Housing and Services
Resource Center

Scaling Medicaid-Funded Tenancy Sustaining Services in Affordable and Supportive Housing

The Housing and Services Partnership Accelerator (HSPA) provides opportunities for states with a Centers for Medicare & Medicaid Services (CMS) approved section 1115 demonstration or 1915(i) state plan benefit covering housing-related services and supports for individuals experiencing or at risk of homelessness to:

- accelerate effective implementation, expansion, and improvement of the delivery of these services; and
- strengthen the state and local agency and community-based organization partnerships across health, housing, homelessness, aging, and disability.

This brief is part of a series highlighting lessons learned from states[1] who received intensive technical assistance and peer learning opportunities during the first Housing and Services Partnership Accelerator (HSPA) cohort.

A growing number of states are leveraging opportunities to add coverage of housing-related services and supports under Medicaid that can help eligible individuals with disabilities and older adults who are experiencing or at risk of homelessness to prepare for, move into, and sustain tenancy in housing. CMS guidance[2] has outlined existing authorities for coverage of housing-related benefits like home accessibility modifications, one-time community transition costs, and pre-tenancy and tenancy sustaining services that promote community integration and improved health outcomes, and many states are using various authorities to cover these benefits.[3]

CMS' guidance also outlines a health-related social needs (HRSN) framework that allows states to

Keys for Success:

- Consider the full range of individuals' needs when developing tenancy sustaining programs
- Ensure CBO capacity to effectively deliver and receive payment for Medicaid-funded tenancy-sustaining services
- Establish strong housing sector partnerships

[1] The first HSPA cohort, initiated in 2024, includes eight states (Arizona, California, Hawaii, Maryland, Massachusetts, Minnesota, North Carolina, Washington) and the District of Columbia.

[2] Coverage of Services & Supports to Address Health-Related Social Needs in Medicaid & the Children's Health Insurance Program

[3] These may include 1915(i) or other state plan benefits, 1915(c) waivers, managed care in lieu of services (ILOS), and section 1115 demonstrations. States vary in terms of which housing-related services they cover under these authorities, if any, and the extent to which individuals experiencing or at risk of homelessness are eligible for and prioritized to receive them.

leverage additional flexibilities, inclusive of opportunities under home and community-based services 1915(i) authority and a Medicaid section 1115 demonstration opportunity, offering states greater flexibility to define and target eligible populations for HRSN benefits to include people experiencing or at risk of homelessness using state-defined medical appropriateness criteria. Effective design and implementation of Medicaid housing-related benefits for these populations requires state Medicaid agency collaboration with state and local agencies and community-based organizations (CBOs) providing affordable and supportive housing, and with aging and disability resources and programs.

This brief offers considerations for successful implementation of Medicaid-funded tenancy sustaining services (TSS) – which assist eligible individuals once they are housed to maintain their housing. The need to align and coordinate TSS with other Medicaid and non-Medicaid services to cover the full range of individuals' needs when sustaining community-based housing is highlighted, along with the need to ensure CBO capacity to effectively deliver and receive payment for Medicaid-funded TSS. Scaling of TSS within states also requires strong housing sector partnerships to ensure the availability of and access to affordable and supportive housing resources for those eligible for and receiving TSS.

The Role of Tenancy Sustaining Services

Participating states' eligible populations for Medicaid-covered housing related services and supports broadly include people with disabilities and older adults who are experiencing or at risk of homelessness, individuals with serious mental illness and/or substance use disorder, and individuals experiencing high-risk care transitions, such as from shelters, institutional settings or incarceration. These vulnerable populations, who often face significant challenges in getting and keeping housing, are targeted by states to receive TSS in an effort to reduce homelessness and improve housing stability, access to care, and physical and mental health outcomes, while reducing costs. Once housed, TSS assist individuals to succeed in community-based housing, and may provide education on tenancy rights, roles and responsibilities, assistance with skill building to manage one's living environment, early intervention as necessary to prevent housing loss, and continued engagement and establishment of ongoing services linkage and coordination to meet individuals' disability-, aging- and community integration-related needs.

