The Business Case for Ending Homelessness: Having a Home Improves Health, Reduces Healthcare Utilization and Costs

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In June 2008, my wife and I moved to downtown Asheville, NC, with our dog, Max. Max and I were out for a walk early every morning and late every evening. When I first started taking Max for walks, I would occasionally notice people who appeared homeless, and I became curious about the causes of homelessness and its solutions.

Now, in 2012, I rarely see a homeless person downtown. What has changed? One major change is that Asheville has instituted a viable 10-year plan to end chronic homelessness, and a group of more than 40 agencies are working together in the Asheville Homeless Coalition. I got involved initially by attending the 2008 annual Homeless Initiative Stakeholders meeting in Asheville and the meetings of Asheville Homeless Coalition, because I wanted to be a part of the solution.

As current President of the Board of Homeward Bound of Asheville, I have learned that housing ends homelessness. It is that simple. And housing provides the stability that people need to address unemployment, addiction, mental illness, and physical health. If we pair housing with supportive case management, people will be able to stabilize their lives, increase their self-sufficiency, and remain in housing. As of November 2011, Homeward Bound has housed 338 people, reporting an 89% housing retention rate.

I have also learned that by housing people, we are saving our community hundreds of thousands of dollars each year in unpaid healthcare costs. In a 2006 article in the *New Yorker*, Malcolm Gladwell wrote of "Million-Dollar Murray," relating how one person (Murray Barr) living on the streets in Reno, NV, cost that state $1 million in unpaid emergency department and medical costs.[1] This $1 million could have been saved if Murray Barr had been supported by housing.[1]

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I have learned that homelessness is a problem that can be solved, that housing is the answer, and that moving people from homelessness into housing results in significant improvements in health and access to healthcare. Ending homelessness is not only beneficial to the people who have moved into housing. It is beneficial to the community and to the healthcare system as well.

Healthcare Costs, Utilization

As people become stabilized in housing, their dependence on emergency services drops, and their health outcomes improve significantly. Consider the following facts on the cost of healthcare for the homeless:

- The majority of homeless people lack health insurance, a public provision for healthcare, or a primary care physician[2,3]
- Almost 33% of all visits to the emergency department are made by chronically homeless people. Emergency departments are not equipped to meet the psychosocial needs of homeless patients and do not have the capacity to assist them with housing, substance abuse treatment, or mental healthcare[2,3]
- Homeless people visit the emergency department an average of 5 times annually, and the most frequent users visit them weekly. Each visit costs $3700, amounting to $18,500 spent annually for the average user and up to $44,400 for the most frequent users[2,3]
- On average, homeless people spend 3 nights per visit in the hospital, which can cost more than $9000[2]
- According to Margot Kushel, MD, Associate Professor of Medicine, University of California, San Francisco, "Homeless people have higher rates of chronic health problems than the general or poverty population. This takes the form of higher rates of illnesses such as high blood pressure, heart disease, diabetes, lung diseases like asthma and chronic bronchitis, and HIV disease"[4]
- As many as 80% of emergency department visits made by people struggling with homelessness are for illnesses that could have been addressed through preventive care.[2]

The answer to reducing healthcare costs for people

who are homeless is supportive housing[5]:

- The provision of housing to homeless residents decreases by nearly 61% the number of visits they make to emergency departments
- Providing permanent supportive housing to the homeless community saves the taxpayer money:
  1. Healthcare costs are reduced by 59%
  2. Emergency depatment costs are decreased by 61%
  3. The number of general inpatient hospitalizations is decreased by 77%
- For members of the community who need assistance resolving their medical and/or psychosocial problems, permanent supportive housing is often the only successful approach to ending homelessness
- Safe and permanent housing can give residents the stability they need to organize their lives and maintain their health.

When homeless people are placed in supportive housing, many are qualified for healthcare coverage. More important, people who have housing are less apt to need healthcare services as often as those who have no housing.

