# Medicaid Expansion

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## INTRODUCTION

Although Medicaid and homeless service providers generally serve some of the same populations, housing and health collaborations have not always been robust. COVID-19, however, underscored the need for collaboration: it placed a spotlight on housing instability and health inequities, particularly along racial and ethnic lines. As a result of the pandemic, Congress has made monumental investments in both housing and health. A big question still looms: Can the housing and health sectors maximize their collective resources and expertise in a coordinated way to comprehensively meet the needs of the most vulnerable? Housing and health partnerships are the key to helping many people experiencing homelessness get the supports they might need to become stably housed.

## BACKGROUND

One of the most important provisions of the "Affordable Care Act" (ACA) is the expansion of health coverage to low-income individuals through Medicaid. The ACA extends Medicaid eligibility to adults with no children whose incomes are at or below 138% of the federal poverty level. Prior to the ACA, this group was largely excluded from the benefit. To date, 39 states (including DC) have adopted Medicaid expansion (National Academy for State Health Policy, 2020).

Before the expansion, over 44 million non-elderly people were uninsured. Medicaid expansion has been a lifeline for some of the most vulnerable populations, including people experiencing homelessness. Under the expansion, vulnerable adults have access to a broad range of needed services, particularly specialty care, substance abuse treatment, and life-saving surgeries often out of reach for the uninsured. Medicaid also covers services for permanent supportive housing (PSH), which helps people remain housed and places them in a better position to manage their health and to reduce costs to the system.

Connecting people experiencing homelessness to health care has been even more crucial considering the devasting impacts of the pandemic on vulnerable populations: people experiencing homelessness were uniquely at severe risk for contracting COVID-19, given the prevalence of risk factors in homeless populations. Homelessness itself is a crisis and federal data shows that unsheltered homelessness among individuals grew by seven percent at a point in time in 2020, with some of the most vulnerable people with disabilities leading the increase. Also noteworthy, most minority groups continued to be overrepresented in the homelessness system. We saw similar disparities across racial and ethnic lines in terms of hospitalizations and deaths related to the pandemic. This is an opportune time to make an impact on homelessness, improve access to care, and address racial equity. There is now an abundance of available federal resources to address these issues, but the housing and health sectors must work strategically together to make sure the needs of the most vulnerable are appropriately met.

## HOUSING AND HEALTH INVESTMENTS

COVID-19 has induced states to greatly increased access to telehealth to ensure that Medicaid enrollees could receive services outside of their providers' regular sites. The added flexibility of telehealth may be helpful in using Medicaid resources to keep people experiencing homelessness safely and securely housed. Whether telehealth can be a reliable substitute for traditional health care will require further study, particularly whether it maintains or even exacerbate racial inequities.

In response to the pandemic, Congress has made unprecedented investments in housing that can help many people who are experiencing homelessness or at risk of homelessness. From the "American Rescue Plan Act" (ARPA), enacted in March 2021, billions of dollars are available to serve some of the most vulnerable populations:

- **HOME-ARPA** ($5 billion until 2030) – Helps people who are homeless or at risk of being homeless with supports like with tenant-based rental assistance, supportive services, homeless prevention services, and house counseling.
- **Emergency Housing Voucher Program** (EHV) – Provides $5 billion for 70,000 emergency housing vouchers for people experiencing homelessness or at risk of experiencing homelessness, including domestic and sexual violence survivors and victims of stalking and human trafficking.
- **Emergency Rental Assistance** (ERA) – Provides $21.6 billion for future rent or rental arrears, future utilities, and other housing related expenses up to 18 months for eligible households.
- **Home and Community Based Services** (HCBS) – provides states with a temporary 10 percentage point increase to the federal medical assistance percentage (FMAP) for certain Medicaid HCBS from April 1, 2021, through March 31, 2022. HCBS can be used to provide supportive housing services for people experiencing homelessness with acute needs. Including state matching funds, California by itself will have $1.3 billion in one-time ARPA funding that the state plans to spend on homelessness and has proposed that Medi-Cal managed care plans should be able to earn incentive funds for making investments and progress in addressing homelessness and keeping people housed.
- **Medicaid Expansion** – provides a 5% increase in FMAP for two years to states that implement expansion. The increased federal funds would more than offset the increased costs to states from expansion, although the increased federal funds would be only temporary.

There could be additional investments in affordable housing. The fate of the Biden Administration's "Build Back Better Act (BBBA)," a package of investments in child-care, income supports, health care, and affordable housing had not been decided before publication, but the $1.7 trillion dollar measure had passed the House of Representatives and was pending before the Senate.

Among the investments in affordable housing included in the BBBA are:

- $25 billion in permanent rental assistance, which is sufficient to fund 300,000 new housing vouchers over five years and maintain them until 2029;
- $15 billion for the national Housing Trust Fund to preserve and build homes that affordable to extremely low-income households; and
- $65 billion to restore to habitability tens of thousands of public housing units.

Three health care investments that were included in the that were included in the BBBA merit further discussion if enacted in future legislation, they would reduce racial disparities, improve health care for low-income people, and reduce homelessness.

- Bridging of Medicaid coverage gap: People living in non-expansion states would be able to buy coverage through the ACA marketplace with federal assistance from 2022 through 2025. The federal government would pay the full cost of the benchmark plan's premium and members of the target population would become eligible for subsidies that would significantly reduce their out-of-pocket costs.
- Match rate increase: The federal match rate would be increased from 90% to 93% from 2023 through 2025, making Medicaid expansion an even better deal for states.

- $150 billion to expand the HCBS program: Medicaid's HCBS program would be provided with $150 billion to expand home health care services and build a workforce that is more professional and experiences less turnover. Although not enough to eliminate the waiting lists for home health care in many states, this significant investment would allow more elderly and disabled people of modest means to live at home and avoid unnecessary institutionalization. In addition, states could use this investment to pay for supportive housing services for people with acute needs who have experienced homelessness, including those receiving housing choice vouchers.

Significant investments in both housing and health are a step in the right direction to ending homelessness and serving vulnerable populations. Learning how to braid all of these resources to achieve optimum outcomes, however, has its challenges. Both sectors need support for capacity building, and this includes state and local government agencies and community-based organizations (CBOs) that administer both housing and health services. Capacity is needed to create system-level linkages to allow for smoother pathways and simpler navigation of services for vulnerable people. For example, agencies offering HCBS may have no experience addressing homelessness or significant behavioral health needs. Homeless services or supportive housing CBOs usually have administrative structures built on grant funding, not on Medicaid billing. How do we connect the dots to fully take advantage of housing resources and the full scope of Medicaid benefits to make sure people experiencing homelessness are housed and have access to needed care? To leverage the new resources, CBOs will need to become better versed in government funding processes and various state and local players will need to build referral and collaboration capacity.

## POSSIBLE ACTION STEPS

- Develop training and tools/materials that simplify housing to health systems, and health to housing systems. What are the basic elements each must understand about the other and who are the appropriate players?
- Supporting the designation of a coordinator responsible for making connections across the sectors and helping to strategize about using housing and health resources to improve outcomes in a holistic way.
- Build Medicaid capacity among homeless service providers or build their capacity to form partnerships with Medicaid billing agencies/CBO to coordinate care.
- Work with state Medicaid programs to promote the use of any increased investment in Home and Community-Based Services for supportive housing services to help safely and securely house individuals and families with acute needs.