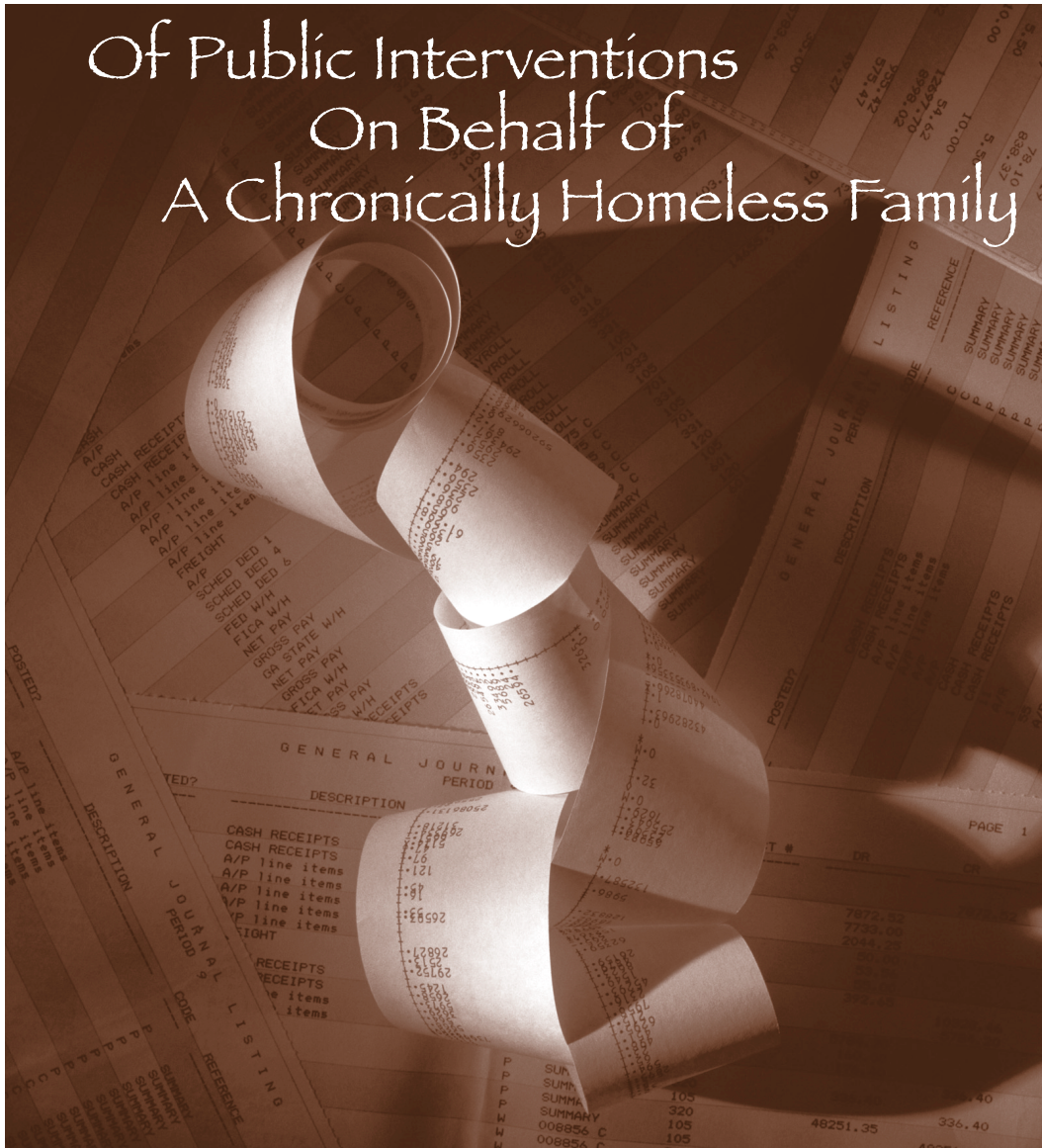
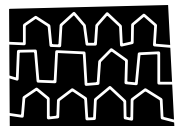


Financial Implications

Of Public Interventions On Behalf of A Chronically Homeless Family



**FAMILY
HOUSING
FUND**



A Report Prepared for the
Family Housing Fund
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1 Introduction

This report traces the story of a chronically homeless family and summarizes the public costs generated by the family during that time — with and without supportive housing.

