Elevance Health | Public Policy Institute

Medicaid Plan Improves Housing Stability for Families in Nevada

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Housing instability is a critical health-related social need (HRSN). State Medicaid programs and managed care plans are increasingly implementing innovative housing interventions and partnerships to help individuals and families experiencing housing instability.

Background

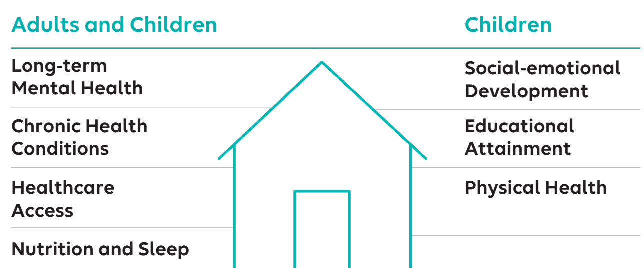
Housing instability, including experiencing homelessness or being at risk for homelessness, can lead to or exacerbate long-term mental health disorders, including depression and anxiety, and chronic conditions like asthma and heart disease.[1] It can also affect nutrition and sleep, and disrupt access to healthcare.[2] For children, the impacts are even more profound, potentially affecting physical health and also development and educational attainment.[3] (Figure 1) In addition, given that low-income and historically underserved populations disproportionately experience housing instability and homelessness, the issue of housing has health, economic, and equity implications.[4]

State Medicaid programs are in a unique position to implement innovative and effective housing interventions. Some state Medicaid programs have taken steps to better integrate health and housing services, recognizing that stable and secure housing is a critical social driver of health. In states with managed care, Medicaid health plans can help connect individuals and families experiencing housing instability with resources to address both healthcare and HRSN. However, while healthcare services covered under Medicaid can help mitigate some HRSN associated with housing instability, cross-sector partnerships are needed to fully respond to housing needs.

This paper details the relationships between Medicaid and housing support services and how Elevance Health's affiliated Medicaid plan in Nevada has invested in partnerships and housing services to improve housing stability for families experiencing or at risk for homelessness.

Figure 1

Examples of Housing Instability's Impact on Whole Health



Homelessness Prevalence

Based on the Department of Housing and Urban Development's (HUD's) most recent annual point-in-time (PIT) count from 2023, over 650,000 people experienced homelessness in the U.S., and 28 percent were families with children.[5] Between 2022 and 2023, the total number of people experiencing homelessness increased by 12 percent and homelessness among people in families with children rose by 16 percent.[6]

Additionally, homelessness consistently and disproportionately impacts people of color. For example, in 2023 Black people represented 37 percent of the entire population experiencing homelessness and 50 percent of people in families with children experiencing homelessness, while they represent only 13 percent of the U.S. population.[7]

In Nevada, homelessness has also been increasing among families since the COVID-19 pandemic. Between 2020 and 2022, overall homelessness in Nevada increased by 10 percent and homeless people in families increased by 54 percent.[8] The majority of Nevada's population experiencing homelessness is situated in Clark County—where Las Vegas is located—with the number of people experiencing homelessness increasing by 16 percent (almost 1,000 people) between 2022 and 2023.[9]

Also, similar to national trends, Black people are overrepresented in the population experiencing homelessness in urban Nevada. For example, the most recent census data from 2022 shows approximately approximately 14 percent of Clark County residents identifying as Black compared to the most recent PIT count from 2023 showing 37 percent of Clark County residents experiencing homelessness identifying as Black.[10,11]

Housing Instability and Medicaid

Medicaid and managed care plans can play an important role in preventing homelessness in the U.S. To improve housing stability, there are several federal initiatives that encourage state Medicaid agencies and housing programs to strengthen their partnerships across housing and health and to maximize the federal flexibilities available to mitigate housing insecurity.[12] In recent years, the Centers for Medicare & Medicaid Services (CMS) has released guidance that reinforces the mechanisms for reducing housing instability, specifically homelessness, through Medicaid.[13] This includes options for providing housing support services and financial assistance to beneficiaries.

