Universal Solutions to Prevent and End Homelessness

2012 Policy Statement

SUMMARY OF RECOMMENDATIONS

1. **Effectively implement *Opening Doors*,** the U.S. Interagency Council on Homelessness Federal Strategic Plan to Prevent and End Homelessness.
2. **Guarantee access to comprehensive, affordable health care for all** through the establishment of a universal health care plan with a single-payer financing mechanism.
3. **Guarantee access to affordable housing** through policies that increase the low income housing supply, mitigate the foreclosure crisis, protect tenants in rental housing, and expand permanent supportive housing.
4. **Guarantee access to adequate incomes** through policies that establish a living wage for those able to work and a livable income for those who are disabled.

Contemporary homelessness is the product of conscious social and economic policy decisions. Over the last 30 years our society's attitudes have grown increasingly hostile toward the financing of affordable housing, adequate health insurance and livable incomes to ensure independence even for those at the lower ends of the income scale. These changes have significantly contributed to the rise in homelessness among individuals, families and children. Federal housing assistance budget authority has declined nearly 50% from its peak in 1978.[1] Thanks to tax, labor, and trade policies, the difference in income between the richest 1% and the lowest 20% more than tripled from 1979 to 2007.[2] Meanwhile, housing and health care costs have skyrocketed. At $7.25 a hour, a full time minimum wage job provides insufficient income to rent a two bedroom apartment anywhere in the U.S.[3] Health care costs have increased over ten-fold from 1979 to 2009, leaving nearly 50 million Americans uninsured in 2010.[4, 5] The cumulative effect of policy decisions over past decades must be reversed in order to restore a standard of living that enables independent living, even for those households earning low incomes.

Contemporary homelessness calls for long-term, universal solutions. Homelessness has been a fixture in our society for 30 years and show little signs of abating. In 2010, 1.59 million people stayed in emergency shelters or transitional housing according to the U.S. Housing and Urban Development. This figure is a conservative estimate as it excludes individuals who avoided the shelter system, used only privately funded shelters that are not part of the HUD's Continuum of Care network, and who are doubled up with friends and families in order to avoid the streets and shelter.[6] Homelessness is not simply a lack of housing, but also leaves families and individuals without basic needs such as food, health care, and safety. To respond to the growing needs of individuals experiencing homelessness, numerous assistance programs have been established since the mid-1980s. The McKinney Vento Homelessness Assistance Act, Health Care for the Homeless projects, the Runaway and Homeless Youth Act, and the creation of many other mainstream and targeted homeless programs at federal, state and local levels attempt to address both immediate and long-term needs. Unfortunately, many of these programs do not address the structural causes of homelessness. Only when housing and comprehensive health care are

affordable and accessible to everyone, and incomes enable a minimum standard of decency, will homelessness begin to recede. These "universal solutions" seek to prevent homelessness before it occurs, as well as end homelessness for those already living without stable housing. Investing in targeted programs to mitigate homelessness after it occurs is simply inefficient in terms of public resources and human potential.

Universal access to health care is essential for preventing and ending homelessness. Access to health care has become increasingly difficult to obtain in recent years. 49.1 million – 18.5% of the non-elderly population – are uninsured, with that number on the rise.[7] Those fortunate enough to obtain private insurance through their employer have seen their premiums increase 131% over the last ten years.[8] Poor access to health care is even worse for those experiencing homelessness: Nearly 65% of the 805,000 patients served at Health Care for the Homeless projects in 2010 were uninsured.[9] Uninsured individuals put off needed care, receive less preventative care, and manage chronic illness less effectively than those who are insured.[10] Limited access can precipitate the onset of more serious illness, but such significant health problems are often financially devastating even for those with insurance. In 2007, 62% of personal bankruptcies were attributed to an unexpected medical illness, and more than three-fourths of those filing for bankruptcy had health insurance at the time of their emergency illness.[11] Bankruptcy, poverty, and disability are all potential results of illness with our current health care system and are all underlying causes of homelessness.

