



# **Medicaid Expansion: A Remedy for Homelessness and Housing Insecurity**

May 2017

## **I. Introduction**

As Congress and the new Administration move to repeal and replace the Affordable Care Act of 2009, there is increasing evidence that the ACA's expansion of Medicaid has dramatically improved the lives of many of Ohio's most vulnerable citizens, while reducing their financial impact on publicly funded health care and homeless response systems.

The ACA took a two-pronged approach to expanding access to health insurance coverage based on household income levels. Middle-income Americans would be eligible for subsidies to help offset the high cost of purchasing private health insurance, and low-income Americans would qualify for Medicaid coverage under new, broader eligibility criteria.

While political debate over the ACA has raged continuously in Ohio and throughout the U.S. ever since it was enacted, one outcome is indisputable – Medicaid expansion has helped many of the most vulnerable Ohioans access treatment and achieve greater financial stability. Medicaid expansion has even prevented homelessness for people at risk of losing their homes, and opened a path to escape homelessness for those already living on the streets.

Before Jan. 1, 2014, Medicaid eligibility was largely limited to people with disabilities and adults with dependent children at incomes below 90 percent of the federal poverty level (FPL). After the 2012 U.S. Supreme Court ruling that made the ACA's Medicaid expansion optional for states, Ohio moved to expand the eligibility for the program. Now most adults with no dependent children at incomes at or below 138 percent FPL qualify for Medicaid. These eligibility changes have extended health coverage to over 700,000 low-income Ohioans.

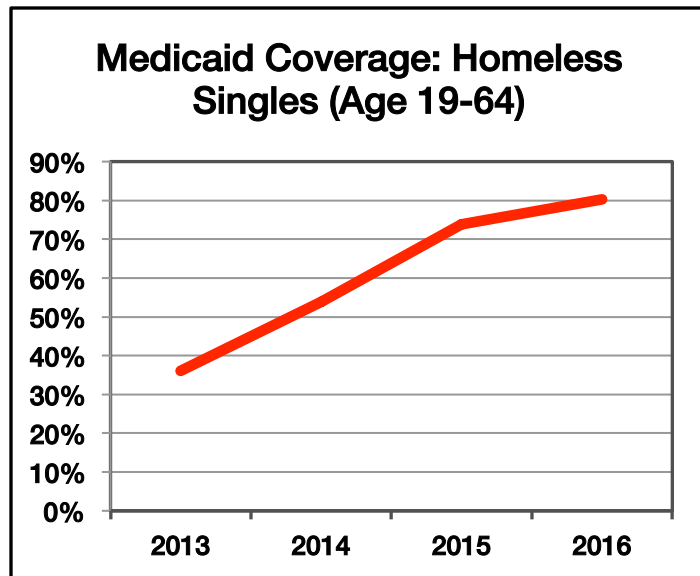
While much attention has centered on the move to raise income eligibility limits above the federal poverty line, opening Medicaid to childless adults age 19 through 64 has had a far more significant impact on the most destitute Ohioans, as well as the publicly funded systems that support them.

Contrary to popular belief, most homeless adults who spent years cycling between emergency shelters and living on the land were not actually eligible for Medicaid prior to expansion. This left hospital emergency rooms – the costliest health care setting – as the only option for many of the poorest Ohioans needing routine care for chronic physical and psychological conditions. The lack of insurance coverage too often put mental health and drug and alcohol treatment beyond reach for a population with very high prevalence of mental health conditions, addiction issues, and high rates of chronic disease, like HIV/AIDS, diabetes, and heart disease. Many homeless individuals with such conditions could have qualified as disabled, which would have made them eligible

for Medicaid. Ironically, however, their lack of access to health care frequently prevented them from getting the required disability determination.

## II. Increasing Medicaid Coverage for a Decreasing Homeless Population

The following analysis of data from the Homeless Management Information System illustrates the dramatic increase in Medicaid coverage for people accessing homeless services, like emergency shelters, transitional housing, or permanent supportive

