaining services, each provider can be reimbursed for the distinct services they provide.

The FCS benefit is a leap forward toward allowing mission-oriented services providers and developers to achieve a shared goal: to house and serve the most vulnerable residents of Washington State.

For More Information

Please contact Jon Brumbach at jon.brumbach@hca.wa.gov or Kate Baber at kate.baber@hca.wa.gov. The following are additional resources about FCS:

- Amerigroup Washington FCS provider info: bit.ly/fcs-provider
- Amerigroup Washington FCS consumer info: bit.ly/fcs-help
- Health Care Authority FCS info: bit.ly/fcs-info
- Sign up for the FCS newsletter: bit.ly/fcs-news
- FCS training and event calendar: bit.ly/fcs-calendar

³ The FCS benefit can also fund supported employment services, at an additional rate of approximately \$6,000 per tenant, per year.