The Patient Protection and Affordable Care Act (ACA) does not establish a universal right to health care, although it does contain important health insurance protections and expansions that are anticipated to mitigate some of the current financial liabilities associated with health coverage (or lack thereof). Even with these changes in place over 20 million people are estimated to remain uninsured by 2016 and many who will qualify for Medicaid will remain eligible but unenrolled due to administrative barriers that may persist.[12] Complicated enrollment and renewal processes, documentation requirements and insufficient outreach are current obstacles to health coverage that are more pronounced for individuals experiencing homelessness and may not be adequately addressed through the ACA. Further, even with coverage, the essential health benefits and benchmark benefits required under the ACA have yet to be determined and may leave out critical dental, intensive behavioral health or enabling and supportive services that are especially important to homeless patients with complex treatment needs. A universal health care system with a 'single payer' financing system is the only way to universally provide everyone, including those experiencing homelessness, access to comprehensive, cost-effective health care.[13, 14, 15]

Homelessness will only end if it is prevented. Similar to disease prevention, homelessness prevention stops homelessness before it occurs, reducing the financial toll on limited public resources and the human toll on our communities. Maintaining the housing of vulnerable individuals and families should be a priority in the fight to end homelessness. Models to maintain stability, even for the most complex needs, currently exist, but they need further financial and community support. Affordable housing programs, rapid re-housing, living wage mandates, reimbursement for support services, and tenancy preservation programs are all examples of effective prevention efforts. The proliferation of such programs is vital in the effort to end homelessness.

Universal Solutions to Prevent and End Homelessness Policy Recommendations in Detail

1. Effectively implement *Opening Doors*, the U.S. Interagency Council on Homelessness Federal Strategic Plan to Prevent and End Homelessness.

In June 2010, the U.S. Interagency Council on Homelessness (USICH) released *Opening Doors: the Federal Strategic Plan to Prevent and End Homelessness,* the first comprehensive federal plan to address homelessness in our nation's history.[16] It represents a prime opportunity to collectively address the multifaceted issue of homelessness. Framed around four key goals to end homelessness among veterans, families and children, individuals with disabilities, and other groups, this comprehensive plan recommends wide ranging (i.e., universal) strategies, including the need for comprehensive health care, disability benefits, affordable housing and sufficient income. The Federal Strategic Plan is an excellent roadmap to guide the efforts of preventing and ending homelessness but the implementation process is where the effectiveness of this plan will truly be measured. A 2011 implementation update released by the USICH shows some encouraging signs including better collaboration across agencies and the expansion of homelessness prevention programs.[17] While encouraging, adequate funding, political will and a commitment at all levels of government will continue to be essential in the coming years. If these can be achieved through consistent policy changes over the next several years, it will represent a significant success in preventing and ending homelessness.

2. Guarantee access to comprehensive, affordable health care for all through the establishment of a universal health care plan with a single-payer financing mechanism.

The U.S. health insurance system is comprised of thousands of private health care plans that vary greatly in breadth and depth of coverage and price, complemented by public programs such as Medicaid, Medicare and the VA. Unfortunately, the current system is fragmented, difficult to navigate, largely driven by for-profit payers, yields poor health outcomes, and left 49 million uninsured in 2010. The U.S. is projected to have spent $8,327 per capita in 2010, more than twice that of other industrialized nations, but compares poorly on major health indicators.[18] In a World Health Organization study ranking the effectiveness of health care systems (based on health indicators such as life expectancy, infant mortality, and immunization rates), the U.S. ranked 37th, behind nations such as Columbia, Morocco, and Saudi Arabia.[19] One reason for this poor performance is lack of health coverage, causing increased use of emergency services, poor management of chronic illness and an estimated 45,000 unnecessary deaths annually.[20] The administrative costs of underwriting, billing, and marketing, as well as investor profits and excessive executive pay found in the current system also contribute to the poor performance of the U.S. health care system. The New England Journal of Medicine found that more than 30% of U.S. health care spending goes towards administrative costs, approximately double what the Canadian single payer system spends, leaving fewer resources to be directed to care.[21]

