

The \$471,000 man

• *Hospitals find paying for housing helps keep homeless out of ER*

BY PETER KORN

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L.E. BASKOW / TRIBUNE PHOTO

With help from Central City Concern and funding from a hospital that figured it could save money by paying to put him up somewhere else, Tim Funk has stopped his cycle of alcohol, arrests and ER visits.

On a good day, Tim Funk would not get beaten up.

Sometimes he'd start the morning wet because Funk, homeless for years, would fall asleep on the grass in Gov. Tom McCall Waterfront Park and wake up to the park's sprinklers providing an early morning shower. But that was OK.

On a bad day, Funk, 44, wouldn't eat. Or he couldn't get a beer. Or he'd get into a fight, maybe attacked by other street people.

On a really bad day, and Funk had many of them, he would be taken to one of Portland's hospitals, sometimes for a short visit to the emergency department, sometimes for a stay in intensive care, sometimes for surgery.

Doctors and nurses at nearly all of Portland's emergency departments became familiar with Funk. According to hospital records, over a two-year period ending last August, he was admitted to Portland hospital emergency departments 26 times.

Funk had no money or health insurance, and nobody else was paying the bills. Hospitals are required by law to provide treatment to whoever shows up at their emergency rooms, so they pay the costs themselves. And in the end, experts say, they pass those costs on to the rest of society, in the form of higher bills for insured patients.

And Tim Funk was expensive.

In the two years prior to last September, Funk's unpaid medical bills were nearly \$500,000.

But Funk hasn't seen the inside of a Portland hospital since August.

The reason: Portland hospitals have figured out that it makes more sense for them to pay to get Funk and other chronically homeless people off the street and into stable situations, rather than continue to watch their hospital stays and unpaid bills mount.

Funk's memory of his hospital visits is fuzzy. He remembers one stay in a hospital intensive care unit that lasted about two weeks.

Funk's medical records aren't fuzzy at all. They show two brain surgeries – he remembers once being admitted with blood oozing out of his ears after a fight – and one facial reconstruction surgery. Hospital bills for brain surgery, with doctor's fees included, often run more than \$150,000.

Funk's records just for the last two years show emergency room admissions for hypothermia, infections, broken ribs – it took a lot of hospital care to keep Funk patched up and prepared for his continuing life on the streets.

Add in Funk's 36 arrests – for trespassing, public drunkenness and the like – and the social services Funk would sometimes make use of to eat or detoxify, and the bill really starts to add up.

Funk definitely used up \$1 million in medical, police and social service care if the 10 years of his homelessness were added up, says Corey Padrón, manager of the Recuperation Care Program at the nonprofit Central City Concern.

“And (Funk) is not even one of our highest utilizers of services,” Padrón says. “If we took a month or two we could probably find clients who have cost millions of dollars to the system.”

But the biggest bill, Padrón says, is hospital care.

Funk's last hospital stay started in emergency and resulted in surgery at Legacy Emanuel Hospital and Health Center in North Portland. When it came time for the hospital to release Funk, Emanuel didn't put him back on the street.

Instead, it paid Central City Concern's Recuperation Care Program about \$3,600 to put Funk up in an inexpensive single-room-occupancy hotel downtown for a month, and to work with Funk on turning his life around.

Since the program began two and a half years ago, local hospitals, all of which participate, have paid Central City Concern to similarly take 279 other homeless patients off their hands, and Padrón says with the program growing he expects another 250 participants in the coming year. And the hospitals are saving millions of dollars in the process.

Most complete treatment

Toni Propotnik, director of care management at Oregon Health & Science University, which started the program, says her hospital sent its 100th patient to the program in November, and calculates that the hospital saves about \$100,000 on each one of them.

The most common, she says, are homeless patients who are found to be suffering severe blood-borne infections.

The standard treatment for infections is six weeks of intravenous antibiotics. Most hospital patients are sent home to receive the treatments with the help of a home health care nurse or nursing assistant.

But homeless patients usually stayed at the hospital for the entire six weeks of their treatments, which hospital administrators say cost as much as \$150,000. There was no choice, Propotnik says.

“If you don’t have a home and you don’t have any money, where are you going to go so a home health care nurse can take care of you?” she asks.

