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Study Finds Health Care Cost Savings Through Community Support Program for Homeless Men and Women

BOSTON (March 8, 2017) – The state’s funding of community-based support services for chronically homeless people is a “wise investment” that can lead to significant health care cost savings, according to a groundbreaking study released today by the Blue Cross Blue Shield of Massachusetts Foundation and Pine Street Inn that further demonstrates the importance of housing stability and case management as key social determinants of health.

Researchers analyzed Massachusetts Medicaid – or MassHealth – data for a group of 1,300 individuals enrolled in the Community Support Program for People Experiencing Chronic Homelessness (CSPECH) from fiscal years 2007 to 2013, finding a “return” of between $1.61 and $2.43 for every dollar invested in the program.

“There are many factors that adversely affect a person’s health, and chief among those are lack of stable housing, poor access to services, and the difficulty of trying to coordinate support from multiple agencies” said Audrey Shelto, President of the Blue Cross Blue Shield of Massachusetts Foundation. “The study we are releasing today shows very clearly the value that can be derived when we address these issues, and that value is in the form of improved lives and lower costs.”

The findings are consistent with prior studies showing that housing homeless individuals and providing supports like case management can lead to significant reductions in the utilization of health services, with savings greater than the cost of the program. While housing costs are not reimbursable by Medicaid, the CSPECH program serves as a vital bridge to housing stability for a uniquely hard-to-reach population whose physical and behavioral health needs are often addressed by more expensive forms of acute care such as hospital emergency departments.

The research, funded by the Blue Cross Blue Shield of Massachusetts Foundation, was directed by Thomas Byrne, Ph.D., assistant professor of social welfare policy at the Boston University School of Social Work. The research project was initiated by Pine Street Inn, which operates...
supportive housing and emergency shelters for Boston’s homeless men and women, providing case management services that lead to and help sustain housing.

“We know that the stability of housing with support services greatly improves the lives of chronically homeless men and women,” said Lyndia Downie, President and Executive Director of Pine Street Inn. “The fact that this model has also been shown to be cost-effective makes it clear that we need to adopt it on a larger scale. Even if results were cost-neutral, the outcomes are well worth the investment.”

The study analyzed the utilization and cost of health care services provided by the MassHealth Primary Care Clinician (PCC) Plan and its behavioral health contractor, the Massachusetts Behavioral Health Partnership. Researchers calculated that health care costs decreased by an average of $226 per person in the month immediately following the initiation of CSPECH services. This decrease continued and even grew larger such that per-person costs were $765 lower in the 24th month following entry in the program.

“The model of care that was developed and the analysis that has been completed tell us we can improve the health of vulnerable populations by providing stronger community supports, and that rather than costing more, this approach actually reduces spending,” said Marylou Sudders, Secretary of the Executive Office of Health and Human Services. “This news further validates the Commonwealth’s commitment to extend these services across all of MassHealth to cover other at-risk populations including the elderly and those with disabilities. It is the type of innovation that can really redefine our health care system.”

The full report is available [here](#).

**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.

**About Pine Street Inn**

[Pine Street Inn](#) advocates for collaborative solutions to end homelessness, partnering with homeless individuals to help them move from the streets and shelter to a home, and assists formerly homeless individuals in retaining housing. The nonprofit organization provides supportive housing, street outreach, emergency shelter and job training to over 1,900 men and women daily. As the Commonwealth’s largest provider of permanent supportive housing, Pine Street Inn now has more housing units than shelter beds, the result of a long-term strategy to increase supportive housing.

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