



## **Governor Cuomo’s Medicaid Redesign Team Votes to Accept Recommendations of the MRT Affordable Housing Workgroup**

In its final meeting today, Governor Cuomo’s Medicaid Redesign Team voted unanimously to accept the report and recommendations of the MRT’s Affordable Housing Workgroup. While much will depend on whether and how these recommendations are implemented over the next year, the workgroup’s report is likely to lay the foundation for a significant expansion of supportive housing production in New York State.

“The recommendations included in the MRT Affordable Housing Workgroup’s report set the State firmly on the path of greatly expanding access to supportive housing for vulnerable people who are high-cost users of inpatient and emergency Medicaid services,” said Ted Houghton, Executive Director of the Supportive Housing Network of New York. “When put into place, these actions will yield substantial taxpayer savings, while improving the quality of life for thousands of New Yorkers with behavioral health issues and chronic conditions. We applaud the Governor and his staff for their visionary leadership on this issue.”

At the beginning of this year, Governor Cuomo established a Medicaid Redesign Team (MRT) to devise a comprehensive strategy to reduce costs and improve care in New York State’s Medicaid program. The MRT focused much of its attention on the 20% of high-need Medicaid recipients who use up to 75% of all Medicaid spending. From the first meetings of the MRT, many Network members and other stakeholders testified about the central importance of stable housing and community-based supports to the successful treatment and management of mental illness, substance abuse and chronic medical conditions. As a result, the MRT established an Affordable Housing Workgroup to address housing and related issues in the context of Medicaid.

The workgroup’s charge was to evaluate the state’s supportive housing portfolio, identify barriers to the efficient use of available resources for the development and utilization of supportive housing, and make recommendations intended to overcome those barriers. In addition, the workgroup was asked to identify opportunities for investment of additional resources for expanding supportive housing that would result in savings to the Medicaid program.

In less than two months, the workgroup was able to accomplish these objectives by finalizing a list of recommendations that were voted on by the MRT today. Some of the recommendations approved by the MRT include:

- Develop a “NY/NY IV” supportive housing development agreement with New York City and other interested localities across the state that will create thousands of new supportive housing units targeting high-cost, high need users of Medicaid;
- Establish a formal mechanism to set aside a portion of Medicaid and non-Medicaid savings related to any reduction of inpatient hospital, psychiatric center or nursing home capacity to a fund dedicated to supportive housing development;
- Unfreeze the NYS Office of Mental Health’s capital and operating funding for supportive housing and allow it to be spent in the coming fiscal year on new development;
- Transfer a substantial portion of \$75 million in new capital and rent subsidy funds to OTDA, HHAP, HCR and OMH to develop new supportive housing units beginning in FY12-13;
- Include funding for ongoing housing-based services and operating costs in the MRT 1115 Medicaid waiver to be submitted by the State to the U. S. Centers for Medicaid and Medicare Services in 2012;
- Implement a series of specific reforms to the Assisted Living Program that will increase provider flexibility and effectiveness;
- Establish an interagency council of state agency representatives to coordinate and implement supportive housing policy; and
- Develop working groups to streamline the capital development process, improve housing placement and prioritization procedures, and create mechanisms for supportive housing tenants to move to more independent housing.

The entire report and recommendations approved by the MRT can be found [here](#).

The Affordable Housing Workgroup was just one of ten subcommittees submitting reports to the MRT. Its recommendations reflected a broad consensus of the 26 members of the workgroup, which included 10 Network members, as well as other related organizations, assisted living representatives and government officials. The workgroup has made tentative plans to continue meeting in 2012 to help guide implementation of the report’s recommendations.

Three proposals to expand housing subsidies for people living with HIV/AIDS were considered but not included in the report’s recommendations, despite much interest in one, a proposal to cap HASA tenants’ rent contributions at 30% of income. The Network will work with our members and allies to ensure that the report’s suggestion to study and address this issue is vigorously pursued.

The Network would like to thank Governor Cuomo, the Medicaid Redesign Team, the Department of Health and all the state agencies and workgroup members for the opportunity to contribute to this critical discussion and report. Affordable Housing Workgroup Co-Chairs Deputy Secretary Jim Introne and Ed Matthews of UCP deserve special commendation for their leadership of the group, as do Mark Kissinger of NYS DOH and Andrea Cohen from the New York City Deputy Mayor's Office, who so ably staffed the workgroup and wrote the report.

Targeted investments in supportive housing for high-need, high-cost Medicaid populations can be an effective strategy for reducing Medicaid spending and improving care. The Network is proud to be a part of such an important statewide initiative, and looks forward to helping to implement housing recommendations in 2012.