COMMONWEALTH of VIRGINIA

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March 1, 2024

To: The Honorable L. Louise Lucas, Chair, Senate Finance and Appropriations Committee
The Honorable Luke Torian, Chair, House Appropriations Committee

From: Nelson Smith, Commissioner, Department of Behavioral Health and Developmental Services

RE: Item 313 Z.2, 2023 Virginia Acts of Assembly

Item 313 Z.2. of the 2023 Virginia Acts of Assembly requires the Department of Behavioral Health and Developmental Services (DBHDS) to report on the number of individuals who are discharged from state behavioral health hospitals who receive supportive housing. The language reads:

Z.2 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 313.Z.2 DBHDS staff are available should you wish to discuss this request.

cc: Secretary John Littel

DBHDS

Virginia Department of Behavioral Health and Developmental Services

Permanent Supportive Housing: Outcomes and Impact Report
(Item 313 Z.2 of the 2023 Virginia Acts of Assembly)

March 1, 2024

DBHDS Vision: A Life of Possibilities for All Virginians

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Item 313 Z.2 Permanent Supportive Housing

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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. Individuals with SMI who are unstably housed or homeless have resulting poor behavioral health outcomes, and are high utilizers of costly treatment and criminal justice resources. PSH is particularly effective in improving participants' housing stability and reducing emergency department and inpatient hospital utilization.[1]

The two core components of the PSH model are (1) affordable rental housing that is leased by the tenant under standard terms and (2) community-based supportive services designed to improve behavioral health conditions and maintain 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 FY 2023, the Virginia General Assembly appropriated over $45 million to DBHDS to fund PSH for very low-income individuals with SMI. DBHDS adopted federal evidence-based practice standards for PSH 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 1,921 individuals who were housed between February 6, 2016 and June 30, 2023. Findings in this report support the value of investment in PSH for this population:

- Nearly half (48 percent) of PSH participants were hospitalized in a state psychiatric hospital at some point in their lifetimes.
- 293 individuals were discharged from a state psychiatric hospital into DBHDS PSH, and overall, 393 individuals in PSH for at least 12 months had a state hospital admission in the year before move-in.
- 91.6 percent of individuals served in PSH remained stably housed for at least one year.
- Only 9.6 percent of those served since program inception have been discharged to an institutional setting or higher level of care.
- State hospital utilization decreased 76 percent the year after PSH move-in, resulting in avoided costs of $30.4 million.

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

[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

contribute approximately 30 percent of their income to rent, as well. Other eligible housing costs include security deposits, application fees, and household items, such as furnishings.

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 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 Community Services Boards (CSBs) and private providers and are funded through Medicaid, Medicare, and other federal, state, and local behavioral health funds. 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 Assertive Community Treatment (ACT), case management, peer support, mental health skill building, psychosocial rehabilitation, psychiatry, supported employment, and outpatient therapy.

Target Population

DBHDS PSH is targeted to address two pressing issues faced by individuals with SMI in Virginia: institutionalization and homelessness. Individuals being discharged from state hospitals are prioritized over applicants from other prioritization categories.

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.

PSH Providers and Slot Allocations

In FY 2023, DBHDS contracted with 26 CSBs and one non-profit to provide PSH. Slot allocations in Table 1, below, reflect FY 2023 funding obligations. Additionally, DBHDS selects and monitors providers of Virginia's Auxiliary Grant in Supportive Housing (AGSH) setting, and those slots create additional PSH capacity. Several communities have also successfully partnered with their public housing authority to secure a commitment or leveraged vouchers to provide PSH to individuals with SMI. Each type of slot is operated according to best practice standards for PSH, using the staffing structure of a single, local program, some of which use multiple housing funding sources.

Table 1: PSH Slot Allocation by Provider (FY 2023)

PSH Provider (CSB unless indicated by *)	DBHDS PSH Slots	AGSH Slots	Leveraged Vouchers	Total Slots
Region 1	**479**	**0**	**45**	**524**
Harrisonburg-Rockingham	50	0	25	75
Horizon	30	0	0	30
Northwestern	67	0	0	67
Rappahannock - Rapidan	52	0	20	72
Rappahannock Area	65	0	0	65
Region Ten	95	0	0	95
Valley	120	0	0	120
Region 2	**280**	**0**	**0**	**280**
Arlington	80	0	0	80
Pathway Homes* (Alexandria, Fairfax, Prince William)	200	0	0	200
Region 3	**428**	**120**	**4**	**552**
Blue Ridge	135	40	0	175
Danville-Pittsylvania	57	0	0	57
Highlands	45	15	0	60
Mt Rogers	100	45	4	149
New River Valley	45	5	0	50
Piedmont	13	8	0	21
Southside	33	7	0	40
Region 4	**322**	**0**	**0**	**322**
Chesterfield	30	0	0	30
District 19	60	0	0	60
Henrico	60	0	0	60
Richmond Behavioral Health	172	0	0	172
Region 5	**641**	**0**	**20**	**661**
Chesapeake	40	0	10	50
Colonial	25	0	0	25
Hampton-Newport News	174	0	0	174
Norfolk	181	0	10	191
Portsmouth	30	0	0	30
Virginia Beach	142	0	0	142
Western Tidewater	49	0	0	49
Total	**2,150**	**120**	**69**	**2,339**

