A person’s health is largely dependent on factors outside the health care system, including where they live, learn, work and play—known as social determinants of health. As health care costs continue to pressure state budgets, lawmakers seek policy options to address social determinants that may be contributing to costly preventable chronic diseases and conditions. One such option involves improving access to stable and affordable housing for Medicaid beneficiaries.

Research demonstrates that access to stable housing may improve health outcomes and decrease health care costs. Without housing, it can be difficult to maintain a healthy lifestyle, let alone manage behavioral health and chronic conditions. Affordable housing is also part of the equation.

If people spend a large portion of their income on housing, less of their budget is available for health care expenses. Additionally, various physical hazards—such as the presence of lead, poor air quality, or extreme low or high temperatures—can lead to higher rates of chronic conditions or injury.

A 2016 study in Oregon examined the relationship between housing and health factors. It found those with stable housing experienced better connections to primary care, fewer emergency department visits, improved access to and higher quality of care, and lower health care costs. The study reviewed Medicaid claims for nearly 10,000 people who had recently obtained affordable, stable housing and found that Medicaid expenditures decreased by 12%, primary care use increased by 20% and emergency department visits decreased by 18%.

Did You Know?

- Studies suggest access to affordable, stable housing may improve health outcomes and decrease health care costs.
- The majority of states incorporate some supportive housing-related services in their Medicaid programs through waivers or state plan amendments.
- One study showed certain people struggling to pay for housing spent 13% less on food, 40% less on health care and 23% less on transportation than their peers who could afford housing.
The private sector, nonprofits, and state and local governments all play a role in developing affordable, safe and healthy housing. Though the discussions often span different levels and branches of government, the intersection between housing and health continues to be an area of focus within health policy. And while there is a broad spectrum of housing-related policy within the health realm, using Medicaid to provide supportive housing services combines a variety of approaches designed to keep people housed.

**Federal Action**

Medicaid does not provide funding for room and board except in limited circumstances, such as for individuals who qualify for institutional long-term care. However, in 2015, the Centers for Medicare and Medicaid Services (CMS) issued an Informational Bulletin on the topic. It sought to “clarify the circumstances under which Medicaid reimburses for certain housing-related activities, with the goal of promoting community integration for individuals with disabilities, older adults needing long-term services and supports, and those experiencing chronic homelessness.” CMS outlines three categories of housing-related activities under which Medicaid can reimburse: individual housing transition services; individual housing and tenancy sustaining services; and state-level, housing-related collaborative services.

**State Action**

Though Medicaid does not typically cover rent, 37 states incorporate some supportive housing-related services in their Medicaid programs through waivers or state plan amendments (SPAs). Waivers allow states to innovate within Medicaid in ways not traditionally allowed under existing rules. States commonly use Section 1115 Demonstration waivers and 1915(c) Home & Community-Based Services waivers to establish supportive housing programs through Medicaid. State plan amendments allow states to update or change the way they administer their Medicaid state plan (the agreement between the state and federal government describing how the state administers its program) upon approval by CMS. Specifically, the 1915(i) option allows states to design services similar to 1915(c) waivers. States commonly use this option to provide supportive housing services to Medicaid beneficiaries.

For example, Louisiana’s Medicaid program initially developed the Permanent Supportive Housing program for victims of Hurricane Katrina who suffered from physical or behavioral health conditions in 2005. Since then, it has expanded, through a Medicaid waiver; to provide tenancy support services, including helping with rental applications, arranging move-in services, and providing other ongoing tenancy services for qualified beneficiaries across the state.

In addition to providing housing and tenant services, Florida’s Medicaid Supportive Housing Pilot includes mobile crisis management for its beneficiaries. Enrollees are provided access to immediate de-escalation services during times of mental health crisis from a team of behavioral health professionals. These services are provided through an 1115 waiver and are designed to prevent the beneficiary from losing housing and using emergency inpatient psychiatric services.

Beginning in July 2020, qualified Medicaid beneficiaries in Minnesota will be able to receive Housing Stabilization Services authorized under a 1915(i) SPA. These services are intended for people with a mental illness and/or substance use disorder and unstable housing (e.g., homeless, at risk of homelessness, living in an institution or at risk of living in an institution). Services will support beneficiaries experiencing homelessness or transitioning from institutional settings into communities. Additionally, the program provides training on being a responsible tenant and lease compliance.

Massachusetts used an 1115 waiver to establish a Flexible Services program that allows state accountable care organizations to provide patients with the resources they need to obtain and remain in rental housing, as well as home modification and nutritional services. These services are available to enrollees who have complex behavioral or physical health needs and meet one or more risk factors, including homelessness, risk of homelessness or nutritional deficiency.

California’s Whole Person Care program provides services to high-need, high-cost beneficiaries as well as those experiencing homelessness. Authorized by a 1115 waiver, the program has allowed counties to establish homeless care support services that offer housing services as well as access to sobering centers as an alternative to emergency room visits or jail.

Michigan’s 2019 SPA emphasizes transition services that assist people transferring from a nursing facility or other institutional setting to a home-based setting. These include assistance with security deposits, utility set-up fees and essential furnishings, as well as cleaning and pest removal services. Additionally, it provides skill-building assistance to help individuals with community integration and self-sufficiency.

**Additional Resources**

- [NCSL’s Housing and Homelessness Legislation Database](#)
- [“Medicaid’s Role in Housing,” Medicaid and CHIP Payment and Access Commission](#)
- [“Linking Medicaid and Supportive Housing: Opportunities and On-the-Ground Examples,” Kaiser Family Foundation](#)
- [“A Quick Guide to Medicaid Waivers”](#)

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