



MEMORANDUM

Date: April 24, 2019

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to be "CHH", is written over the printed name "C.H. Huckelberry".

Re: **Housing First, Permanent Supportive Housing Pilot Project**

Given the recent inquiry by the Board of Supervisors regarding this program, I am enclosing a presentation on this subject.

The information is relevant to our discussions in reducing County costs associated with incarceration of homeless individuals with minor criminal charges. As you recall, this is a pilot project to target homeless individuals who have high use of detention centers. Both Pima County and the City of Tucson are cooperating in this endeavor, with the County providing General Funds to fund the two-year pilot program. The City of Tucson will provide the Housing Choice Vouchers to a minimum of 150 participants. A summary of the project's structure is included in the attached material.

The priority populations are jail super and high users as well as the Pima County Adult Detention Complex (PCADC) Homeless Indicator. As you can see on Page 3 of the attachment, there are 19 super users who have had 20-plus bookings during a two-year period and 130 high users with 10 or more bookings during the same period. There is a strong match between these users and the Homeless Management Information System.

In reviewing just five potential program participants, they have had a range of 13 to 30 jail bookings for a total of 98 in the last two years; 44 emergency encounters; 372 medical testing completed; and 37 imaging procedures. Hence, we expect this program to be very useful in reducing jail recidivism of homeless individuals in the community while decreasing our criminal justice system costs. More importantly, this program will significantly reduce emergency medical services.

Recently, District 1 Supervisor Ally Miller asked questions regarding the cost savings and other questions relating to funding. In order to answer Supervisor Miller's questions, a brief historical backdrop is necessary.

In 2017, Pima County collaborated with the Sorenson Impact Center ("Sorenson") at the University of Utah to explore the feasibility of launching a housing first, permanent supportive

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housing project (the "Project" or "Program") utilizing Pay for Success ("PFS") as a financial model. Eligible program participants would have been individuals who are considered homeless, have been in jail more than twice in one year, qualify for Medicaid, and are diagnosed with behavioral health or mental health illnesses. The feasibility study estimated the 5-year, 150-participant project to cost nearly \$12 million.

To guide the feasibility phase, Pima County formed a stakeholder Steering Committee, which consisted of executive level participants from both Pima County and the City of Tucson. In December 2017, the Steering Committee unanimously recommended the development of a self-funded, 2-year pilot project instead of pursuing PFS options. Pima County Administration committed \$1.5 million annually and the City of Tucson committed 150 Housing Choice Vouchers to the pilot project.

In October 2017, Sorenson provided Pima County with a draft Feasibility Study which was updated and finalized in December of 2017 (a copy of which is available for review). The majority of the cost savings we calculated were drawn from this study.

With that introduction, the answers to Supervisor Miller's specific questions follow:

1. **I would like to ask for your analysis related to the \$18.5 million cost savings you are projecting over the 5 year period. According to the documentation we are spending \$1.5 million to house 150 individuals per year for the program. Was your analysis done for 560 individuals or 150 individuals?**

The Sorenson Feasibility Study identified 560 individuals who met the initial criteria:

- 2+ jail bookings in calendar year 2016;
- Had either a general delivery or known shelter address provided; and
- Matched against Homeless Management Information System ("HMIS").

Supported by PFS Steering Committee and issue-specific Working Groups, Sorenson worked with Pima County to request, analyze and model data to provide recommendations with regard to the scope and scale of the target population for the Project. The data analysis began with a query of individuals who had 2 or more bookings within the calendar year 2016 in the Pima County Jail and were identified as having a 'general delivery address' (the jail's nomenclature for lack of permanent address) or one of three (3) known shelter addresses. This analysis yielded a population size of 560 individuals whose data were then matched with utilization records from the HMIS. Additional utilization data was collected in the aggregate from the Pima County Health Department ("PCHD"), the Pima County Behavioral Health Department ("PCBHD") and the Regional Behavioral Health Authority (or "RBHA"). In 2016, the RBHA was Cenpatico. (See: page 4 of Sorenson Feasibility Study)

As indicated above, in December 2017, the Steering Committee decided to develop a self-funded, two-year pilot project. That pilot design was for 150 participants.

The Feasibility Study details the 5-year pilot intervention and transaction cost structure at \$11,852,882. By investing nearly \$12 million into the 5-year pilot project, Sorenson estimated cost savings at \$18 million. A breakdown of estimated cost saving is as follows:

Health Care Benefit	\$14,586,958
Shelter Benefit	\$330,087
Criminal Justice Benefit	\$3,616,346
Other Benefits	\$173,446

When the Steering Committee decided to self-fund the pilot in December 2017, committee members understood that fees to the fiscal intermediary and legal costs to the transaction side would be eliminated. The self-funded project would also benefit from the ability to leverage intervention costs, in our case AHCCCS billable services and two U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration ("SAMHSA") grants. The Sorenson Feasibility Study also assumed that Assertive Community Treatment ("ACT") and wrap around services would be billed to the Program. Pima County's self-funded model blends funding from a variety of sources including AHCCCS billable services, SAMHSA billable services and Pima County General Funds.

