Hearth Connection and the Medica Supportive Housing Program

Hearth Connection first conceived of the Medica Supportive Housing Program in 2011. It was born out of the priorities in Hearth Connection’s Strategic Plan for 2012-14. We created it to address the housing, social service and medical needs of health system clients who are experiencing long-term homelessness and chronic illness or disabilities. The initiative offered participants supportive housing designed to achieve housing stability, improve well-being and decrease reliance on emergency and inpatient medical care. Hearth Connection paired supportive services (funded by Medica) with rental assistance (funded by HUD and/or Minnesota Housing). Each provider utilized the same service approach used by all Hearth Connection providers, which leans heavily on Housing First and Harm Reduction principles. The project built upon the work of Hearth Connection’s Hospital-to-Home pilots delivered by Guild Incorporated at Regions Hospital and by Avivo (formerly Resource, Inc.) at Hennepin County Medical Center.

The project began enrolling participants in December 2012. Hearth Connection contracted with Guild Incorporated, Avivo, People Incorporated and Mental Health Resources to be the direct service providers in the Twin Cities metro area, along with Human Development Center (serving only five participants at a time) in Duluth. Over the course of the project we served 140 participants in 138 households.

Evaluation

In June 2014, Medica’s Healthcare Economics department released their Interim Economic Evaluation of the project. When they compared our participants to a control group and they looked at the time period of six months before housing until six months after housing, they found savings of $752 in medical claims per participant per month. They cautioned, however, that this difference was not deemed to have statistical significance.

In June 2015, Medica’s Healthcare Economics department released an Economic Evaluation of the project. Similar to the previous report, they found savings of $550 per participant per month when comparing our participants to a control group. But again, they cautioned that the difference was not statistically significant. The same analysis showed even larger savings for participants with higher

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1 Strategic Priority 1: Create, test, implement, and disseminate scalable innovations that strengthen and distinguish Hearth Connection’s service model and supportive housing approach and Strategic Priority 2: Integrate health care systems with supportive housing.

2 http://harmreduction.org/about-us/principles-of-harm-reduction/

https://endhomelessness.org/resource/housing-first/
morbidity levels, as measured by Resource Utilization Band (RUB) scores, when compared to their matched control population – participants with the highest RUB score (5), for example, showed savings of over $1000 per participant per month when compared to the control population.

Even though the small sample sizes in the Economic Evaluation(s) meant it was more difficult to demonstrate statistical significance in the results, Hearth Connection continued to adjust the program with a goal of demonstrating additional savings while not detracting from our participants’ experiences. To that end we implemented our Flexible Caseload model in this project, a model that reduced per-household service costs by 46% when we implemented it in our Metro Regional Project to End Homelessness. We also shortened our referral-search period from two months to one, after an examination of our data revealed that we were not finding a significant number of referrals during the second month.

**Project Conclusion and Next Steps**

However, a change in funding priorities at Medica meant the end of this project. In February 2016, Hearth Connection received word from Medica about their intent to terminate the contract/project. In the following two months we held meetings with staff, board members, providers and other stakeholders about the end of the project. While the contract with Medica provided a reduced level of services payment for two months after contract end, Hearth’s contract with providers obliged us to continue payment for 2-4 months longer. We worked with our providers to ensure that none of the 98 currently-enrolled participants went homeless as a result of the program ending.

Many participants were transferred to “TCM teams” in other departments of our provider agencies. These teams rely on Medicaid-reimbursable supportive services while obtaining rental assistance from Hearth or other programs. Where capacity existed, participants were transferred into Hearth Connection’s Regional Project teams. In November 2017, almost 18 months after the official end of the contract, 84% of those participants maintained their housing in a Hearth-related program.

**Further Evaluation**

Data provided by Medica at the end of the project showed additional information about reductions in claims costs. As the following chart indicates, for all participants housed with us for at least two years, their total claims allowed went from a yearly average of $30,453 to $19,935, a reduction of 35%. Additionally, those same participants have lowered their total claims costs to an average of $16,029 in the year since the program ended.
The original contract stipulated that Hearth Connection would provide supportive services and assist in obtaining and keeping rental assistance for up to 108 participants. We exceeded those original objectives. That fact, along with results like these reductions in claims costs lead us to consider this project a success. Hearth Connection created a public-private partnership that resulted in increased stability in housing for 140 people in Minnesota. Concurrent with this increased stability, employed program participants increased median monthly income by almost 40% from first month of enrollment to last, and we increased signups for social security benefits by over 10% for participants who qualified.

Medica continues to provide health insurance products to its 1.2 million members across Minnesota and its neighboring states. Medica and the Medica Foundation continue to fund community projects designed to improve the health of all Minnesotans.

Hearth Connection currently operates four regional projects across 46 counties in Minnesota, serving over 750 families and 1400 participants each year. In addition, Hearth Connection has five different pilot projects in operation around the state, continually looking for new, successful innovations in support of our mission: To build relationships, resources, infrastructure and understanding, so that no one in Minnesota remains homeless, and people who were homeless can prosper.