

Medicaid Demonstration Expands Access To Short-Term Housing Assistance

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On March 31, 2022, the [Centers for Medicare and Medicaid Services \(CMS\)](#) announced <https://www.cms.gov/newsroom/press-releases/hhs-provide-110-million-strengthen-safety-net-seniors-and-people-disabilities> it will—for the first time—enable states participating in the Medicaid [Money Follows the Person](#) <https://www.medicaid.gov/medicaid/long-term-services-supports/money-follows-person/index.html> demonstration to be fully reimbursed for short-term housing assistance. This demonstration is designed to increase states' use of home and community-based services (HCBS) and help

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people with disabilities transition out of inpatient facilities to community-based settings.

The newly announced flexibility provided to pay for [short-term housing assistance](https://www.medicaid.gov/medicaid/long-term-services-supports/downloads/mfp-supplemental-services-notice.pdf) [<https://www.medicaid.gov/medicaid/long-term-services-supports/downloads/mfp-supplemental-services-notice.pdf>](https://www.medicaid.gov/medicaid/long-term-services-supports/downloads/mfp-supplemental-services-notice.pdf) —which can include rental and utility assistance together with a comprehensive set of housing-related support services—recognizes the difficulties of securing housing as individuals with disabilities transition from inpatient facilities to home and community-based settings. It further represents an important extension of Medicaid’s on-going initiatives that are testing policies designed to improve coordination between state housing and health agencies and promote safe and affordable community-based housing options.

In this article, we first provide a background on recent efforts to promote housing stability for people eligible for home and community-based services. We then delineate the ways in which the new rules aim to address on-going challenges within the program and describe other Medicaid-related efforts to support housing-related needs. Finally, we highlight the need to study these initiatives as critical efforts to bridge housing and health care.

Bridging Housing Assistance And Home And Community-Based Services

The US Supreme Court’s [1999 Olmstead decision](https://www.ada.gov/olmstead/) [<https://www.ada.gov/olmstead/>](https://www.ada.gov/olmstead/) ruled that in public programs, segregating individuals with disabilities is a form of unjust discrimination under the Americans with Disabilities Act and reaffirmed the right of people with

disabilities to receive services in “the most integrated setting appropriate.” In the decision’s wake, CMS established the Money Follows the Person demonstration for Medicaid to expand community-based care and give individuals with disabilities more choice in where they receive health care services.

A key challenge for this initiative has been the lack of accessible and affordable housing units for these individuals. The [number of affordable rental units](https://www.jchs.harvard.edu/blog/the-continuing-decline-of-low-cost-rentals) [<https://www.jchs.harvard.edu/blog/the-continuing-decline-of-low-cost-rentals>](https://www.jchs.harvard.edu/blog/the-continuing-decline-of-low-cost-rentals) has been declining since 2000 and today represents only a small share of the rental stock. Supplemental Security Income beneficiaries receive [\\$9,528 per year](https://www.tacinc.org/resources/priced-out/) [<https://www.tacinc.org/resources/priced-out/>](https://www.tacinc.org/resources/priced-out/), making it impossible to afford even the lowest-cost rental units.

Using flexibilities provided under the Money Follows the Person demonstration, states have worked to connect individuals with disabilities with home and community-based services and supports. These include a wide range of housing transition and tenancy supports, such as help searching and moving into housing, assistance with security deposits and move-in expenses, and ongoing supports to stay stably housed.

Lack of affordable housing has been the biggest barrier in transitioning people out of institutions, according to a [Money Follows the Person evaluation](https://www.mathematica.org/download-media?MediaItemId=%7b96C0D313-A6E8-4314-8E4B-C762F7347C6A%7d) [<https://www.mathematica.org/download-media?MediaItemId=%7b96C0D313-A6E8-4314-8E4B-C762F7347C6A%7d>](https://www.mathematica.org/download-media?MediaItemId=%7b96C0D313-A6E8-4314-8E4B-C762F7347C6A%7d) from 2017. Federal and state housing agencies have worked to fill the gaps through targeted rental assistance to people with disabilities. At the federal level, the Department of Housing and Urban

Development administers two programs: the [Mainstream voucher program](https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/mainstream) [<https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/mainstream>](https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/mainstream), which is distinct from the regular Housing Choice Voucher program and provides tenant-based rental assistance for non-elderly persons with disabilities; and, the [Section 811 Project Rental Assistance \(PRA\) program](https://www.hudexchange.info/programs/811-pra/) [<https://www.hudexchange.info/programs/811-pra/>](https://www.hudexchange.info/programs/811-pra/), which provides project-based rental assistance.

Both Mainstream vouchers and the Section 811 PRA program have expanded access to affordable housing and promoted (or required, in the case of Section 811 PRA) partnerships between state health and housing agencies to work toward the coordination of housing and supportive services to people with disabilities moving out of institutions.

Paying For Short-Term Rental Assistance

Despite efforts at the federal and state levels to better coordinate access to housing assistance and tenancy supports and services, timing the transition out of an institutional setting and into assisted housing has been a challenge. The newly announced flexibilities seek to address this challenge by paying for short-term rental assistance.

