COMMONWEALTH of VIRGINIA

DEPARTMENT OF

BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES

ALISON G. LAND, FACHE
COMMISSIONER

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Thursday, December 3, 2020

The Honorable Janet D. Howell, Chair
Senate Finance Committee
14th Floor, Pocahontas Building
900 East Main Street
Richmond, VA 23219

Dear Senator Howell:

This report responds to Item 322 Z.2 of the 2020 Virginia Acts of Assembly requiring the Department of Behavioral Health and Developmental Services (DBHDS) to submit a report on Permanent Supportive Housing funds for adults with serious mental illness.

> *The Department of Behavioral Health and Developmental Services shall report on the number of individuals who are discharged from state behavioral health hospitals who receive supportive housing services, the number of individuals who are on the hospitals' extraordinary barrier list who could receive supportive housing services, and the number of individuals in the community who receive supportive housing services and whether they are at risk of institutionalization. In addition, the department shall report on the average length of stay in permanent supportive housing for individuals receiving such services and report how the funding is reinvested when individuals discontinue receiving such services. The report shall be provided to the Chairmen of the House Appropriations and Senate Finance Committee by November 1 of each year.*

Please find enclosed the report in accordance with Item 322 Z.2 Data are currently only available through February 29, 2020 due to pandemic-related delays in data access. Staff at the department are available should you wish to discuss this request.

Sincerely,

Alison G. Land, FACHE

cc: Vanessa Walker Harris, M.D.
Susan Massart
Mike Tweedy

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The Honorable Luke E. Torian, Chair
House Appropriations Committee
13th Floor, Pocahontas Building
900 East Main Street
Richmond, VA 23219

Dear Delegate Torian:

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Virginia Department of Behavioral Health & Developmental Services

Permanent Supportive Housing: Outcomes and Impact

(Item 322 Z.2)

December 3, 2020

DBHDS Vision: A Life of Possibilities for All Virginians

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Permanent Supportive Housing: Outcomes and Impact

Preface

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Permanent Supportive Housing: Outcomes and Impact

Table of Contents

Executive Summary

Permanent supportive housing (PSH) is an evidence-based practice for adults with serious mental illness (SMI) that has been implemented, refined, and studied for more than three decades. A notable subset of individuals with SMI are unstably housed or are homeless and, as a result, have poor behavioral health outcomes and are high utilizers of costly treatment and criminal justice resources. Multiple peer-reviewed research studies, including eight randomized controlled trials, have found that PSH is particularly effective in improving participants' housing stability and reducing their emergency department and inpatient hospital utilization.[1]

The two core components of the PSH model are (1) affordable rental housing and (2) community-based supportive services designed to assist individuals with improving behavioral health conditions and maintaining housing. PSH is widely endorsed as a critical resource to prevent unnecessary institutional stays and facilitate discharges from institutions for persons with disabilities as required by the Americans with Disabilities Act, as interpreted by the U.S. Supreme Court's Olmstead decision.

In state fiscal year 2020, the Virginia General Assembly appropriated more than $17 million to DBHDS to fund permanent supportive housing for very low-income individuals with SMI. DBHDS adopted evidence-based practice standards for permanent supportive housing from the federal Substance Abuse and Mental Health Services Administration (SAMHSA) to define the program model, operating standards, and evaluation framework for Virginia's PSH program. This report describes key characteristics of the program and its participants as well as statewide outcomes for the 1,129 individuals who were housed between February 6, 2016 and February 29, 2020.

Findings in this report support the value of investment in PSH for this population:

- PSH providers are effectively prioritizing individuals with extensive histories of homelessness and repeated, long-term use of institutional care before move-in.
- One hundred seventy-four individuals were discharged from a state psychiatric hospital into DBHDS PSH, and, overall, 263 individuals in PSH had a state hospital admission in the year before move-in.
- Eighty-seven percent of individuals served in PSH remained stably housed for at least one year.
- Only seven percent of those served have been discharged to an institutional setting or higher level of care.
- State hospital utilization for individuals served in PSH decreased 76 percent the year after move-in, resulting in avoided costs of $12.2 million.

[1] Center for Budget and Policy Priorities. (2016). Supportive Housing Helps Vulnerable People Live and Thrive in the Community. Retrieved from http://www.cbpp.org/research/housing/supportive-housing-helps-vulnerable-people-live-and-thrive-in-the-community#_ftn27

Permanent Supportive Housing Program Characteristics

Housing and Supportive Services Components

DBHDS uses a scattered-site approach where individuals choose their own rental unit from those available on the private market that meet HUD-established affordability standards for the community of residence. The majority of PSH funds are spent on rental subsidies. Individuals contribute approximately thirty percent of their income to rent as well. Other eligible housing costs include security deposits, application fees, and items such as furnishings needed to establish a household.