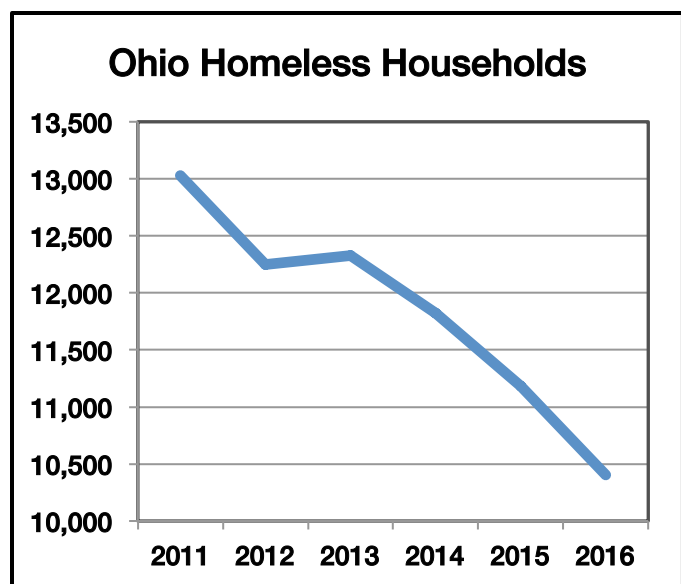


housing facilities. The U.S. Department of Housing and Urban Development requires states and communities to track certain data about people accessing these services through the Homeless Management Information System. While statewide HMIS data is not available, COHHIO was able to analyze data from several homeless Continuum of Care regions in Ohio that include a large majority of the state's population and are representative of the state's overall demographics: Cuyahoga, Lucas, Montgomery, and the 80 non-urban

counties comprising the Ohio Balance of State Continuum of Care.

Prior to Ohio's decision to lift restrictions on Medicaid coverage for single adults, Medicaid covered only 36 percent of non-senior, single adults accessing homeless services in these 83 counties during 2013. These were largely people who had an official disability determination that made them eligible for Medicaid. By 2016, that percentage had increased to 80.2 percent.

The increase in Medicaid coverage for Ohio's homeless population coincides with a decrease in the number of Ohioans experiencing homelessness. In 2013 there were 12,325 homeless households, according to the annual Point in Time count conducted during one day in January. By 2016, that number had decreased to 10,404.



Research indicates that the expansion of Medicaid coverage for Ohio's homeless population helped minimize health care cost increases for the state. A national [Kaiser Family Foundation study](#) found that costs among Health Care for the Homeless projects increased by three percent from 2013 to 2014 among Medicaid expansion states. Health Care for the Homeless project costs in states that refused to expand Medicaid increased by nine percent during that time period.

### **III. Impact of Medicaid Expansion on the Homeless and Housing Insecure**

Expanding Ohio's Medicaid program to single adults who are struggling with long-term homelessness greatly increased their access to the mental health and substance abuse treatment that has proven critical to many people to escape homelessness. The recent [Ohio Medicaid Group VIII Assessment](#), one of the most comprehensive reports on any state's Medicaid expansion effort in the U.S., found that coverage increased enrollees' access to behavioral health treatment, helped them maintain housing, and improved their employment prospects.

According to the *Ohio Medicaid Group VIII Assessment's* telephone survey of 7,508 Medicaid enrollees:

- 48.1 percent said it became easier for them to remain current on their rent or mortgage after getting Medicaid coverage;
- 58.6 percent said getting Medicaid made it easier to afford groceries, and;
- 43.6 percent said getting Medicaid helped them pay off their debts;
- 44.0% of enrollees with anxiety or depression said that since enrolling in Medicaid access to mental health treatment became easier.

The *Group VIII Assessment* reinforces prior studies that demonstrate how the reduction of financial stress literally made Medicaid beneficiaries healthier, both mentally and physically. Being healthier boosted the employment prospects of many Medicaid expansion enrollees surveyed in the report, which found:

- 52.1 percent of employed Medicaid expansion enrollees found it easier to continue working, and;
- 74.8% of unemployed Medicaid expansion enrollees found it easier to search for a job.

Improved employability and the reduction of financial stress are also associated with lower levels of domestic violence and child abuse. Beyond the obvious savings to the health care and child welfare systems, this also helps break the cycle of homelessness. Research indicates that 40% of homeless adults once spent time in the foster care system as children.

#### **IV. In Their Own Words**

Additional evidence that Medicaid expansion has helped Ohioans avoid and escape homelessness comes from providers working in homeless services agencies. COHHIO compiled dozens of written comments from providers illustrating how Medicaid coverage has enabled their clients to stabilize their finances, access treatment, and find or keep a job.

