Denver Social Impact Bond (SIB) Initiative & FUSE Supportive Housing Programs

NCSL’s Opioid Policy Fellow Meeting
Why consider PFS?

- Expand and improve outcomes for vulnerable populations
- Shift government’s focus to measuring and paying for outcomes, not just activities
- Leverage new financial resources to directly fund an evidence-based intervention
- Provide an opportunity to bring together diverse stakeholders focused on meeting the needs of a vulnerable population
Denver SIB Project Overview

- Provides housing and supportive case management services to 250 homeless individuals who frequently use the city’s emergency services, including police, jail, the courts and emergency rooms.

- Addresses the underlying causes of homelessness, including mental illness and substance abuse, while also reducing costs in the criminal justice and emergency health systems in the City of Denver.

- 5-year term ending in 2021

- Evaluation: Randomized Control Trial

- Focuses on two primary outcomes:
  - Increased housing stability
  - Reduced jail bed days
Denver SIB Target Population

- Front-end frequent users that drive up public service costs and cycle in and out of jail, detox, and emergency medical services.

- The project targets individuals who have at least 8 arrests over three years and identified as transient (having no address or providing the address of a shelter) at the time of arrest.

- Arrest data from 2012-2014 makes the sample size is approximately 1,400 individuals.
  - List refreshed annually – the full list is now approximately 2,700
Why this group?

- Each year, 250 chronically homeless individuals account for:
  - 14,000 days in jail
  - 2,200 visits to detox
  - 1,500 arrests
  - 500 emergency room visits

- Each year, the average cost to taxpayers per individual is $29,000, resulting from jail days, police encounters, court costs, detox, ER and other medical visits.

- Each year, the City spends approximately $7 million on 250 individuals to cover the expenses above.
Repayment Triggers

• Repayment to investors is contingent upon the achievement of the program’s outcome targets.

• The total City of Denver payments will range from $0 up to the maximum success payment of $11.42 million.

• Based upon previous studies, the expected outcomes are:
  • 35-40% reduction in jail bed days and
  • 83% housing stability among the target population

• Achieving “base cases” listed above would result in a payment near $9.5 million.
  • The repayment will be less if outcomes are not achieved.
Leveraging Model

- **New Construction – 2 x LIHTC**
  - Project-Based Vouchers from both State and City Public Housing Authorities

- **Scattered-site vouchers**
  - CoC
  - HSP

- **Medicaid**
  - Decreasing provider budgets over time
Outcomes through July 2018
The SIB Population

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>40%</td>
</tr>
<tr>
<td>Black</td>
<td>33%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>18%</td>
</tr>
<tr>
<td>Native American</td>
<td>8%</td>
</tr>
</tbody>
</table>

84% male
16% female

Median age: 48 years

363 individuals referred to supportive housing from January-December 2017
Program Outcome Summary through 7/2018

- **Participants are getting housed and staying in housing**
  - 285 participants has been leased up
  - 85 percent of program participants remain in housing without having ever exited the program

- **Participants go to jail less than before**
  - 44 percent of participants had not returned to jail.
  - Prior to the program the target population spent an average of 77 days in jail.
  - Participants who have been housed for at least one year spend an average of 19 days in jail.

Given these outcomes, *housing stability investors* have received a total of $1,025,968 in success payments from the City of Denver.
FUSE
Frequent Users Systems Engagement
Thousands of people with chronic health conditions cycle in and out of jails, diversion courts, hospital emergency rooms and homelessness - at great public expense and with limited positive human outcomes.

Targeted supportive housing for this most vulnerable and costly of this group can reduce costs while getting better outcomes.

By finding a solution to the frequent user issue, the FUSE program serves as a catalyst for system change.
Communities spend billions of dollars on services that bounce vulnerable people between crisis services. CSH's FUSE model helps break that cycle while increasing housing stability and reducing multiple crisis service use.

FUSE Blueprint

Data-Driven Problem-Solving
- Cross systems data match
- Track Implementation
- Measure outcomes, impact and cost effectiveness

Policy and Systems Reform
- Convene multi-sector working group
- Troubleshoot housing placement and retention barriers
- Enlist policymakers to bring FUSE to scale

Targeted Housing and Services
- Create supportive housing, develop recruitment process
- Recruit and place clients into housing, stabilize with services
- Expand model and house additional clients

csh.org/fuse
THANK YOU!