PSH funds also support the costs of housing stabilization services, related operational costs, and local program administration. PSH housing specialists assist individuals with locating and moving into housing; understanding the rights and responsibilities of tenancy; establishing and following a budget; communicating effectively with landlords and neighbors; utilizing community resources and supports; and improving household management skills. Housing specialists also coordinate with participants' behavioral health service providers to ensure their emerging needs are addressed proactively in order to promote housing stability, recovery, and quality of life, thereby reducing the over-utilization of costly institutional care.

Community behavioral health services received by PSH participants are provided by CSBs and private providers and are funded through other mechanisms including Medicaid; Medicare; and other federal, state, and local behavioral health funds. A key feature of the PSH model is that participants have access to a range of community-based behavioral health services that may change over time based on each individual's evolving needs, interests, and preferences. The type and intensity of behavioral health services provided varies, accordingly, by participant. Among the services accessed by PSH participants are Programs of Assertive Community Treatment (PACT), case management, peer support, mental health skill building, psychosocial rehabilitation, psychiatry, supported employment, and outpatient therapy.

Target Population

DBHDS PSH is deeply targeted to address two pressing issues faced by individuals with SMI in Virginia: institutionalization and homelessness.

Eligible sub-populations of individuals with SMI include:

- Individuals being discharged from state psychiatric hospitals
- Individuals leaving supervised residential settings
- Individuals who meet HUD's definition of chronic homelessness or who are literally homeless and at-risk of chronic homelessness
- Individuals who are unstably housed and frequently using hospitals, crisis services, and/or criminal justice interventions

Individuals being discharged from state hospitals are prioritized over applicants from other sub-categories.

PSH Providers and Unit Allocations

Nineteen CSBs and one non-profit are contracted to provide PSH. Unit allocations below reflect current funding obligations. Additionally, DBHDS monitors providers of Virginia's Auxiliary Grant in Supportive Housing (AGSH), and those units create additional PSH capacity as indicated in Table 1. Several communities have also successfully partnered with their public housing authority to leverage vouchers to provide PSH to individuals with SMI.

On February 29, 2020, 860 individuals were living in a DBHDS-funded PSH unit, and providers statewide were assisting approximately 30 new individuals each month with moving into PSH.

Table 1: PSH Unit Allocation (FY20)

PSH Provider	DBHDS PSH Units	Auxiliary Grant Supportive Housing Units	Leveraged Voucher Units	Total Units
Region 1	**198**	**0**	**45**	**250**
Northwestern	30	0	0	37
Region Ten	75	0	0	75
Valley	30	0	0	30
Rappahannock Area	30	0	0	30
Rappahannock - Rapidan	28	0	20	48
Harrisonburg-Rockingham	5		25	30
Region 2	**195**	**0**	**0**	**195**
Arlington	57	0	0	57
Pathway Homes (Alexandria, Fairfax, Prince William)	138	0	0	138
Region 3	**188**	**90**	**4**	**282**
Mt Rogers	45	35	4	84
Southside/Piedmont	6	15	0	21
Blue Ridge	95	40	0	135
Danville-Pittsylvania	42	0	0	42
Region 4	**172**	**0**	**0**	**172**
Henrico	30	0	0	30
District 19	30	0	0	30
Richmond Behavioral Health	112	0	0	112
Region 5	**352**	**0**	**20**	**372**
Chesapeake	15	0	10	25
Norfolk	131	0	10	141
Virginia Beach	72	0	0	72
Hampton-Newport News	134	0	0	134
Grand Total	**1,105**	**90**	**69**	**1,271**

