Addressing Housing and Health

A FOCUS OF CENTRAL CALIFORNIA ALLIANCE FOR HEALTH’S MEDI-CAL CAPACITY GRANT PROGRAM

Creating Local Health Care Solutions

Central California Alliance for Health (the Alliance) is an award-winning regional nonprofit health plan that serves over one-third of the population in Merced, Monterey and Santa Cruz counties. The Alliance connects more than 407,650 Medi-Cal members to providers and programs in an effort to provide accessible, quality health care.

The Alliance makes investments in the communities it serves through the Medi-Cal Capacity Grant Program (MCGP) to strengthen the local health care delivery system for the future and realize the vision of “Healthy People, Healthy Communities.” The Alliance established the MCGP in July 2015 with initial investments focused on increasing the availability, quality and access of health care and supportive resources for Medi-Cal members in the service areas. In 2022, the focus of the MCGP expanded to integrate upstream action emphasizing health and well-being, while also addressing immediate barriers to care for local residents with Medi-Cal.

Housing: An Important Foundation for Health

Housing is one of the most important social determinants of health that directly impacts health outcomes. Individuals experiencing homelessness have higher rates of physical and mental illness, increased mortality and frequent hospital utilization. Homelessness causes new health problems and exacerbates existing ones. The experience of homelessness also makes it harder to engage in care and receive appropriate services. As a result of the complexity of their needs, homeless individuals experience frequent and avoidable emergency room visits, hospitalizations and readmissions. In 2022, 5,201 people experienced homelessness in Merced, Monterey and Santa Cruz counties at the time of their biennial Point-in-Time counts, although local estimates put this number much higher.

The shortage of affordable housing in the region adds further challenges for people with complex needs seeking housing.

Supportive Housing Improves Health Outcomes and Reduces Costs

Evidence shows that supportive housing for individuals with complex health and social needs improves the health outcomes of individuals housed and reduces costs to the overall health care system. Factors such as mental illness, chronic health conditions, disabilities and histories of trauma make it difficult for some individuals to maintain housing without assistance. Supportive housing provides intensive services (e.g., case management) for individuals to remain housed by helping tenants address physical and mental health needs and substance use conditions. Case management, often provided onsite where people are housed, can also provide other assistance to individuals, such as help in applying for benefits, gaining employment and managing a lease.

In addition, supportive housing connects individuals to primary health care providers. This connection can result in increased attendance at routine appointments, better medication management and improved sanitation and hygiene, thereby reducing the need of more costly emergency medical services.

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1Arabo, Wilkniss, Malone and Isasi, “Housing as Health Care: A Road Map for States.”
2Arabo, Wilkniss, Malone and Isasi, “Housing as Health Care: A Road Map for States.”
3Dohler et al., “Supportive Housing Helps Vulnerable People Live and Thrive in the Community.”
4Corporation for Supportive Housing, “Supportive Housing and Healthcare Utilization Outcomes State of the Literature.”
5Schmauss, “2022 Homeless Count Report: Merced City and County Continuum of Care.”
6Santa Cruz County Housing for Health, “Point-In-Time Census Shows Progress Among Vulnerable Groups, Slight Overall Increase.”
8Maness and Khan, “Care of the Homeless: An Overview.”
9Maness and Khan, “Care of the Homeless: An Overview.”
Alliance Funding Addresses Homelessness and Housing Insecurity

Given the adverse effects of homelessness on an individual’s health and evidence that supportive housing leads to positive health outcomes, the Alliance has invested in permanent supportive housing projects for Alliance members experiencing homelessness.

The Alliance’s Capital Grant Program provides grant funding to non-profit organizations to support the development and construction of permanent supportive housing with onsite case management services for Medi-Cal members with complex needs. This is a new and innovative solution for the Alliance to address member needs and health care costs.

The Alliance has invested $11M in permanent supportive housing efforts. The Alliance has funded five supportive housing projects that have designated units for Alliance Medi-Cal members with complex health and social needs. Additionally, the Alliance funded a Navigation Center in the city of Merced that provides low-barrier transitional housing, onsite case management, linkage to supportive services like health care and more permanent housing resources for individuals experiencing homelessness in the greater Merced area.

Recuperative Care Pilot Now a Medi-Cal Covered Service

The Alliance implemented a Recuperative Care Pilot from March 2021-June 2022. The pilot funded recuperative care and bridge housing for unhoused Alliance Medi-Cal members discharged from the hospital and recovering from an acute illness or injury. Recuperative care is an alternative to hospital and/or institutional care for individuals experiencing homelessness who no longer meet medical criteria to remain in a hospital but have medical needs that would be exacerbated by living on the street or in a shelter. This short-term housing solution allows people the opportunity to heal while accessing medical care and other supportive services. Bridge housing was made available for members who were exiting recuperative care and awaiting a more permanent housing placement.

Partnering with a provider in each county, the pilot created the foundation for a successful transition to Community Support implementation under CalAIM. These services are now reimbursable through Medi-Cal as Recuperative Care and Short-Term Post-Hospitalization Housing.

Improving Health and Well-Being, Now and in the Future

The Alliance’s investments in supportive housing – with onsite case management for its members with complex needs, along with recuperative care in each of the Alliance’s three counties – are showing progress towards improving Medi-Cal member health outcomes, reducing hospital admissions and emergency department utilization and reducing the cost of health care overall for members experiencing homelessness. The Alliance’s strategic investments in supportive housing form part of the solution to a multi-pronged issue of homelessness in the community.

For more information about the Medi-Cal Capacity Grant Program, please visit [www.thealliance.health/grants](http://www.thealliance.health/grants)

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**BENEFITS OF SUPPORTIVE HOUSING**

Evidence shows that individuals in supportive housing:

- Reduce their emergency department utilization up to 56\%.
- Spend 23\% fewer days in hospitals.
- Have 33\% fewer emergency room visits.
- Spend 42\% fewer days in nursing homes per year.
- Reduce substance abuse over time if experiencing substance use disorder.
- Experience a reduction in their mental health symptoms.

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5 Martinez et al., "Impact of Supportive Housing on Acute Care Health Services."

6 Dohler et al., “Supportive Housing Helps Vulnerable People Live and Thrive in the Community.”