2. Why such a small increment in county funding for 150 individuals (\$1.5 mil annual) vs 560 individuals (\$2.4 mil annual)?

A total of 150 program participants was the number Sorenson advised would provide program conclusions for evaluation purposes. Sorenson also advised that 150 is a minimum number of program participants a third party evaluator would need to track.

As described earlier, when the Steering Committee decided to transition the Pay for Success project into a self-funded model, it also recommended a two-year funding of \$1.5 million a year. If the intervention costs for the total 5 year period was going to cost about \$10 million total, that would have been about \$2 million a year. Pima County would have needed to store that money into an interest earning account (that is, if Pima County were to proceed with a Pay for Success project). Without having to shoulder the costs for intermediaries and legal costs, the Steering Committee decided on a reduced allocated amount for the Project at \$1.5 million. Our current service model leverages AHCCCS billable services and SAMHSA funding to support the pilot.

3. **I also had a question regarding the assumptions for Emergency room, Hospital inpatient costs as well as behavioral health costs being included as a cost to Pima County. Are these paid by Pima County?**

Not all of these costs are directly incurred by Pima County. Most of the County costs here pertain to the Pima County Crisis Response Center and subcontracts owned by PCHD and PCBHD for partners in the community. The primary payors here are AHCCCS, hospitals and health plans.

According to Sorenson's 2017 Feasibility Study, savings to the health care system included the following categories:

- Emergency Care;
- Paramedic Calls;
- Hospital – Inpatient and Outpatient;
- Inpatient Mental Health Treatment; and
- Outpatient Mental Health Treatment

The Housing First project seeks to lower the use of emergency rooms, calls for service to first responders, jail bookings and criminal justice system involvement among program participants. Reduced use of these services means reduced costs to our taxpayers.

4. **I would like to know how these health related costs are eliminated once these individuals are moved to permanent housing? It seems to me that these health cost would still be incurred.**

Our goal is to shift health care utilization from crisis-based services to outpatient-based services. Doing so should significantly reduce healthcare costs for the affected individuals. We aim to do this through our 15:1 participant to case manager ratio, collaborative partnership with Community Partner Integrated Health/Intermountain Centers and Old Pueblo's existing partnership with El Rio via one of their SAMHSA grants.

CHH/anc

Attachment

- c: Wendy Petersen, Assistant County Administrator for Justice and Law Enforcement
Terrance Cheung, Director of Criminal Initiatives, Criminal Justice Reform Unit
Matt Pate, Program Manager, HF Program, Criminal Justice Reform Unit
Kathleen Eriksen, Downtown Tucson Partnership

Pima County, Arizona

Housing First, Permanent Supportive Housing Pilot Project

Steering Committee Meeting

April 18, 2019

9:30 a.m. – 11:00 a.m.

130 W. Congress Street

6th Floor Conference Room



PIMA COUNTY

Project Structure

Pima County – \$1.5 Million annual budget authority during 2 year pilot phase

City of Tucson – 250 Housing Choice Vouchers

150 Program Participants (minimum)

- *2+ jail bookings in past 12 months*
- *Mental health or substance use condition*
- *Any form of homelessness*

Pilot Goals

- *Stability in the community*
- *Reduced jail bookings*
- *Reduced high cost medical care utilization*

RAND Corporation – Independent Program Evaluation

Corporation for Supportive Housing – Technical Assistance Provider

Old Pueblo Community Services – Housing Service Provider

Community Partners Integrated Health/Intermountain Centers – Collaborative Partner



Priority Populations

Jail Super/High Users (Dec. 2016 – Nov. 2018)

19 Super Users (20+ bookings)

130 High Users (10+ bookings)

0 have Lifetime Sex Offender Registration Status

Homeless Management Information System (HMIS)

- **105** have an entry
- **36** have an entry since January 1, 2018
- **20** have currently enrolled status
- **2** are currently enrolled in a housing program
- **1** is enrolled in Permanent Supportive Housing

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PCADC Homelessness Indicator (Oct. 2017 – Sept. 2018)

251 People (208 Males, 43 Females)

7 have Lifetime Sex Offender Registration Status

60 are familiar to TPD's MHST Team

Most report homelessness or housing instability to Pretrial

6 have active warrants

Homeless Management Information System (HMIS)

- **136** have an entry
- **63** have an entry since January 1, 2018
- **28** have currently enrolled status
- **1** is enrolled in Permanent Supportive Housing

Those using Criminal Justice Resources

Develop referral pathways that work for our Criminal Justice Partners (PCSD, TPD, Adult Probation & Pretrial Services)

A referral system has to be easy to use/explain and have accountability

Why is this important?

Quality of life and costs to our criminal justice/health stakeholders.

A look at 5 potential program participants:

- *Range of (13 - 30) jail bookings for a total of 98 in the past two years*
- *Range of (1 - 29) emergency encounters for a total of 44*
- *Range of (9 – 177) labs completed for a total of 372*
- *Range of (3-22) imaging procedure completed for a total of 37*
- *Three people had a range of (7-15) diagnosed conditions for a total of 30*
- *One person was on 18 medications*
- *4 of the 5 have an entry in the Homeless Management Information System but none are received housing assistance*