Housing Support Services

Housing search assistance; liaison/mediation with rental properties; housing problem-solving and housing stabilization counseling; and referral and linkage to legal, employment, and other community-based services.

Financial Assistance

Utility payments and arrears; move-in fees/deposits; moving costs; household goods; and other financial needs deemed critical to stabilizing the housing of the member.

More broadly, through demonstration waivers or state plan amendments, states can cover housing support services as a Medicaid benefit to help people experiencing housing instability find and maintain housing. Most states use managed care as the primary delivery system in their Medicaid programs. Managed care contracts provide additional mechanisms to cover housing support services or financial assistance such as in-lieu of services (ILOS) or value-added benefits (VABs). Medicaid managed care plans can also choose to invest in housing assistance, through administrative funding or outside of their contractual requirements with the state, as an additional benefit for their enrolled members.

Nevada Housing Interventions

Elevance Health's affiliated Medicaid health plan in Nevada has a full continuum of housing stabilization programs for its members. These programs are rooted in evidence-based and best-practice approaches, such as Housing First, that focus on preventing, diverting, or rapidly resolving homelessness, when possible. Two of these interventions include a Housing Flex Fund and Family Stabilization Program. The Housing Flex Fund provides one-time or short-term flexible financial assistance to members experiencing housing instability or homelessness. The fund, for example, can provide financial assistance for utility arrears and payments for security deposits. The Family Stabilization Program partners with a community-based housing assistance organization to offer housing support services and flexible financial assistance to households with children and at least one plan member to quickly resolve housing instability and homelessness.

Methods

This analysis examines the impact on housing stability for members receiving a housing intervention through the Housing Flex Fund or Family Stabilization Program. It includes adults and children from households that received a housing intervention (housing support services or financial assistance) at some point between March 2022 and February 2023. At least one person from the household was enrolled in the Nevada health plan for a minimum of six months prior to and six months after receiving a housing intervention.

Race/ethnicity was determined using administrative data for members in the analysis. The composition of race/ethnicity in the intervention population was compared to the Nevada health plan's entire Medicaid membership based on the county where they resided. As the primary goal of the housing interventions was to keep people housed, the analysis looked at members' housing status six months after receiving an intervention. The Homeless Management Information System (HMIS) was used to determine if a member entered or returned to homelessness within six months after receiving a housing intervention.

Results

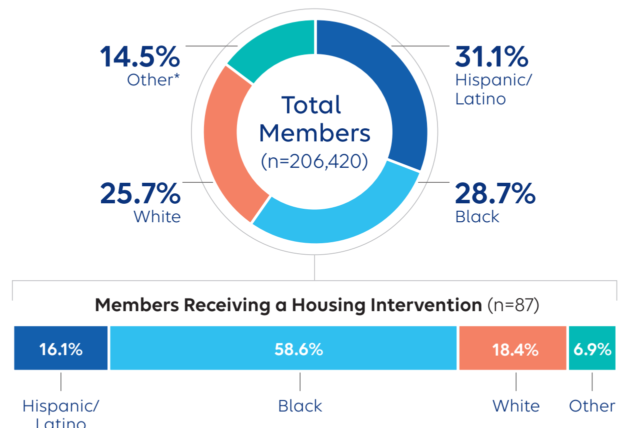
There were 42 households that had at least one family member receiving a housing intervention. After excluding people in a household who were not enrolled in the Nevada plan six months before and after receiving a housing intervention, there were 39 adults and 48 children in the analysis. Of the 87 health plan members who were experiencing housing instability, 37 were at risk for homelessness and 50 were experiencing homelessness before receiving a housing intervention.

Race and Ethnicity

Members in households who were experiencing housing instability and received a housing intervention were mostly Black (58.6 percent), White (18.4 percent), or Hispanic/Latino (16.1 percent). Relative to the plan's Medicaid population in the county where members resided (n=206,420), there were substantial racial and ethnic disparities among members receiving a housing intervention (n=87). (Figure 2)

Figure 2

Health Plan Medicaid Members, by Race and Ethnicity



*Note. This includes Asian/Pacific Islander, Native American, Other, and Undisclosed/Unknown races and ethnicities. These data were combined due to small sample sizes.