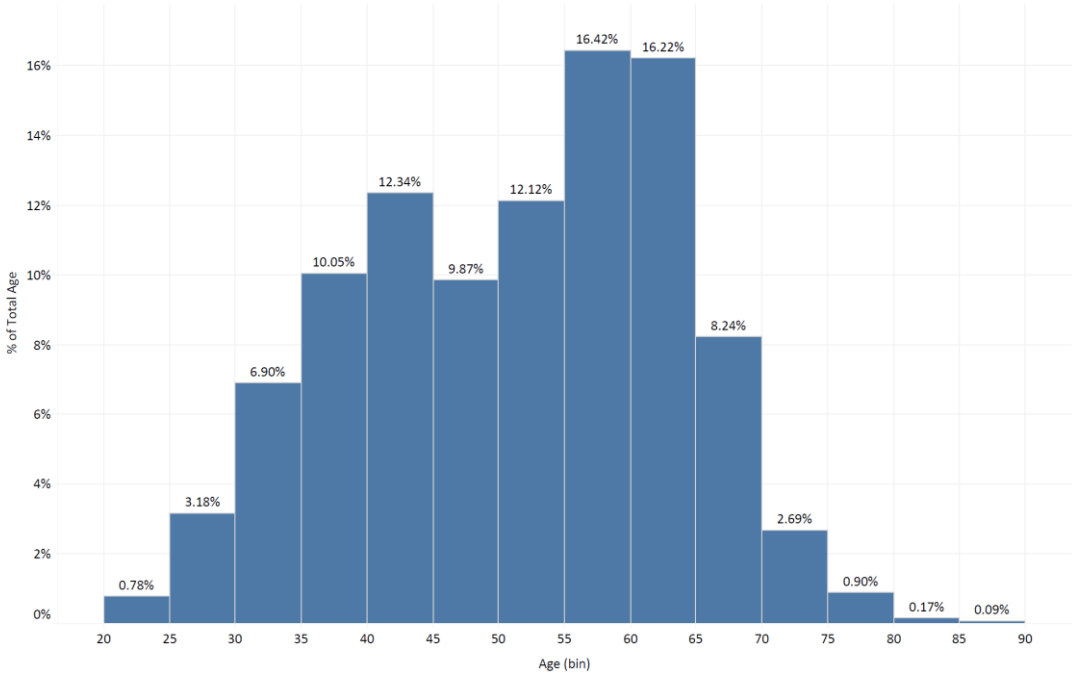
Permanent Supportive Housing Participant Characteristics

Data presented in this report is based on self-reports from structured interview tools, client-level program data from DBHDS's PSH Outcomes database utilized by each of the participating sites, administrative data from the Community Services Board (CSB) Community Consumer Submission 3 (CCS_3), and AVATAR (state psychiatric hospitals). This report includes outcomes for the 1,921 DBHDS PSH participants who were housed between February 6, 2016 and June 30, 2023.

Demographics

Both the median and average age of an individual receiving PSH was 47 years. Based on the distribution seen in Figure 1, below, there are two clear peaks, one in the 35-45 age range and another in the 55-65 age range.

Figure 1: Age Distribution by Percentage



The trend of % of Total Age for Age (bin). The marks are labeled by % of Total Age. The data is filtered on Move In Date, Source, IsActive (ProgramEnrollment), Age (bin) and Is Active. The Move In Date filter ranges from 1/1/2015 to 6/30/2023. The Source filter keeps DBHDS SMI. The IsActive (ProgramEnrollment) filter keeps True. The Age (bin) filter excludes 6 members. The Is Active filter keeps True. The view is filtered on % of Total Age, which keeps non-Null values only. Percents are based on each row of the table.

Gender, race, and ethnicity, shown in Table 2 below, are largely reflective of the population of single individuals experiencing homelessness in Virginia. Sixty percent of PSH participants were homeless (living in shelters or on the streets) before move-in.