Permanent Supportive Housing Participant Characteristics

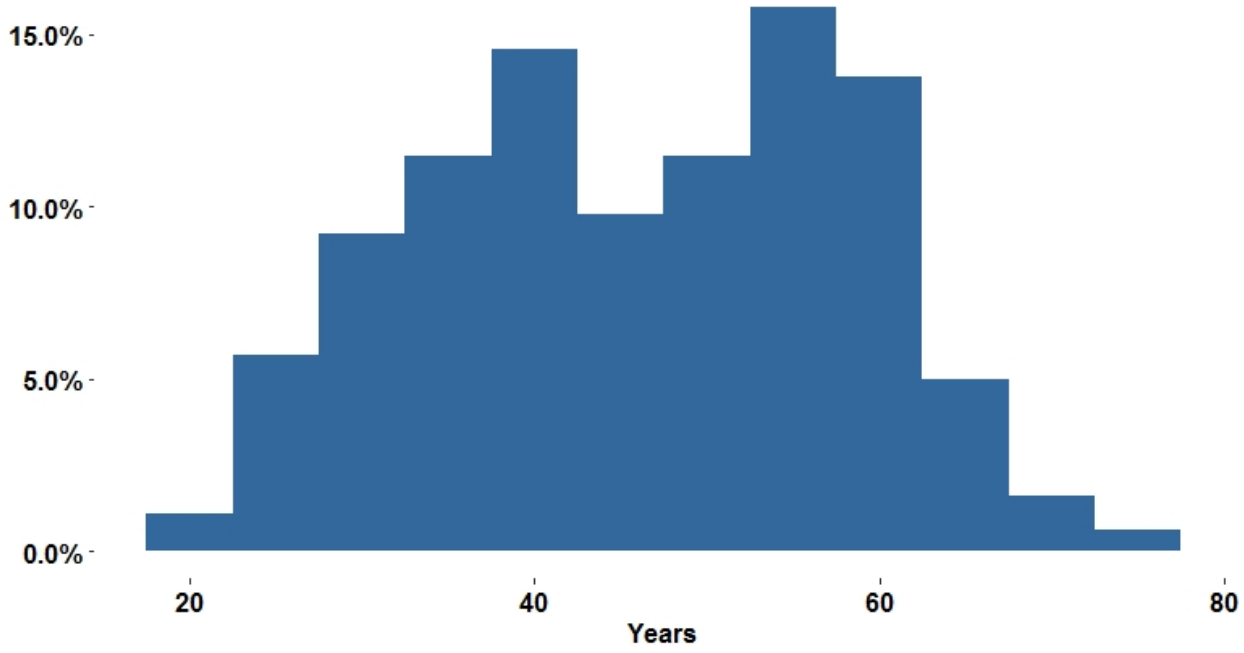
Data presented in this report is based on self-reports from individual interviews and client-level program data from each of the participating sites as well as administrative data from the Community Services Board (CSB) Community Consumer Submission 3 (CCS 3) and AVATAR (state psychiatric hospitals). Interview instruments included the Timeline Follow Back (TLFB) Inventory which measured individuals' housing history in the six months before their initial PSH move-in.

This report includes outcomes for the 1,129 DBHDS PSH participants who were housed between February 6, 2016 and February 29, 2020[2].

Demographics

The median age of an individual receiving PSH was 47 years. Age followed a bimodal distribution, with an older cohort of individuals whose ages clustered around 56 years and a younger cohort whose ages clustered around 36 years.

Figure 1: Two Age Cohorts



Most individuals receiving PSH were male. Almost half of those served were Black and nearly another half were White. Three percent of clients were Hispanic. Demographics are largely reflective of the population of single individuals experiencing homelessness in Virginia.

[2] Data for this report was available through this date from an existing database which is being replaced. New database implementation has been delayed by VITA due to COVID-related work backlog.

Table 2: Demographics

	Total		Total
N	**1,129**	**Race**	
Gender		White	47%
Male	62%	Black	49%
Female	38%	Asian	1%
Ethnicity		Native American	1%
Hispanic	3%	Native Hawaiian / Pacific Islander	0%
Non-Hispanic	97%	Multi-race	2%

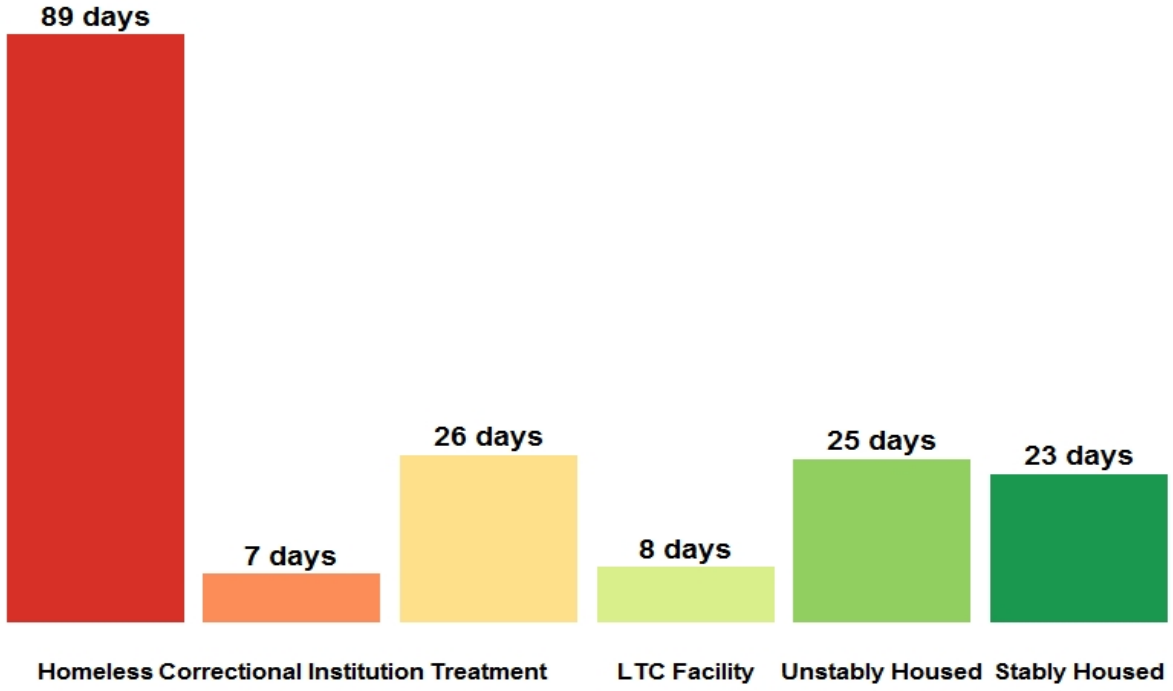
Living Situations Six Months before PSH Move-In

