

**Testimony to the House Appropriations Subcommittee on MDHHS on behalf of the
Michigan Home and Community Services Network
March 16, 2022**

Greetings Chairperson Whiteford and members of the subcommittee. The Michigan Home and Community Services Network (MHCSN) is an association of six agencies covering 44 counties in Michigan's Lower Peninsula. Our members constitute a range of entities that provide services to elderly and disabled Michigan residents. Each member of the MHCSN has been designated by the state as a provider of the Medicaid MI Choice-Waiver Program, and we would like to address the subcommittee on issues relating to that program.

Despite the fact that additional funding for waiver slots has been included in the budget for the current year, waiver agents continue to struggle to provide services to clients on waiting lists. There are several factors that are hampering efforts to enroll more people in the MI-Choice program, but one that we feel has not received enough attention is a lack of affordable housing options. This is especially a concern when working to transition patients out of nursing homes and back into the community.

MHCSN agencies performed 62% of the Nursing Facility Transitions for FY2021 which is 484 transitions, as determined by MDHHS data presented on 10/27/21 at the MI Choice Waiver Director's meeting. When MHCSN agency members analyzed the list of individuals who were still waiting to transition out of the nursing facility, approximately 30% of those on the waiting list were there due to housing issues/concerns. Within the MHCSN agencies, this represents approximately 150 individuals Statewide.

Housing is a critical issue for a significant number of individuals waiting to be transitioned from the nursing facility. Some individuals have no income due to being younger and not yet qualifying for disability income. In many communities, housing is a scarce commodity and housing rents/costs are accelerating at a faster pace than an individual's Supplemental Security Income and/or other forms of income. Individuals waiting transition are competing for housing with the private sector market rates, and losing out due to lower monthly incomes. Moreover, subsidized housing has excessively long waiting lists; individuals wait in the nursing facility for these limited openings, spending larger amounts of Medicaid dollars for nursing facility care. Many individuals who are waiting to transition out of the nursing facility just do not have enough income to cover traditional room and board costs.

MHCSN would like to propose a pilot where additional funds to secure "housing" could be used for individuals transitioning from a nursing facility back into the community with the MI Choice Medicaid Waiver program (MI Choice). (Housing is defined as any location eligible for MI Choice funded services). Individuals eligible for these funds would need to be residing in a Nursing Facility (for at least 3 months), on Medicaid, and be enrolled in the MI Choice Medicaid Waiver program upon transition.

Our proposal is to offer a housing supplement that would average \$650/month (not to exceed \$900/month) for up to 75 individuals who are waiting to be transitioned from a nursing facility to the community where they would receive MI Choice services. This housing supplement would ideally be ongoing, but for the sake of this pilot, it would cover up to 12 months.

These supplemental dollars would be combined with the individual's income to help secure appropriate housing in the community, and would help in covering actual room and board costs such as rent. These dollars would go beyond the security deposit and first month's rent as offered within the Community

Transitions Program (CTS). Many of the individuals who would be served in this program are considered high risk “renters” due to poor credit scores, inconsistent work history and possible criminal charges in their background. Having these additional guaranteed dollars attached to these potential “renters” provides the “landlord” with more security that rents will be paid and decreases their risk of leasing to these individuals. This would go a long way to increasing the likelihood of securing a place to live in the community.

In this pilot, we suggest that the authorizing, tracking and payment of these agreements and awards be centralized; this could be subcontracted and performed by an agency, or directly by MDHHS staff. For example, the process could look somewhat similar to the current process with community transition navigators requesting exceptions from MDHHS staff when making purchases for transitions.

Transition Navigators (or Waiver Agents who do not use navigators) could request these funds for those who meet criteria and who have housing identified as the primary barrier for being unable to leave the nursing facility. The idea is to have these funds be specifically directed to assist individuals in moving into the community with MI Choice Medicaid Waiver services. The agency coordinating this pilot would maintain on-going contact with the MI Choice Waiver case manager and/or CTS navigator to assure the individual is still enrolled in MI Choice or CTS, and still needs and/or is eligible for these supplemental payments.

This pilot could be tested by a few select MHCSN agencies or in one or two specific regions where both MHCSN and Area Agency on Aging waiver agents cover. It may be helpful to target who is doing the greatest portion of transitions and who has the most active list of individuals waiting for community placement that are delayed due to housing.

Funding for this pilot could potentially come from American Rescue Project funds, State Medicaid funds (in coordination with federal rules), or State General Funds. We believe that any expenses would be more than covered by savings in what would otherwise be Medicaid payments to nursing facilities.

We project the total cost this pilot to be \$738,000. This consists of \$585,000 reserved for participant “rent” payments; \$75,000 for Housing Payment Coordinator and equipment; and \$66,000 for indirect/administrative costs (10%). Along with this, we suggest the allocation of \$12,000 for the 2-month start up time and cost to secure the legal paperwork and process, train internal staff, and begin educating navigators, waiver agents, landlords and those waiting for housing about the pilot. Ultimately, we propose a 12-month pilot with the intent to show success so that there would be reason and approval for continuation funding into the following years.

We have shared this proposal with MDHHS staff and leadership, and we would be pleased to discuss this further with you and answer any questions you may have. We sincerely appreciate the time and energy you have extended in reviewing this proposal.

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