Table 2: Gender, Race, and Ethnicity of PSH Participants

	Total		Total
N	**1,921**		
Gender		**Race**	
Female	38.68%	Asian	1.15%
Male	57.63%	Black	44.66%
Unknown	3.70%	Multi-race	3.90%
Ethnicity		Native American	0.94%
Hispanic	2.98%	Native Hawaiian / Pacific Islander	0.10%
Non-Hispanic	90.56%	Unknown	2.71%
Unknown	6.46%	White	46.59%

State Behavioral Health Hospitals and PSH Access

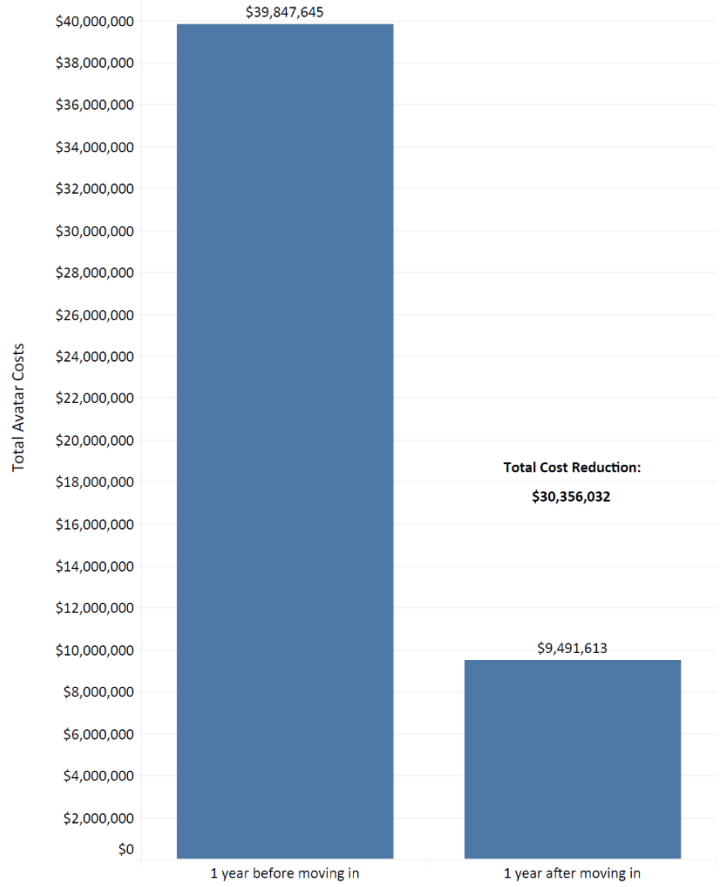
Nearly half, or 47 percent, of individuals served through PSH had an admission to a state psychiatric hospital in their lifetime. Overall, 393 individuals (20 percent) had a stay in a state hospital in the year before PSH enrollment, and 293 individuals (15.2 percent) accessed PSH as part of their state psychiatric hospital discharge plan.

Outcomes

State Behavioral Health Hospital Impact

State hospital utilization was examined for a cohort of 1,666 individuals who entered PSH at least one year before June 2023. The cost of state hospital bed days for this group in the year preceding PSH move-in was $39.8 million for 393 hospitalized individuals. The costs for 145 individuals hospitalized in the year after moving into PSH dropped 76 percent to $9.4 million, reflecting state hospital cost reduction of more than $30.35 million for this cohort.

Figure 2: State Hospital Cost Impact: One Year Before and After PSH Move-In (n=1,666)



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

Of all individuals who moved into PSH before June 2022, 91 percent remained stably housed for at least one year. The average length of stay for all individuals in PSH was 42 months. Length of stay data is skewed shorter due to the significant number of new move-ins each year as programs expand with increased state investment.

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 assist them with securing housing and supportive services.

Individuals at Risk of Institutionalization

To analyze the risk of institutionalization of PSH participants, prior DBHDS reports 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.

Higher levels of care than PSH programs include hospitals, nursing homes, assisted living facilities, group homes, and residential substance use disorder treatment programs. Of the 1,921 individuals served by a PSH program, 184 (9.6 percent) were discharged due to their need for a higher level of care. Of those individuals, 26 were discharged to a state hospital and 11 were discharged while in a local hospital. In addition, 93 individuals were discharged during an incarceration. PSH discharges for incarcerated individuals may occur when individuals are detained or serving sentences of more than 90 days. Table 3, below, shows PSH discharges to institutional settings.

Table 3: All PSH Discharges to Institutional Settings (FY 2016 – FY 2023)

Discharges to Institutional Settings	N	Percentage of Total Served
Treatment Facility	**55**	**2.86%**
Psychiatric Hospital	45	2.34%
Substance Use Disorder Program	10	0.52%
Long Term Care Facility	**36**	**1.87%**
Group Home	4	0.21%
Nursing Home	10	0.52%
Assisted Living Facility	20	1.04%
Intermediate care facility	2	0.10%
Correctional Institution	**93**	**4.84%**

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. These positive outcomes are achieved while PSH providers are effectively targeting individuals with significant support needs, including those being discharged from state hospitals. Together, these changes reflect improved recovery outcomes and self-sufficiency, reduced public costs, improved community integration, and the value of PSH as a foundational community behavioral health intervention.