

MASSACHUSETTS REPORTS NEW COST-SAVING RESULTS IN ENDING CHRONIC HOMELESSNESS

BOSTON, MASSACHUSETTS. "Cities often battle homelessness in crisis mode, relying heavily on shelters. It is time to change, to slowly shift resources away from shelters and into permanent housing and services to help people rebuild their lives." With these words, *The Boston Globe* editorialized on the latest results from across the state - including a reported 40% decrease in street homelessness in Boston - in which prevention and intervention strategies are showing results.

Among the investments showing results is the state's *Home and Healthy for Good* Housing First initiative. The Commonwealth of Massachusetts' FY 2008 budget doubled the investment in the Home and Healthy for Good program to \$1.2 million. The Massachusetts Housing and Shelter Alliance, lead agency for the Housing First initiative, has just issued a new report on the pilot year of the statewide initiative which housed 227 people as of November 2007, with a housing retention rate of 86%.

According to MHSAs data, the average length of homelessness upon entry into the HHG program was 5 years. The costs per person per month, including the cost of housing and services, decreased from \$2,720 before housing to \$1,939 after housing placement, or \$32,640 and \$23,268 annualized, with a projected annual cost savings to the Commonwealth of \$9,379 per person housed, or \$2.1 million.

Out of a total of 30 veterans who are HHG participants, 27 have remained housed in the program, resulting in a residential stability rate of 90%. Cost savings for the veterans population were higher than for placements as a whole, resulting in \$13,358 savings annually per person.

In the six months prior to entering housing, 184 participants accounted for 385 emergency room visits, 853 days in inpatient care, and 17,177 nights in emergency shelter. The use of these services decreased substantially following participation in HHG. MHSAs has made conservative estimates of the costs associated with these and other services, using data on emergency room, hospitalization, ambulance, respite, detox, and incarceration costs in the state, with data from Blue Cross Blue Shield, Massachusetts Division of Health Care Finance and Policy, Boston Health Care for the Homeless Program, and the Massachusetts Departments of Public Health and Transitional Assistance.

United States Interagency Council Executive Director Philip Mangano hailed the new results, indicating: "Leadership at every level of government and in the private sector in Massachusetts - from Senate Ways and Means Chair Therese Murray to State Commission on Ending Homelessness creator Representative Byron Rushing - is continuing the working of abolishing homelessness in the Commonwealth." Director Mangano noted the work of MHSAs Director Joe Finn and Dr. Jessie Gaetano: "Their cost-oriented research is bringing the antidote of housing to people who are homeless and the remedy of results to public policy on homelessness."

The Massachusetts Legislature passed new line-item 4406-3010 for persons who are chronically homeless as part of the FY 2007 state budget. Funds were to be used for a portion of the service or housing components for program participants, with the expectation that federal or other state resources will be leveraged to finance additional needed service or facilities funds. The Legislature requested that an evaluation of this pilot program be performed, with a focus on the cost per participant and projected cost- savings in state-funded programs. The legislatively created commission developing a five-year plan to end homelessness in the state will release its report today.

Noted *The Boston Globe*: "Now the state should move past experiments and commit to long-term action. Progress is pending . . . Rather than spending so heavily on a crisis that is decades old, Massachusetts should invest in housing solutions that help people, and communities, thrive. "

USICH *e-news* 1/11/08