States establish standards for implementing TSS based on the needs of their target populations and must consider how best to design these services to meet the frequency and intensity of individuals' tenancy support service needs. This may include requirements regarding maximum caseload sizes for staff delivering TSS, expected number of monthly contacts, and/or the use of best practice service delivery interventions (e.g., housing first, motivational interviewing, trauma-informed care.)

Braiding and Care Coordination to Meet Individual Tenants' Service Needs

While Medicaid TSS are critical to supporting community living among people with disabilities who are transitioning from or at risk of homelessness or institutionalization, these supports alone may not address the full range of needs an individual has in maintaining housing stability. Individuals who are eligible for or receiving TSS often have complex care needs and may benefit from an array of health, behavioral health, and social care services and supports, in addition to TSS, in order to integrate in their communities and remain stably housed. Thus, health and social care partnerships are needed in order to align and braid resources from other Medicaid and non-Medicaid programs to provide a mix of non-duplicative services and supports that are responsive to an individual's needs and preferences.

Many states who participated in HSPA sought to identify, better understand, and coordinate the clinical and other needs of individuals receiving TSS, and the available resources and partner organizations that fund and deliver services and supports to address them through use of cross-system data and other strategies. States should consider their specific target populations' needs in order to leverage all available federal, state and local investments available. For example, Medicaid may fund health, in-home care or other Medicaid home and community-based services that can support an older adult, a person with a disability, or an individual with chronic illness to remain and receive care in their own housing. State Medicaid programs may also cover a range of mental health and substance use disorder treatment and recovery supports[4] that can benefit individuals who are exiting or at risk of homelessness as they stabilize in housing, in addition to covering the types of peer support, transportation, employment, and case management services that individuals receiving TSS may want or need. States should inventory the range of Medicaid and non-Medicaid federal, state and local programs and resources available in their states - inclusive of those available through state No Wrong Door systems and other aging and disability system partners, as well as homeless, housing, health and behavioral health systems - that can provide the necessary array of supplemental services and supports to align with TSS in housing as this mix will vary by state.

States must also consider the cross-sector partnerships necessary to align and braid resources along with strategies for coordinating care. Often this requires working across different health, aging, disability and homeless care systems and structures. Tapping into existing networks of CBOs who deliver needed services and supports to coordinate and deliver care to older adults and persons with disabilities and/or individuals at risk of or experiencing homelessness, such as through community care hubs (CCHs)[5], homeless Continuums of Care (CoCs) and similar types of collaborative bodies, are options for states to consider to facilitate blending and braiding of funds from multiple sources to meet the full range of individuals' tenancy support needs and to coordinate care.

[4] Opportunities for Improving Access to Mental Health and Substance Use Disorder Services for Medicaid and CHIP Enrollees Experiencing Homelessness

[5] Community Care Hubs: A Promising Model for Health and Social Care Coordination

Several HSPA states are leveraging third-party administrators or managed care plans (MCPs) to better coordinate care and ensure connection to wraparound services and supports for members. For example, the Arizona Health Care Cost Containment System secured a Third-Party Administrator (TPA) to assist in administering housing-related wraparound services and supports, including Housing Tenancy Services, as part of its Medicaid 1115 Housing and Health Opportunities (H2O) Demonstration. The TPA is responsible at the member level to ensure appropriate coordination with the member's clinical team and enrolled health plan to help ensure member care coordination.[6]

Provider Capacity Considerations

CBOs are critical partners for states in providing TSS and many states seek to leverage existing networks of CBOs to deliver them as the providers who are most experienced in meeting the needs of states' target populations for these services. For example, states may look to its homeless and housing system providers, who primarily receive grant funding from HUD and other sources, to deliver TSS. However, many often lack the experience and/or infrastructure to deliver and receive reimbursement for services delivered under Medicaid. CBOs in the aging and disability networks may have experience with Medicaid and with the provision of housing and related supports but may need to enhance or expand their capacities in other ways.