Individuals narrated their housing history using the TLFB inventory, including hospital stays, homeless stays, incarcerations, and stable living arrangements for the six months before they were housed with PSH. The large majority (67 percent) of individuals had at least one episode of homelessness before entering PSH, spending half their nights sleeping in emergency shelters, outdoors, or in other places not meant for human habitation.

Thirty-four percent of individuals spent at least one night in a treatment setting, averaging nearly four weeks spent in a hospital, crisis stabilization facility, or substance use disorder treatment program.

Only 18 percent of individuals reported even a single night in stable housing in the six months before moving into PSH, and the large majority cycled through multiple setting types, reflecting multi-system involvement and failed interventions.

Figure 2: Length of Stay by Setting Type (n = 1,129)



State Behavioral Health Hospital and Extraordinary Barrier List (EBL)

Many individuals served through PSH had an admission to a state psychiatric hospital before move-in. Overall, 263 individuals (23 percent) had a stay in a state hospital in the year before PSH enrollment. Through June 2020, 174 individuals (15 percent) were discharged to PSH directly from a state hospital.

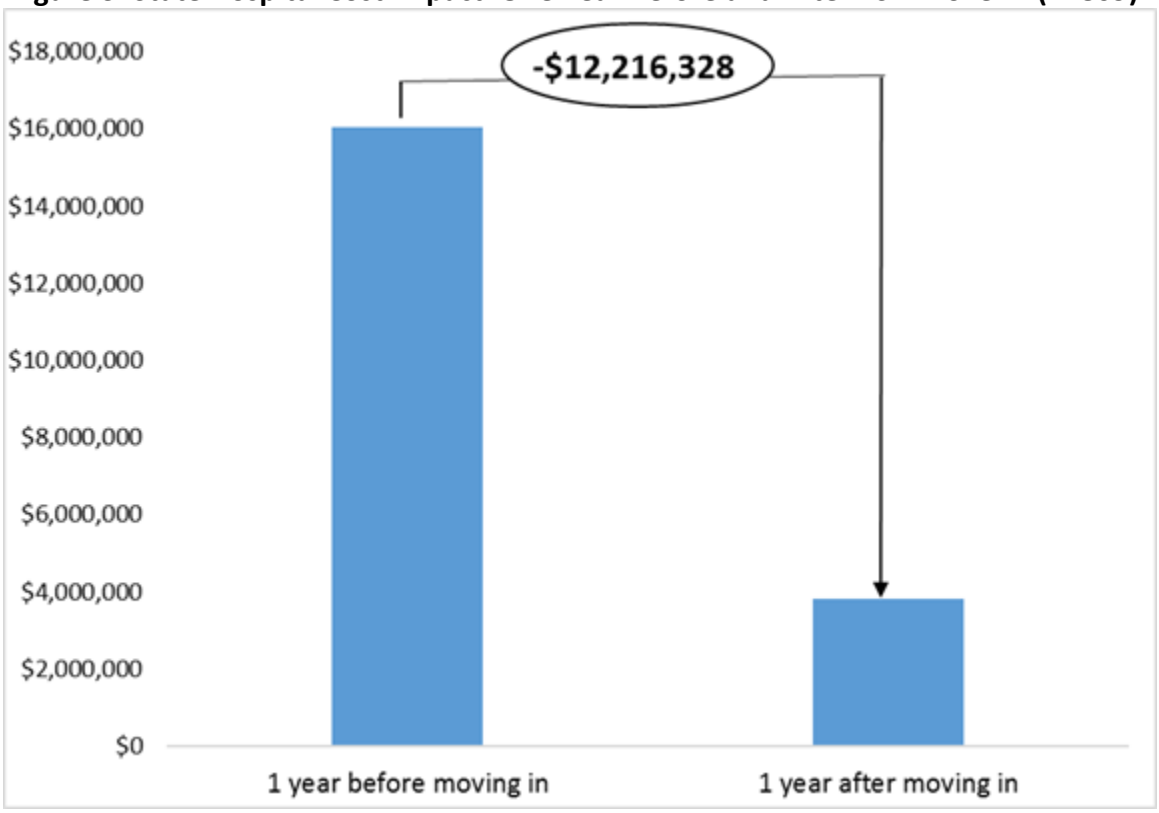
The Extraordinary Barriers List (EBL) includes individuals who are determined to be clinically ready to leave a state hospital, but who cannot safely return to the community due to lack of resources, capacity, or services, so remain in the hospital while these issues are addressed. In September 2020, state hospital treatment teams estimated that approximately eleven percent, or 25 of the 220 individuals on the EBL, were clinically appropriate for PSH.