When a Mainstream voucher is issued or a Section 811 PRA unit becomes available, individuals have a limited time to find a unit in the market (in the case of Mainstream) or visit the unit (in the case of Section 811 PRA), submit the lease application, sign the lease, and move in. Mainstream vouchers are issued for a limited time, and the Section 811 PRA program pays for a vacant unit for a maximum of a few months. People moving out

of institutions frequently need more time to search for and visit available units, to complete the lease application, process their discharge from the institution, and be approved for and enrolled in home and community-based services.

The recent CMS announcement to Money Follows the Person grantees allows for 100 percent reimbursement of up to six months of short-term rental assistance and associated utility expenses. This assistance can help bridge the gap between the time an individual is ready to transition to the community and the time needed to apply for and receive a Mainstream voucher, a Section 811 PRA unit, or other state or local housing assistance. To use this option, states will be required to develop and approve a housing plan that includes partnerships with state and local housing agencies to ensure that short-term rental assistance does not end without individuals being able to obtain longer-term support from other agencies. This and other housing-related services included in the Money Follows the Person demonstration will help individuals living in institutions exercise their right to live and receive services and supports in the community.

Additional Opportunities Under The Medicaid Program To Address Housing-Related Needs

The new rules for the Money Follows the Person demonstration are the first to explicitly allow for federal grant dollars to pay for short-term housing assistance. However, several other Medicaid demonstrations are experimenting with housing-related services as a way to meet participant need.

Medicaid section 1115 demonstrations are designed to test budget-neutral policy approaches to improve service

delivery, health care coverage, and access to long-term services and supports. Six states, including [California](#), [Maryland](#), [Washington](#), [Illinois](#) [<https://onlinelibrary.wiley.com/doi/full/10.1111/1468-0009.12514>](https://onlinelibrary.wiley.com/doi/full/10.1111/1468-0009.12514), [Massachusetts](#) [<https://www.mass.gov/doc/flexible-services-guidance-document/download>](https://www.mass.gov/doc/flexible-services-guidance-document/download), and [North Carolina](#), included housing case management and tenancy services in their section 1115 demonstrations. Another two, [Oregon](#) [<https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/or/or-health-pln-extnsion-appl-2022-2027.pdf>](https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/or/or-health-pln-extnsion-appl-2022-2027.pdf) and [Virginia](#) [<https://www.dmas.virginia.gov/media/2635/high-needs-supports-operational-design-and-implementation-planningposting-942020.pdf>](https://www.dmas.virginia.gov/media/2635/high-needs-supports-operational-design-and-implementation-planningposting-942020.pdf), have submitted Medicaid section 1115 demonstrations with the intention of offering these services in the near future. Eligibility for the programs varies, with many states targeting individuals with high medical need such as high utilizers and focusing on those without housing or at imminent risk of losing their homes.

State demonstrations have varied in their approach to tenancy services, with some including pre-tenancy supports such as helping individuals with budgeting, residential applications, security deposits, and application fees. Others have included landlord outreach and incentives and services designed to help individuals remain stably housed after they have moved in, including home accessibility and safety modifications and legal assistance. Importantly, these housing-related services are meant to help individuals find and sustain housing, but they do not pay for the room and board of housing itself.

Other Medicaid HCBS programs, such as those under

section 1915(c) and 1915(i) authority, have also allowed the use of housing-related services. California, Louisiana, Minnesota, and Wisconsin are examples of states that included housing-related services [in their section 1915\(c\) HCBS programs <https://nashp.org/wp-content/uploads/2018/11/Housing-and-service-options-1_24_2019.pdf>](https://nashp.org/wp-content/uploads/2018/11/Housing-and-service-options-1_24_2019.pdf); and Texas and North Dakota are examples of states that included housing-related services [in their section 1915\(i\) state plan HCBS <https://www.macpac.gov/wp-content/uploads/2021/06/Medicoids-Role-in-Housing-1.pdf>](https://www.macpac.gov/wp-content/uploads/2021/06/Medicoids-Role-in-Housing-1.pdf) programs. Section 1915(c) of the Social Security Act requires individuals to meet an institutional level of care, while section 1915(i) targets services to individuals who meet state-defined, needs-based criteria that may include those who are experiencing homelessness or are at high risk of experiencing homelessness upon discharge. Similar to section 1115 demonstrations, these states have employed a variety of housing transition and tenancy support services to help achieve stable and affordable housing for the individuals they serve.

Determining What Works

There is a critical opportunity and urgent need to evaluate housing-related services across programs and to investigate what partnerships need to be in place to help ensure that these services are successful in providing long-term housing stability. And, with the introduction of short-term housing assistance under the Money Follows the Person demonstration, it will be important to understand the extent to which these new flexibilities provide a bridge to help meet programmatic goals of enabling individuals to move from institutional to community-based settings and improve their health and well-being.

As the contours of Medicaid's engagement in housing are defined and [debated](#), these demonstrations and waivers are poised to provide powerful evidence on alignment across sectors. At the same time, the move toward Medicaid paying for short-term housing assistance in the Money Follows the Person demonstration points to the broader difficulty of securing stable, affordable housing, and renews calls for increasing the availability of housing assistance for low-income households.

Authors' Notes

Craig Pollack works part time on a temporary assignment with the Department of Housing and Urban Development (HUD). Teresa Souza works full time at HUD. The findings and conclusions in this article are those of the authors and do not necessarily represent those of HUD or other government agencies.