

# SOCIAL IMPACT RESEARCH CENTER

A HEARTLAND ALLIANCE PROGRAM

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## FOR IMMEDIATE RELEASE

**Chicago, IL, October 4, 2016** – A new report from Heartland Alliance’s Social IMPACT Research Center has found that Illinois has an opportunity to help permanent supportive housing providers—which have struggled to keep their doors open due to the state budget crisis—better serve people at risk of homelessness by making it easier for them to use Medicaid to fund their services. The report found that there are significant barriers to using Medicaid to fund supportive housing services.

### [Read the full report](#)

The report, which analyzed data from a survey of 40 permanent supportive housing providers in Illinois and interviews with fourteen key stakeholders in the field, found that:

- Only half of permanent supportive housing providers in Illinois bill Medicaid to support their services.
- Many supportive housing providers lack certain organizational capacities needed to effectively bill Medicaid, such as administrative and clinical staff, electronic medical records and billing software, and quality assurance procedures.
- The process of enrolling as a Medicaid provider in Illinois is confusing and difficult for many supportive housing providers.
- Permanent supportive housing providers that bill Medicaid struggle with inadequate reimbursement rates, high administrative costs due to burdensome billing and documentation requirements, negotiating contracts and maintaining relationships with Managed Care Organizations, and limitations on the services they can provide and how they can provide them.
- Medicaid-billing permanent supportive housing providers largely recommend that others become Medicaid billers, finding that Medicaid helps diversify their funding streams in a time of financial uncertainty. For example, 90 percent of permanent supportive housing providers that do not bill Medicaid laid off staff due to the state budget crisis, compared to just 50 percent of Medicaid-billing supportive housing providers.

“Making Medicaid more accessible to permanent supportive housing providers means that they will be better equipped to help Illinois’s most vulnerable residents become healthier and more stably housed,” said Katie Buitrago, report author and senior research associate at the Social IMPACT Research Center at Heartland Alliance. “Despite the significant interest in Medicaid from supportive housing providers, a wide range of barriers make it difficult for them to use this important resource.”

The reports highlight several promising partnership models that support health-related services in permanent supportive housing, without permanent supportive housing providers needing to take on the costs of being a Medicaid biller. One model, Health Neighborhoods,

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involves a partnership between Heartland Health Outreach (HHO) and four permanent supportive housing providers where HHO leases housing provider staff and trains them to administer Medicaid-billable services to residents, making it easier for residents to access healthcare where they live rather than in a clinic.

“We expect that the Health Neighborhood model will result in better health outcomes for our patients who are residents of permanent supportive housing, who often have complex health needs,” said Ed Stellon, Executive Director of Heartland Health Outreach. “By better integrating housing and healthcare, we can address health at a holistic level.”

A number of solutions to tackle these barriers are explored in this report and are geared towards service providers, managed care organizations, and policymakers. Some of these recommendations are incorporated in a recent [proposed revision](#) to Illinois’s Medicaid regulations, including the creation of a supportive housing benefit that would allow providers to use Medicaid to fund pre-tenancy and tenancy support services. There are still many steps Illinois should take to lower barriers to Medicaid for permanent supportive housing providers that were not included in the proposed revision, including:

- Simplifying billing and documentation requirements
- Reducing the challenges associated with becoming a certified Medicaid provider
- Adequately funding existing permanent supportive housing funding streams

“While the proposed changes to Illinois’s Medicaid rules are an important step forward, there are still many aspects the rules that make it hard for permanent supportive housing providers to access Medicaid,” said Dan Rabbitt, project manager for health policy at Heartland Alliance. “We urge the state to continue to explore innovative payment and contracting mechanisms, review and increase rates for services, reduce duplicative and complex provider enrollment requirements, and maintain supportive housing grants through the state budget.”

The current budget crisis and several years of chronic underfunding has left service providers in a crippling financial state, and if their doors were to close, it would mean a devastating loss to the participants who use their services, many of whom experience complex health conditions, are at risk of homelessness, or who have serious mental illness or other disabilities.

Supportive housing providers play an important role in addressing issues, like homelessness, by not only providing an affordable place to live, but also critical services that help people keep their homes, improve their health, the opportunity to live in the community, and achieve long-term housing stability.

[Read the full report](#)

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**Heartland Alliance for Human Rights & Human Needs** – Heartland Alliance, one of the world’s leading anti-poverty organizations, works in communities in the U.S. and abroad to serve those who are homeless, living in poverty, or seeking safety. It provides a comprehensive array of services in the areas of health, housing, jobs, and justice – and leads state and national policy efforts, which target lasting change for individuals and society. For more information visit,

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**Heartland Alliance Research & Policy** - Heartland Alliance's Research & Policy Division focuses on the realization of human rights through ending poverty, racism, and injustice by engaging in research on social issues and solutions, policy and systems change, and field building nationwide. Learn more at <https://www.heartlandalliance.org/get-informed/research-policy-landing>.

**Heartland Health Outreach** - The health care partner of Heartland Alliance for Human Needs & Human Rights, HHO was founded in 1985 as a Health Care for the Homeless demonstration project, funded by the Robert Wood Johnson Foundation and the Pew Charitable Trust. Today, it is a community health organization dedicated to addressing the lack of quality care for Chicago's many disenfranchised populations, including people who are homeless, poor, HIV positive, mentally ill, addicted, and immigrants or refugees.

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