The National Coalition for the Homeless points out that, "Homelessness and healthcare are intimately interwoven. Poor health is both a cause and a result of homelessness. The National Healthcare for the Homeless Council (2008) estimates that 70% of Healthcare for the Homeless clients do not have health insurance. Moreover, approximately 14% of people treated by homeless healthcare programs are children under the age of 15."[6]

When homeless people are placed in supportive housing, many are qualified for healthcare coverage. More important, people who have housing are less apt to need healthcare services as often as those who have no housing, as noted above.[5]

Recently, the Substance Abuse and Mental Health Services Administration (SAMHSA) announced grants to Asheville and 19 other communities to benefit homeless people.[7] The Cooperative Agreements to Benefit Homeless Individuals provide funding to offer support and housing for homeless people and those with mental and substance use disorders.[7] Because of their illness, these people have largely been excluded from the current healthcare system and are, therefore, relying on public "safety net" programs.

SAMHSA points out that "Last year alone approximately 20 million people who needed substance abuse treatment did not receive it and an estimated 10.6 million adults reported an unmet need for mental healthcare. As a result the health and wellness of the individual is jeopardized and the unnecessary costs to society ripple across America's communities, schools, businesses, prisons and jails, and healthcare delivery systems."[8]

The expansion of programs being supported by SAMHSA is a key to housing many people who are homeless and to significantly reducing the medical costs of these people to the healthcare system.

For people with chronic health conditions, Project IMPACT Diabetes offers an example of how 25 communities nationwide are coming together to improve health outcomes for those with chronic conditions who are homeless and uninsured.[9]

When I became a downtown property owner, I had some of the misperceptions that many people (including those involved in healthcare) have about people who are homeless.[10] Since I have become involved in groups who work to address homelessness, those myths have been dispelled for me, by learning about what causes homelessness, and how we can end it and reduce healthcare utilization and cost.

A common myth is that homeless people move to communities such as Asheville and Buncombe County because of our progressive social services. In fact, 71% of the people experiencing homelessness, according to last year's Point-in-Time Count data in Asheville, said that the last place they had stable housing was in Buncombe County.[11] That means that 71% of the people who live here without housing did not come here because they heard about our social programs; rather, they were community members with housing like you and me, but they have since lost their housing.

Housing Saves Healthcare Costs

I have learned that ending homelessness is a reasonable goal. This does not mean that no one will ever become homeless again; it does mean that if we address the housing needs of the people who are experiencing homelessness now, we will have more resources to prevent homelessness from happening in the future, or to respond quickly and effectively when a person loses his/her housing. Homelessness can be just a brief episode in one's life; if we use our resources wisely, no one in our community has to experience homelessness for the long-term.

Housing ends homelessness and reduces costs. The Homeward Bound of Asheville Housing First program costs about $10,000 per person annually, which is substantially less than it costs our community to maintain homelessness for any individual. We also end it by coor-

dinating our efforts and working together. The data confirm that we have had a drop in homelessness in Ashville during a time of budget cuts, high unemployment rates, and declining property values, thanks to the collaboration, accountability, and system efficiency that is emerging from our community-wide homeless initiative.[12]

The United States is at a national crossroads in terms of rapidly rising healthcare costs, and we need more community-wide leadership, volunteers, and donations to truly impact the way people experience a housing crisis. Homelessness affects the health and well-being of our entire community, and it is within our power to change the way we address it, and even end it.

Agencies working on homelessness do a lot with very little, helping hundreds of people to get out of homelessness, and even more people to avoid it completely. If we all—healthcare leaders, businesses, agencies, schools, faith groups, and neighbors—join together, we will see the experience of homelessness in our communities change for everyone.

Patient-centered medical homes have been getting much attention in the healthcare industry and in medical journals. An effective way for each of us who is engaged in healthcare to be involved in improving health outcomes and lowering costs is to support the effort to ensure that every American has a home.

Housing is healthcare. As we end homelessness one household at a time, we improve the health of our community members, we improve the fiscal well-being of our healthcare systems, and we improve the quality of life for everyone in our community. As the body of evidence supporting the tie between housing and healthcare continues to grow, those of us in the medical world would be wise to seek opportunities to invest in solutions to homelessness.

As healthcare professionals and community members, we must recognize our role as stakeholders in ending homelessness and take responsibility as informed leaders who can advocate for housing to end homelessness and improve health.

I got involved by walking my dog, and I look forward to the day when every person Max meets on the streets of Asheville has a place to call home and the healthcare benefits he or she needs.

You can get involved too. Visit the websites of the United States Interagency Council on Homelessness (www.usich.gov) and the National Alliance to End Homelessness (www.endhomelessness.org/section/solutions/ten_year_plan) to learn about national and local efforts on how to end homelessness. ■

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Author Disclosure Statement

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