States should consider how to effectively engage CBOs with both types of experience in meaningful ways. This includes assessing their CBO networks' infrastructure, staffing and other needs, and providing capacity-building support to ensure CBOs can deliver TSS in accordance with program standards and perform key functions related to operating in a Medicaid environment (i.e., screening and assessment, referrals, billing, quality assurance.) In assessing and supporting CBO needs, several HSPA states created funding opportunities to support capacity building for CBOs. States can consider the option to include capacity building funds in their 1115 demonstrations as Arizona and Massachusetts did. States may also ease the interface between Medicaid and CBOs by contracting with a TPA, as Arizona has done. Arizona's TPA handles initial and ongoing provider technical assistance and training related to service delivery, including provider onboarding, in addition to provider claims submission. States may consider utilizing CCHs and other types of backbone organizations to streamline provider billing and claims and minimize the need for participating CBOs to acquire the necessary administrative infrastructure and expertise for Medicaid contracting.

- Engaging CBOs early and intentionally throughout the process can allow states to seek input on funding structures, fee schedules, and service delivery options. Many HSPA states have developed standardized service definitions, as well as transparent, standardized fee schedules, and simplified reimbursement approaches, such as the use of per member per month rates for the delivery of TSS. States like Hawaii have engaged their managed care plans (MCPs) with the goal of reducing barriers to CBO participation as TSS providers. States should consider strategies that encourage simplified administrative processes that allows for streamlined provider enrollment and billing, and

[6] Protocol for Assessment of Beneficiary Eligibility and Needs, Infrastructure Planning, and Provider Qualifications for H2O Services, Arizona Health Care Cost Containment System (undated).

that build the knowledge-base and infrastructure within MCPs to effectively support CBOs in delivering TSS and partnering with housing resources and providers.

Aligning Tenancy Support Services with Housing Resources and Models

In order for states to effectively implement and scale Medicaid-funded tenancy sustaining services, partnerships with state and local housing agencies must be developed and/or expanded to ensure beneficiaries who are receiving these services have access to community-based housing. Given that states' target populations for TSS include individuals experiencing or at risk of homelessness who have disabilities and/or are aging, states must consider how to make available housing that is both affordable to extremely low-income individuals[7], as well as accessible so people with disabilities and/or older adults can easily enter and use it.[8] States' strategies for coordinating TSS with housing assistance resources and models include creation of permanent supportive housing (PSH)[9] as a proven, cost-effective approach to assisting people with disabilities and chronic/complex health conditions to transition from homelessness, exit or avoid institutional settings, and live in the community as well as bringing together other forms of affordable and subsidized housing resources with TSS and utilizing models like recovery housing[10] to ensure a range of options to meet individual housing needs and choice.

HSPA states recognize both lack of accessible, affordable housing supply and limited availability and access to subsidized housing resources as challenges to ensuring housing availability for those eligible for and receiving TSS. Most all HSPA states have invested in both capital (funds to support housing development), and rental or operating assistance (to subsidize rents so tenants pay no more than 30% of income for rent) to develop and expand PSH for its target populations using a combination of scattered-site and site-based PSH or mixed-use developments.[11] State and local housing agencies who support the development of affordable and supportive housing are critical partners for state Medicaid agencies to engage in order to ensure availability of these types of housing opportunities.

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[7]HUD defines extremely low income as a household income that is 30% or less of the area median income.

[8]Accessible housing has features people may need to live independently, like wider doorways, clear floor space for wheelchairs to move throughout the home, low countertops, assistive technology, and grab bars in bathrooms. Housing can be built or modified for accessibility, which would enhance housing stability, prevent falls, and enable community participation for people with disabilities and older adults. Accessibility may also reduce the need for in-home supports.

