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Study: Supportive Housing Programs for Chronically Homeless Lower Health Care Costs

BOSTON (Dec. 22, 2020) – The [Blue Cross Blue Shield of Massachusetts Foundation](#) released a research report today demonstrating the effectiveness of supportive housing programs in reducing total health care costs for medical services provided by MassHealth (the Massachusetts Medicaid program) to chronically homeless individuals. The study examined Housing First models administered by the Massachusetts Housing & Shelter Alliance (MHSA).

Researchers integrated claims data for a group of individuals, comparing expenditures before and after the provision of supportive housing services and with a control group of similar individuals who did not receive Housing First services. Most of the Housing First participants in this study were enrolled in the Community Support Program for People Experiencing Chronic Homelessness (CSPECH), a Medicaid-funded program that provides community-based support services for chronically homeless individuals in Massachusetts.

Key findings of the study include:

- Individuals enrolled in permanent supportive housing programs had significantly lower per-person, per-year health care costs on average, compared with the cohort that didn't receive such services.
- Individuals in the programs received significantly more mental health services but the cost was more than offset by lower utilization of inpatient and emergency department services.
- The evidence suggests that expansion of supportive housing models may produce health care cost savings and also have preventive effects of more consistent access to mental health services.

“This rigorous study adds to a growing body of research that demonstrates investments in social determinants of health – in this case supportive housing for the chronically homeless – not only lead to better health, but also provide a significant return in the form of lower Medicaid costs,” said Audrey Shelto, president of the Blue Cross Blue Shield of Massachusetts Foundation.



“When it comes to CSPECH, the data are in: People are getting more of the services that they need and at net lower cost.”

MHSA President and Executive Director Joe Finn said, “This study demonstrates that housing is the ideal solution for solving the recurrent and long-term homelessness of medically complex persons in Massachusetts. At a time when this population is at high risk for illness, amid a global pandemic and harsh economic downturn, the research confirms that continuing to embrace this strategy is not only humane policy but responsive to a challenging fiscal environment.”

The Foundation provided a grant to support the research project, a collaborative effort among MHSA, economic consultants supported by Analysis Group Inc.’s pro bono program, the University of Denver, and the University of Massachusetts Medical School.

The full report, “The Preventive Effect of Housing First on Health Care Utilization and Costs Among Chronically Homeless Individuals: New Evidence Using Propensity Score Analysis,” can be found online at: <https://www.bluecrossmafoundation.org/publication/preventive-effect-housing-first-health-care-utilization-and-costs-among-chronically>

About the Blue Cross Blue Shield of Massachusetts Foundation

The mission of the Blue Cross Blue Shield of Massachusetts Foundation is to expand access to health care for low-income and vulnerable individuals and families in the Commonwealth. The Foundation was founded in 2001 with an initial endowment from Blue Cross Blue Shield of Massachusetts. It operates separately from the company and is governed by its own Board of Directors. For more information, please visit www.bluecrossmafoundation.org.

About the Massachusetts Housing & Shelter Alliance

The Massachusetts Housing & Shelter Alliance (MHSA) is a nonprofit organization dedicated to ending homelessness in Massachusetts. Through advocacy, collaboration, education, and innovative program development, MHSA focuses on evidence-based solutions that reduce public reliance on emergency resources and prioritize access to stable housing and individualized support services. MHSA draws on the on-the-ground experience of its 89 member agencies from across Massachusetts to inform its advocacy and program development. For more information, please visit www.mhsa.net.

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