

#### EXECUTIVE CHAMBERS HONOLULU

DAVID Y. IGE GOVERNOR

March 15, 2017

### TO: The Honorable Representative Dee Morikawa, Chair House Committee on Human Services

FROM: Scott Morishige, MSW, Governor's Coordinator on Homelessness

SUBJECT: HCR 46 – REQUESTING THE AUDITOR TO CONDUCT A STUDY TO ASSESS THE IMPACT OF USING MEDICAID FUNDS TO PROVIDE COVERAGE FOR THE TREATMENT OF HOMELESSNESS.

> Hearing: Wednesday, March 15, 2017, 9:30 a.m. Conference Room 329, State Capitol

**POSITION**: The Governor's Coordinator on Homelessness appreciates the intent of the resolutions and provides comments.

**PURPOSE**: The purpose of this resolution is to request the State Auditor to conduct a study to assess the impact of using Medicaid funds to provide coverage for the treatment of homelessness, including the costs to provide coverage for the chronically homeless population in the State.

The Coordinator recognizes the strong intersection between healthcare and homelessness, and notes that providing stable housing can result in significant improvement in health outcomes and reductions in healthcare costs. For example, a preliminary analysis by the University of Hawaii Center on the Family of a subset of state Housing First clients found that based upon client report, estimated healthcare costs for clients dropped an average of 43% in the six months following housing placement – from an average of \$10,570 per client per month to \$5,980 per client per month.

The Department of Human Services (DHS) Med-QUEST Division is currently pursuing an amendment to its 1115 Medicaid waiver, which would expand eligibility for case management and supportive services for Medicaid-eligible individuals that are identified as chronically

homeless. By expanding Medicaid coverage, managed care health plans could potentially pick up some of the cost of state funding homeless outreach and housing placement activities that help people attain – and retain – housing. A study by the auditor will continue discussion on the use of Medicaid to address homelessness, and its findings will better inform future policy and programmatic decisions.

Finally, the Coordinator notes that this resolution is similar to SB2 SD2, Relating to Homelessness, which requires the auditor to conduct a similar study and appropriates an unspecified level of funds to support the study.

Thank you for the opportunity to testify on this measure.

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PANKAJ BHANOT DIRECTOR

BRIDGET HOLTHUS DEPUTY DIRECTOR

# STATE OF HAWAII DEPARTMENT OF HUMAN SERVICES

P. O. Box 339 Honolulu, Hawaii 96809-0339

March 15, 2017

- TO: The Honorable Dee Morikawa, Chair House Committee on Human Services
- FROM: Pankaj Bhanot, Director
- SUBJECT: HCR 46 REQUESTING THE AUDITOR TO CONDUCT A STUDY TO ASSESS THE IMPACT OF USING MEDICAID FUNDS TO PROVIDE COVERAGE FOR THE TREATMENT OF HOMELESSNESS.
  - Hearing: March 15, 2017, 9:30 a.m. Conference Room 329, State Capitol

**DEPARTMENT'S POSITION**: The Department of Human Services (DHS) appreciates the intent of the bill and offers comments.

**PURPOSE:** The purpose of House Continuing Resolution is to require the auditor to conduct a study to assess the impact of using Medicaid funds to provide coverage for the treatment for homelessness, homelessness, including the costs to provide coverage for the chronically homeless population in the State.

DHS recognizes and appreciates that there is an integral link between health and housing, especially for individuals who are chronically homeless. Without housing, individuals struggle to address their health conditions; and without addressing their health challenges, people struggle to obtain and retain housing. We also recognize the need for transformative approaches to providing and paying for services to address Medicaid.

For the past nine months, DHS Med-QUEST (MQD) actively engaged with various key Departments, community social service providers, health plans and community advocates for mental health and substance use recovery services on the expansion of "tenancy supports" or "permanent supported housing" benefits for chronically homeless individuals. These supportive services include behavioral health and case management services. Having the auditor conduct a study to assess the impact of using Medicaid funds to provide coverage for the "treatment of homelessness" would allow an informed discussion of this concept. DHS will be happy to collaborate and assist the auditor however we are able.

Of note for the committee's attention is the similarity of this measure to SB 2 SD 1 that also calls on the auditor to study the impact of using Medicaid dollars to address homelessness. It also appropriates an unspecified amount to cover the costs of the study.

Thank you for this opportunity to provide comments on these measures.

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## todd2 - Chloe

From:	mailinglist@capitol.hawaii.gov
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То:	HUStestimony
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Subject:	*Submitted testimony for HCR46 on Mar 10, 2017 09:30AM*

#### <u>HCR46</u>

Submitted on: 3/7/2017 Testimony for HUS on Mar 10, 2017 09:30AM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
T.J. Davies	Individual	Oppose	No

Comments:

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## todd2 - Chloe

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#### <u>HCR46</u>

Submitted on: 3/7/2017 Testimony for HUS on Mar 10, 2017 09:30AM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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