[9]Permanent Supportive Housing Evidence-Based Practices KIT. Rockville, MD: Center for Mental Health Services, Substance Abuse and Mental Health Services Administration, U.S. Department of Health and Human Services, 2010.

[10]Best Practices for Recovery Housing. Rockville, MD: Office of Recovery, Substance Abuse and Mental Health Services Administration, 2023.

[11]See Permanent Supportive Housing. Administration for Community Living, September 2021 for PSH model definitions.

Potential State & Local Housing Agency Partners[12]

Agency Type	Role & Programs
State housing agencies	Help finance the development of affordable housing, including administering state allocations of the federal Low Income Housing Tax Credit Program and housing bonds. May also administer HUD's HOME Investment Partnerships, Section 811 Supportive Housing Program for people with disabilities, and state capital funds.
Municipal and county government housing agencies	Help finance the development of housing. Administer federal housing capital programs like HOME, CDBG, as well as local housing resources.
Affordable housing developers	Utilize HUD Multifamily Programs such as Section 811 Capital Advance and/or Project Rental Assistance for people with disabilities and Section 202 Supportive Housing for Older Adults to construct or rehabilitate housing operated as supportive housing.
Public housing authorities (PHAs) **3,000+ that function statewide or cover a county/metro or municipal catchment area**	Oversee and manage federal public housing. Administer Housing Choice Vouchers (HCVs) including the special purpose voucher rental assistance programs. Some also directly develop affordable housing, generally through an affiliated nonprofit.
Continuum of Care (CoC) **~380 Continuum of Care communities that coordinate homeless services at the city, county, or regional levels**	Coordinate the use of federal Continuum of Care Program homeless assistance grants. Coordinate homeless services programs and delivery, including through coordinated entry systems.

Several HSPA states are also focused on supporting the capacity of affordable housing developers and PSH providers. Massachusetts and Minnesota are also working to ensure that PSH providers can effectively leverage Medicaid-funded TSS and sustain their programs.

[12]Adapted from: https://www.medicaid.gov/sites/default/files/2023-01/addrss-hlth-soc-needs-1115-demo-all-st-call-12062022.pdf

State Spotlight: Maryland

Maryland Department of Housing and Community Development (DHCD) oversees the development of multifamily affordable housing, special needs supportive housing, and federal Housing Choice Vouchers in certain jurisdictions. DHCD is leading the state's first interagency plan for the creation of permanent supportive housing (PSH) by braiding resources from the housing and healthcare systems. For one key housing resource - the federal Low-Income Housing Tax Credit Program – DHCD included in this year's Qualified Allocation Plan a new threshold requirement for PSH to be part of every housing development funded by tax credits. A key component of this proposal is ensuring that TSS are available for every unit created. HSPA technical assistance (TA) supported Maryland in determining ways to leverage Medicaid 1115-funded services, which are key to the interagency plan's success. HSPA TA also supported the state in identifying how to streamline eligibility requirements between programs, how to best structure financing and funding of supportive services for PSH and ensure strong linkages between state agencies and homeless Continuums of Care, Area Agencies on Aging, and Centers for Independent Living.

Additionally, HSPA states are working to better align and coordinate eligibility for Medicaid-funded TSS with existing processes for accessing federal rental assistance in order to provide additional community-integrated housing opportunities. States can partner with HUD-funded homeless Continuums of Care (CoCs) and Coordinated Entry Systems (CES) to align and coordinate Medicaid-funded pre-tenancy and tenancy sustaining services with housing assistance to provide supportive housing for eligible individuals experiencing homelessness. As an example, all individuals experiencing chronic homelessness who are eligible for the District of Columbia's Medicaid-covered Housing Supportive Services (HSS) benefit are matched to a locally or federally funded housing voucher through the District's Coordinated Assessment and Housing Placement (CAHP) process before enrolling in the HSS benefit to ensure alignment of housing subsidies and HSS.[13]