Outcomes

State Behavioral Health Hospital Impact

State hospital utilization was examined for a cohort of 809 individuals who entered PSH at least one year before March 2020. The cost of state hospital bed days for this group in the year preceding PSH move-in was $16.0 million for 180 hospitalized individuals. The costs for 73 individuals hospitalized in the year after moving into PSH dropped 76 percent to $3.8 million resulting in state hospital cost reduction of more than $12.2 million for this cohort.

Figure 3: State Hospital Cost Impact: One Year Before and After PSH Move-In (n=809)



Housing Stability, Length of Stay, and Reinvestment of Funds at Turnover

Eighty-seven percent of all individuals who moved into PSH before March 2019 remained stably housed for at least one year. Average length of stay in DBHDS PSH was eighteen months. Overall length of stay was negatively skewed by the high volume of recent move-ins attributable to the significant expansion of PSH funding in recent years. For those who moved in at least 12 months before the end of this reporting period, length of stay was 22 months. For those who moved in at least 24 months before the end of this reporting period, length of stay was 27 months.

PSH programs maintain an active system of outreach and engagement to referral sources and eligible individuals. When an individual is discharged from PSH, providers identify the next eligible individual who meets the prioritization criteria, and assists them with securing housing and supportive services.

Individuals at Risk of Institutionalization

To analyze the risk of institutionalization of PSH participants, DBHDS examined rates of hospitalization and incarceration before and after PSH move-in as well as the number of individuals who have been discharged from PSH to a higher level of care or a correctional institution. Individuals in PSH spend fewer days in local and state hospitals and jails than they did in equivalent periods before move-in, and this lower utilization is sustained over time. Individuals are unlikely to be discharged to a higher level of care or to a correctional institution, reflecting low risk of institutionalization for PSH participants.

Of the 1,129 individuals served by a PSH program, 32 individuals, or less than three percent, were discharged from a program due to their need for a higher level of care. Ten of those individuals were discharged to a state hospital, and four were discharged while at a local hospital. In addition to hospitals, higher levels of care include nursing homes, assisted living facilities, group homes, and residential substance use disorder treatment programs. Twelve individuals have been discharged to one of these non-hospital higher levels of care. Forty-nine individuals, or four percent of PSH participants, were discharged during an incarceration. With some exceptions, DBHDS does not permit PSH providers to pay rental assistance on a unit when the tenant is not able to return for more than 90 days; therefore, longer incarcerations result in program discharge.

Table 3: PSH Discharges to Institutional Settings

Discharges to Institutional Settings	N	% of Total Served
Treatment Facility	**17**	**1.5%**
Psychiatric Hospital	14	1.2%
Substance Use Disorder Program	3	0.3%
Long Term Care Facility	**9**	**0.8%**
Group Home	3	0.3%
Nursing Home	1	0.1%
Assisted Living Facility	4	0.4%
Intermediate care facility	1	0.1%
Correctional Institution	**49**	**4.3%**

Conclusion

Overall, individuals who are enrolled in PSH experience dramatic improvements in housing stability and rely less on emergency, crisis, and inpatient care while increasing their use of community-based behavioral health services. PSH participants also increase their incomes and access to health insurance. Together, these changes reflect improved recovery outcomes and self-sufficiency, reduced public costs, and the value of PSH as a foundational community behavioral health intervention.