Now, when a hospital encounters a homeless patient with ongoing needs such as intravenous antibiotic treatment, Central City Concern takes over.

Along with a month’s rent, the hospital also sends along the antibiotics needed for the six-week treatment. Central City Concern caseworkers stop by the apartment to make sure a participant is keeping up with treatment and to take the patient to a facility once a week to have his or her dressings changed.

And according to Padrón, nine out of 10 of the previously homeless clients are responsible in properly completing their treatments.

That leaves the hospital with a bed free that otherwise would have been occupied for six weeks by a patient with no insurance and no hope of ever paying a bill. OHSU calculates that by participating in the Recuperation Care Program it has conservatively saved about \$3.5 million over two years.

Funk’s 45-day Recuperation Care Program stay at the Henry, a downtown hotel owned by Central City Concern, ended in September. Since then, Central City Concern has continued to offer him services and housing out of its own budget.

About two weeks into the program, Funk decided he wanted to stop drinking, and admitted himself to Central City Concern’s Hooper Detoxification Center for a seven-day program. He hasn’t had a drink since Sept. 9, the longest he’s stayed sober as an adult, he says.

Funk has started a job training program through Central City Concern. And he has learned that when he needs primary care, even acupuncture that helps stem his cravings for alcohol, he can visit Central City Concern’s Old Town Clinic – another savings for hospitals.

But as far as Funk is concerned, the value of the Recuperation Care Program extends way beyond dollars and cents. “They literally saved my life,” he says.

Impact goes beyond health

There still is a gap between getting homeless people into apartments for a month or 45 days and saving their lives in the long term.

Central City Concern has found Funk an apartment. But there aren’t yet enough apartments for all of the program’s participants.

Padrón says that the biggest barrier from keeping the program's work from becoming more sustaining is permanent housing.

So far, Padrón reports, about one in four participants has found permanent housing after discharge from the Recuperation Care Program. Another 17 percent have been placed in transitional housing with a possibility of more permanent housing. One in five has gone back to the street or to a shelter for the homeless.

Still, proof that the program is working, Padrón says, can be found in the small number of repeat intakes. Typically, hospitals call Padrón when they have a homeless patient they'd like to release to Central City Concern.

After 280 clients, Padrón says, he has had only 20 calls from hospitals who were treating a homeless person who previously had been released to the Recuperative Care Program.

The Recuperation Care Program takes in about 250 patients a year. And while those 250 homeless patients might not sound like many, as a group they are more than half of the total of all the chronically homeless people who live on Portland's streets, homeless advocates say.

Heather Lyons, manager of the city of Portland's Ending Homelessness Program, says that the city's last one-night count showed there were 1,284 people sleeping on the streets.

But most homeless, she says, are temporarily so – through loss of a job or bills that cannot be paid, for instance. And most people who are homeless because of circumstances, Lyons says, find a way to end their homelessness within a year.

Which leaves the smaller number of chronically homeless, almost all of whom suffer from mental illness, drug addictions or alcoholism, Lyons says. These, she explains, are the homeless who stay homeless for years and sometimes decades, and who often are most visible on city streets.

The chronically homeless, according to Padrón, also use up a disproportionate share of social services. Padrón estimates that 10 percent of the homeless, what he calls "the hard-core homeless," use 80 percent of the social and medical services.

They also are the homeless who use hospital emergency departments for their primary care. And they are precisely the homeless – estimated at no more than at 400 in Portland – who could be captured by the Recuperation Care Program.

Lyons, for one, thinks the hospitals should provide even more support to the Recuperation Care Program.

"I think our mainstream hospitals should look at this as a valuable investment," she says. "The potential for their savings is huge. They could invest a lot more."

If the hospitals were to increase their funding of the Recuperation Care Program, Lyons says, "other players who are investing in housing would be more willing to put more resources into housing."

The end result of having all of Portland's chronically homeless taken in by the Recuperation Care Program and having housing available for them beyond six weeks, Lyons says, could be enormous. And highly visible.

"It would have a huge effect," Lyons says. "If we could find housing and services for those 400 who are on the street, it would not look the same on the streets of Portland. It would be totally different."

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