HSPA states are also pursuing partnerships with public housing authorities (PHAs) to leverage federal Housing Choice Vouchers (HCVs) to pair with Medicaid-funded pre-tenancy/housing navigation and TSS, as well as the ability to pay for one time transition, move-in and/or short-term rent assistance costs as approved by CMS. Special purpose voucher rental assistance programs administered by PHAs are a particular opportunity states should explore leveraging with Medicaid-funded TSS. For example, HSPA states are exploring new opportunities presented by recent HUD guidance on its Mainstream Voucher program, which provides new flexibilities that support referral partnerships to help states' target populations with disabilities in transitioning from institutions or homelessness to community-based housing and services or to avoid institutionalization. Among other new flexibilities, the guidance enables PHAs to prioritize Mainstream Vouchers for people referred by Centers for Independent Living, homeless CoCs, Area Agencies on Aging, State No Wrong Door Systems, and others, facilitating faster access to housing and improved coordination of housing assistance with TSS and other wraparound services and supports. Using HUD's HCV Data Dashboard, HSPA TA assisted states to identify

[13] Medicaid-Funded Housing Services: Opportunities for Alignment and Coordination with Housing Resources within Homeless CES. Washington, DC: U.S. Department of Housing and Urban Development, August 2024.

PHAs in their states with low utilization of mainstream vouchers that may be especially interested in forming referral partnerships and enhancing opportunities to leverage these resources to pair with TSS.

Washington's Aging and Long-Term Support Administration (ALTSA) has created partnerships with PHAs for these types of federal rental assistance vouchers, but have also gone a step further to develop a state-funded housing subsidy program that assists individuals who are diverting from institutional settings or are transitioning from them into the community. This state funded subsidy provides a temporary "bridge" from institutionalization to community living through affordable housing when permanent federal rent assistance waitlists are long. ALTSA partners with the Spokane Housing Authority (SHA) to administers their state subsidy statewide by utilizing interlocal agreements with other PHAs to operate in their services areas. This state subsidy is also being used to leverage federal short-term rental assistance (STRA) for up to six months when medically necessary under its Money Follows the Person (MFP) demonstration, and more recently with similar STRA benefits now approved under Washington's 1115 demonstration. ALTSA integrates interim state rental assistance, federal STRA and tangible housing resources with Medicaid home and community-based services and TSS delivered under Washington's Foundational Community Supports supportive housing benefit in its approved Medicaid 1115 demonstration.

Conclusion/Final Considerations

This brief offers high level considerations for states seeking to effectively design, implement and scale Medicaid-funded tenancy sustaining services that assist individuals with disabilities and older adults who are experiencing or at risk of homelessness to maintain community-based housing that builds on the lessons learned from the federal Housing and Services Partnership Accelerator (HSPA). For more information, visit the Housing and Services Resource Center (HSRC) Accelerator page for companion briefs and recordings of peer learning sessions that expand on many of the strategies highlighted here.

Useful Resources

- Relevant CMS guidance:
  - Coverage of Services and Supports to Address Health-Related Social Needs in Medicaid and the Children's Health Insurance Program
  - Opportunities for Improving Access to Mental Health and Substance Use Disorder Services for Medicaid and CHIP Enrollees Experiencing Homelessness
- Relevant HUD guidance & resources:
  - August 27, 2024 Notice PIH 2024-30 Statutory and regulatory waiver for Mainstream Vouchers
  - HUD Housing Choice Vouchers Data Dashboard
  - Medicaid-Funded Housing Services: Opportunities for Alignment and Coordination with Housing Resources within Homeless CES
- Other federal resources:
  - Federal Resources for Addressing the Behavioral Health Needs of People Experiencing or at Risk of Homelessness

- Community Care Hubs: A Promising Model for Health and Social Care Coordination