Some providers described how Medicaid expansion helped Ohioans obtain the treatment they need to secure and maintain gainful employment. Beth Strassman, Shelter Plus care coordinator for Integrated Services for Behavioral Health, shared the story of a client in Athens County who was laid off his roofing job after a workplace injury.

“He fell off a roof on a job several years ago. He was treated for his injuries, but then became addicted to pain pills and was homeless for several years. It wasn’t until the Medicaid expansion took place that he was able to access treatment for his addiction. This man is now gainfully employed and has his own insurance through his employer.”

After her client lived for a decade with untreated mental illness, Susan Cheeseman, Emergency Shelter Case Manager, observed how Medicaid transformed her client’s life. Cheeseman recalled:

“Being approved for Medicaid allowed him to find a physician, secure current, accurate prescriptions and be able to afford those crucial medications. He was able to acquire emotional stability, gain employment and move in with family temporarily, who had previously not allowed him to stay due to his mental health issues, until he was able to find permanent housing of his own.”

Cheeseman added that without the assistance of Medicaid, she believes her client would have continued living on the streets indefinitely.

Jim Durant, Returning Home Ohio Coordinator for the Licking County Coalition for Housing, said Medicaid expansion has greatly improved his clients’ ability to maintain their housing.

“Due to the expansion of Medicaid individuals have access to the mental health medications that are so vital to their stability. There are currently individuals in the program that are suffering from schizophrenia, bipolar disorder, depression, and extreme anxiety disorders and without these medications maintaining their housing would be extremely difficult.”

Louis Balzer, PATH Program Coordinator with the Catholic Charities Diocese of Cleveland, described how Medicaid expansion enables meaningful access to substance abuse treatment programs:

“Medicaid expansion has helped to make the connection to real recovery possible. Before the expansion, it seemed that access to treatment was limited. Now it seems to be the case that there are less restrictions on how many times people can access detox services and residential treatment within in a year’s time. This kind of access is vital to recovery in terms of both substance abuse treatment and mental health treatment, both of which make it possible to attain and maintain housing. I have personally witnessed the benefits of having this kind of access. I believe it is the very best way to invest in our community.”

Virginia Zuniga, a community service worker in Defiance County, described how Medicaid coverage has increased access to opiate addiction treatment services.

“In 2016, our agency provided utility assistance to an elderly woman who shared that her grandson was struggling with heroin addiction. Following the fatal overdose of his cousin, Devon was motivated to seek treatment. However, due to a lack of health insurance coverage, he was unable to get the support he needed to overcome his addiction. The Medicaid expansion made it possible for him to have access to substance abuse treatment and rehabilitation services that included Buprenorphine to combat the symptoms of opioid withdrawal. Devon is now nearly a year clean and sober.”

For chronically ill, low-income Ohioans, Medicaid expansion has helped to ensure they receive the support they need to manage their conditions long term. Lizbeth Cruz, Community Service Worker, described a client diagnosed with Crohn’s Disease who struggled to afford the medications, dietary supplements, and medical supplies she needed to manage her condition. Cruz said:

“Being on a fixed income, [my client] was not able to afford the out-of-pocket costs for these items, which totaled more than \$200 per month. Due to the Medicaid expansion, she was able to qualify for Medicaid and now has coverage for the supplies she needs to follow her physician’s treatment plan.”

Diane Pfaff, Community Services Manager of the Athens-Hocking-Vinton Alcohol, Drug Addiction and Mental Health Services Board, said the eligibility expansion encouraged some clients that already had Medicaid to seek employment. Prior to Medicaid expansion, beneficiaries would no longer qualify if their income surpassed 100% FPL, which at about \$11,500/year for an individual, was still far too low to afford insurance in the individual market.

Virginia Zuniga witnessed how Medicaid coverage has stabilized her clients' employment status.

“The clients we see are experiencing financial hardships. In the past I noticed clients that had significant amount of garnishments being withheld from their checks for medical bills they have been unable to pay. They did not have health insurance and had outstanding medical bills. I have seen less of that in the last few years due to the Medicaid Expansion. When clients have a garnishment they tend to switch jobs more often to try to avoid the garnishment or they want to create a delay until the garnishment catches up with their next employment.”

