

Public Comment by Charles Duarte
Committee to Study Issues Regarding Affordable Housing
May 31, 2018

Good afternoon Chair Ratti and members of the committee,

My name is Charles Duarte, CEO for Community Health Alliance (CHA). CHA is a non-profit community health center serving more than 30,000 individual patients in Washoe County. We provide an array of health care services including primary medical care, dental services, behavioral health care and nutrition services. Many of our patients are housing insecure and more than 1,000 are homeless. I also serve as the chair of the Washoe Regional Behavioral Health Care Policy Board, established by the Legislature through A.B. 366. Today, I am here to support two work session items identified on Tabs E and F of the Work Session document.

Medicaid Section 1915(i) – Tab E

I want to thank Senator Ratti and the committee for bringing this item forward. It is important to understand that housing is healthcare. Health can only occur when someone has stable tenancy in safe living conditions.

While Medicaid is a significant component of state budgets, as few as 5% of Medicaid enrollees account for 40-50% of Medicaid expenditures. These individuals are often called “super-utilizers.” These enrollees are sometimes called “Million Dollar Murray” after the 2006 Malcolm Gladwell article describing an individual who frequented hospital emergency rooms and jail cells.

Common factors of these so-called super-utilizers are mental-illness and an inability to maintain long-term housing tenancy. Without help they end up cycling in and out of hospitals and even worse, jails. Most die prematurely due to frequent co-morbid chronic disease, substance use and/or injury.

Section 1915(i) of the Social Security Act allows states to implement programs to support these individuals in long-term tenancy through case management. Medicaid can pay for vital supportive housing and employment services, providing a stable revenue stream for providers to help these clients. With stable tenancy, case managers can work with the patient to be compliant with medication, and potentially recover to the point of re-engaging in employment and the community.

This is not only the morally right thing to do, it also saves money. The National Governor’s Association report called Housing as Health Care: A Road Map, provides evidence that suggests providing housing to certain high-need, high-cost patients can transform lives and have a very meaningful return on investment. Medicaid savings from reduced emergency room and hospital utilization may be pulled out and returned to help pay for additional housing; something Medicaid on its own cannot cover.

There are a number of essential concepts of successful 1915(i) programs:

- Implement a No Wrong Door program. A single point of entry for determining eligibility is vital.

- Person-Centered Planning. While a common array of supportive services are covered, unique care plans are developed with the person at the center.
- Medicaid dollars support community capacity. It is essential to avoid programs that are unique to a particular payer, or Medicaid managed care plan, and instead support and develop qualified community-based organizations.
- Prioritize Medicaid Savings. Medicaid state general fund savings need to be re-prioritized into funding for housing (something Medicaid federal funds cannot pay for) and additional services.

Nevada Affordable Housing Tax Credit Program – Tab F

The committee is also considering a work session item proposing a 4-year pilot authorizing up to \$10 million of transferrable tax credits per fiscal year beginning in FY 2020 and ending in FY 2023, not to exceed a total of \$40 million, to be administered by the Housing Division of the Department of Business and Industry. The program will be used in combination with the existing federal and state affordable housing programs administered by the Housing Division to provide gap funding for affordable housing projects. This funding will potentially create as many as 600 new housing units available for low-income households.

At CHA, almost 80% of our 30,000 patients have incomes below 200% of the Federal Poverty Level (about \$24,300 for a family of four). Many of these working families are forced to pay a significant portion of their income on housing, crowding out other essential household expenditures. Creating more affordable housing units in Nevada will help many working families who often struggle to maintain a roof over their heads. Without that, you cannot have health.

Thank you. I am happy to answer any questions from the committee.

Submitted by:

Charles Duarte, CEO
Community Health Alliance
680 S. Rock Blvd.
Reno, NV 89502

PH: 775-336-3017
Email: cduarte@chanevada.org