For example, though Hispanic/Latino and White members make up substantial proportions of the Nevada health plan's Medicaid population (56.8 percent, collectively), together these groups comprised only about one third (34.5 percent) of the members experiencing housing instability. Conversely, members identifying as Black comprise 28.7 percent of all the health plans' members, but they experienced housing instability at double that rate.

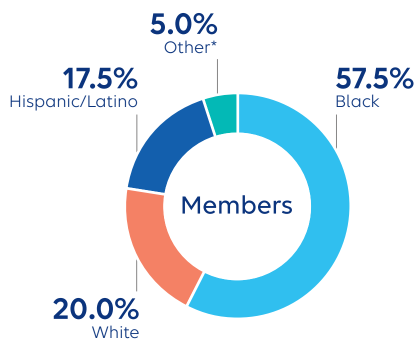
Housing Status Post-Intervention

Six months after the housing intervention, more than 90 percent of participating members had successfully remained in housing.

The race and ethnicity distribution of members who did not enter or return to homelessness six months post-intervention was similar to the distribution of race and ethnicity in the entire group that received a housing intervention. (Figure 3) Therefore, among intervention participants, minimal race and ethnicity disparities in housing outcomes existed after members received a housing intervention from the Nevada health plan.

Figure 3

Members Who Remained Housed, Six Months Post-Intervention, by Race and Ethnicity



*Note. This includes Asian/Pacific Islander, Native American, Other, and Undisclosed/Unknown races and ethnicities. These data were combined due to small sample sizes.

Managed Care Contract Options

As previously mentioned, there are several options for states to choose from when partnering with their Medicaid managed care plans to deliver housing support services. These options include quality improvement initiatives, ILOS, VABs, and counting HRSN investments in the numerator of the Medical Loss Ratio (MLR).

Quality improvement initiatives. Federal Medicaid rules require states to implement a managed care quality strategy, including the implementation of evidence-based programs aimed at improving health outcomes, enhancing member care, or reducing healthcare costs.[14] States have flexibility in what they require managed care plans to focus on; these quality initiatives could include improving housing stability.

In lieu-of services (ILOS). This is an optional managed care contract provision which allows states and CMS to approve the substitution of services that are not typically covered under the state Medicaid program. ILOS allow health plans to focus on HRSN, including housing services, to provide holistic and comprehensive care.

Value-added benefits (VABs). States have the option to approve or require services to be offered by health plans to members, beyond covered Medicaid services and not included in a capitation rate to health plans, with a goal to improve health outcomes and wellbeing. For example, a health plan may voluntarily provide housing support services as a VAB for members who are high utilizers of the emergency room and are experiencing homelessness, when these housing support services are not otherwise covered through Medicaid.

Medical Loss Ratio (MLR). States have some flexibility in defining what health plan activities are included in the MLR numerator (the sum of health plan spending on incurred claims and activities that improve healthcare quality), thereby impacting plans' ability to invest in these activities while meeting minimum MLR requirements. States can amend the MLR rules in their managed care contracts to encourage health plans to invest in more HRSN activities, such as housing support services.

Conclusion

Housing instability and homelessness are pervasive issues affecting a disproportionate number of Black families in Nevada and nationwide. The housing interventions delivered by the Nevada health plan present promising results for equitably intervening to help families experiencing housing instability.

While these findings are encouraging, efforts to promote whole health—such as conducting root analyses on why there are racial disparities in order to tailor solutions—and collaborative work to leverage Medicaid managed care should be ongoing. Robust housing support services through Medicaid and managed care are essential to implement tailored housing interventions, reduce the likelihood of households returning to or entering homelessness, connect people to appropriate healthcare services, and promote cross-sector collaboration.

Endnotes

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