A publicly financed and privately delivered universal health care system structured around a single payer financing mechanism is the most effective and efficient way to provide comprehensive, high quality, affordable, and accessible health care to everyone in the United States—especially the most vulnerable.[22, 23, 24] One model for achieving this would be to expand Medicare, a publicly financed and privately administered health system already used by approximately 40 million seniors and individuals with disabilities. Establishing a "Medicare for All" health care system would eliminate financial barriers to quality care, improve public health, expand provider choice, and

provide a stimulus for the U.S. economy by creating 2.6 billion new jobs and infusing $317 billion in new business and public revenues, while saving thousands of lives and billions of dollars each year.[25] The state of Vermont has already decided to establish a state based single-payer system following a legislatively mandated investigation of different health system reforms.[26] The reform has yet to be implemented, but it is estimated it could save up to $1.8 billion for the state over the next ten years.[27]

H.R. 676, *the Expanded and Improved Medicare for All Act*, would have established a universal health plan financed publicly through a progressive tax system and providing coverage for all Americans. A reintroduction of this bill or similar legislation in the 112th Congress is strongly supported by the Council as both essential for the nation and as a universal solution to preventing and ending homelessness.

3. **Guarantee access to affordable housing through policies that increase the low income housing supply, mitigate the foreclosure crisis, protect tenants in rental housing, and expand permanent supportive housing.**

Homelessness is fundamentally a housing problem, so it is not surprising that homelessness has increased as the supply of affordable housing has decreased. From 2000-2008, the number of affordable housing units funded by HUD declined by 200,000.[28] The number of affordable units overall declined by 900,000 over roughly the same period, while the number of extremely low income (ELI) households increased by 1,000,000 (ELI is defined by income at or below 30% of area median income).[29] Currently, 3.4 million additional units of affordable housing are needed to meet the needs of ELI households. The National Housing Trust Fund (NHTF) was established in 2008 to provide funding to states for the development of affordable housing but has yet to be funded. Capitalizing the NHTF and establishing a dedicated source of funding is essential to developing sustainable ELI housing and solutions to homelessness.

The foreclosure crisis has also contributed to homelessness, both for home owners and rental tenants.[30, 31] Families and children have been particularly impacted by the rise in foreclosures.[32] Preventing homeless for those impacted by sub-prime mortgages and the weak housing market must be a priority. Some legislation has sought to mitigate this crisis such as the Homelessness Prevention and Rapid Re-Housing program contained the American Recovery and Reinvestment Act, the Protecting Tenants at Foreclosure Act, and at the state level, models such as the Massachusetts Housing Courts' Tenancy Preservation Program. These programs seek to protect tenants in rental housing that is being foreclosed, intervene in evictions, and provide short-term assistance for families at imminent risk of homelessness. The expansion and maintenance of such programs provide a universal solution to homelessness and can serve to transform the homeless services system into a crisis response system, as called for the U.S. ICH Federal Strategic Plan to End and Prevent Homelessness.[33]

In addition, permanent supportive housing programs (those that couple housing with medical, behavioral health and case management services) serve to address universal housing issues. The "Housing Ready" model required individuals experiencing homelessness to meet and maintain many conditions prior to providing housing, such as sobriety and treatment compliance. The "Housing First" model, however, provides permanent affordable housing and support services with virtually no initial requirements and has been shown to be much more effective.[34] This model is essential to permanent supportive housing programs and should be further expanded.

4. **Guarantee access to adequate incomes through policies that establish a living wage for those able to work and a livable income for those who are disabled.**

Poverty is a structural underpinning of homelessness. As stated previously, a full time minimum wage worker is unable to afford housing anywhere in the U.S. and still maintain additional basic needs.[35] This disparity between lower income levels and the basic necessities of life has grown significantly over time and must be addressed to prevent and end homelessness.[36] A living wage that is sufficient to provide the basic necessities of food, clothing, shelter, and health care must be mandated by law.

Disability benefits must also be sufficient for basic needs. Housing and health care costs have far outpaced cost of living increases, leaving standard the SSI benefit well below the Federal Poverty Level at $698.[37] Ultimately, larger policy changes that help address poverty will be the same solutions that help prevent and end homelessness.

NOTES:

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