Prior to Medicaid expansion, many Ohioans only received care by visiting hospital emergency rooms. Staff at Interfaith Hospital Network's Mulberry Terrace shared the story of one woman whose recurring migraines resulted in numerous emergency room visits and deteriorating health:

“As time went on, her headaches progressed, and her overall health condition began to worsen. She was hospitalized on multiple occasions and still didn't have a diagnosis. However, the opportunity to apply for Medicaid presented itself and this client was eligible. She was then referred to a specialist and received a diagnosis. This client is now scheduling and attending her doctor's appointments on a regular basis and her health is now stabilized.”

Without dental insurance, many low income Ohioans have gone years without receiving proper dental care, often resulting in painful and dangerous dental conditions.

Jennifer Rodriguez, Community Service Worker, assisted a client who had multiple abscessed teeth due to lack of dental care. “Left untreated, [the client] was experiencing complications of his poor dental health which was poisoning his blood stream,” she said. Once the client gained coverage under Medicaid expansion, he received treatment for his dental condition.

“He was not only able to have the infected teeth pulled but also be fitted with dentures. Without the expansion of Medicaid, [the client] would not have had access to the dental services he needed.”

Lori Corey, homeless program coordinator at PrimaryOne Health in Columbus, recounted how Medicaid coverage helped stabilize a client who was homeless after being released from a four-year prison sentence:

“He had high blood pressure, which eventually led to a heart attack. He was hospitalized. Now, he is able to access housing, has reconnected with his daughters and is active in a church.”

Lea Hurst, manager of FRHC Samaritan Homeless Clinic in Dayton, recalled how a patient with severe persistent mental illness used to go to the emergency room more than 30 times a year:

*“Since she has started using our services (thanks to Medicaid expansion) she has not been to the ER in two years. Medicaid expansion has made a huge difference in the lives of our patients. And at the end of the day, being able to keep these patients out of the ER is saving all of us money in the long run, not to mention the fact that health care is a human right.”*

Further evidence of the uplifting, stabilizing impact of Medicaid expansion comes from enrollees themselves. The *Group VIII Assessment’s* telephone survey included the question, “In your own words, describe in a sentence what getting Medicaid has meant to you.” The following are responses from several beneficiaries:

*“It has saved my life. I have severe mental issues and I have depression and bipolar insanity ADD (Attention Deficit Disorder) and I am on several medications and I would not be able to take care of me if I didn’t have Medicaid.”*

*“It has meant me being able to afford food, and paying my rent, and me not worrying about paying for a doctor’s visit.”*

*“More freedom. Less worries. I was an addict for 3 years before getting Medicaid. Because of Medicaid I’m not an addict.”*

*“It has given us the freedom to see doctors now to be treated for medical reasons. It also has opened up that now we have more money left for our other expenses like food and such.*

*“I had a lot of health problems before but a lot had changed in my life. Now I am able to work more.”*

*“It has helped me get through the tough times I’m in, as far as getting help with alcohol addiction and mental health care.”*

*“It gives me peace of mind knowing that I don’t have to pay for the medical insurance, and it saves me money being able to afford food and utilities and everyday things you need in life.”*



## **V. Conclusion**

Overall homelessness in Ohio has decreased 20 percent over the past five years. This stems largely from widespread adoption of more effective housing strategies, improved communication between local, state and federal agencies, and a modest increase in federal funding to address veteran homelessness. Medicaid expansion, however, has also significantly reduced housing insecurity for very low-income Ohioans for whom homelessness was a reality or a persistent threat.

Reversing Ohio's Medicaid expansion, reducing eligibility, cutting or capping funding, or converting the program to a block grant system would undoubtedly reduce access to health care treatment that is critical for many homeless Ohioans to escape homelessness. Eliminating Medicaid coverage for low-income residents who are currently housed would increase their risk of eviction and foreclosure as their health care costs go up, their access to care goes down, and their health suffers, making it more difficult to maintain employment.

We currently face an unprecedented shortage of affordable housing. In Ohio there are only 43 units that are available and affordable to every 100 extremely low-income households. More than 400,000 Ohio households currently spend more than half their income on housing costs. Increasing the cost of coverage and reducing access to health care for those who are already struggling to pay the rent is certain to drive more Ohioans into homelessness.

In order to maintain the progress Ohio is making in the fight against homelessness, the expanded Medicaid program should be left intact and fully funded at the federal level. Similarly, state policymakers should retain the current expanded eligibility criteria and impose no new barriers to continued coverage, such as monthly premiums or work requirements. Treatment for chronic disease, mental illness and addiction must remain fully accessible to childless adults for Ohio tackle persistent issues, like long-term homelessness and the opiate crisis.