This report is a supplement to *The Supportive Housing Continuum: A Model for Housing Homeless Families*, published by the Family Housing Fund in January 2000. That report describes a model of *supportive housing*, which combines affordable long-term housing with supportive services designed to help families resolve the root causes of their homelessness.

The Supportive Housing Continuum report includes a case study of “Lynn” and her three children, a chronically homeless family with multiple, severe problems that make it difficult for them to maintain stable housing*. The report discusses Lynn’s troubled childhood and then traces two possible scenarios for the family: that it remains homeless and dependent upon emergency services, or that it moves into supportive housing. The report finds that in addition to helping Lynn and her children lead more stable and fulfilling lives, the supportive housing option incurs a far lower public cost than the myriad of expensive public interventions, such as emergency medical care, foster care, inpatient substance abuse treatment, and incarceration, that often occur repeatedly in the lives of chronically homeless families. While there are increased costs associated with housing, chemical dependency treatment/support and mental health services, there are decreased costs associated with

out-of-home placement, criminal justice and emergency medical interventions. Supportive housing provides a stable community that ensures consistent, coordinated, and preventative services.

This report recounts Lynn’s story and provides a more detailed cost breakdown for those readers interested in learning more about how the public costs were estimated. The report traces Lynn’s story through age 18 and summarizes the public costs generated by the family during that time. It then outlines the two possible scenarios for the next nine years in the lives of Lynn and her children and compares the public costs incurred by the family under each scenario. Finally, the report lists the individual cost items and data sources for each category of expense.



* The story of Lynn and her children is based on the actual experiences of homeless families. Each of the individual characters is based on a real person, although the models for the children are from different families than the person on which Lynn is based. The story leading up to the family’s encounter with supportive housing relates real events, with names and some details changed to simplify the stories and protect the individuals’ anonymity.

2 Lynn's Story

Lynn's Story from Birth-18, 1973-1990

Lynn was born in 1973 in south Minneapolis, the oldest of six children in a family headed by a single mother who was an alcoholic. As a child, Lynn shuffled in and out of foster care and St. Joseph's Home for Children. When she dropped out of high school at age 14 due to her crack addiction, she read at the second grade level. Several times during her teens, Lynn received treatment for chemical dependency, but she could not maintain her recovery.

Lynn gave birth to two children while still in her teens: Danny, born in 1988, and Kevin, born in 1990. During her pregnancies, Lynn returned to her foster mother for assistance. Danny tested positive for drugs at birth and later showed evidence of developmental delays and behavior disorders. Kevin was born drug-free but later developed severe asthma. Because Lynn was unable to do so, the foster mother raised Danny and Kevin despite her growing health problems.

At this point, the lives of Lynn and her two children already had created significant costs to the public sector. As the following two alternative endings to Lynn's story show, the presence or absence of housing and preventative services can have a dramatic effect on the need for these costly interventions.

Scenario A: Lynn's Story Without Supportive Housing, Age 19-26, 1991-1999

Lynn continued to struggle with chemical addiction. Although she assumed legal custody of her children in 1994, in the following year she was sentenced to jail for drug possession, prostitution, and assault. There, she received chemical dependency treatment and health care for Hepatitis C and the emphysema that had resulted from her crack habit. She was released to a halfway house that continued to support her sobriety. An employment assessment revealed that Lynn had a learning disability. The foster mother cared for the children during this time.

Shortly after leaving the halfway house program, Lynn became pregnant and then returned to live with her foster mother. Because the foster mother's diabetes was worsening, she was no longer eligible to maintain her license for foster care. However, due to her strong relationship with Lynn and love for her family, she volunteered to care for the children without payment from the county.

Lynn did not receive proper prenatal care or nutrition during her pregnancy, and her youngest child, Cassy, was born three months premature and significantly underweight. Cassy required 28 days of neo-natal intensive care and a number of medical interventions. Lynn continued to live with her foster mother after Cassy was discharged (con't. on page 4)

As a child, Lynn shuffled in and out of foster care, dropped out of high school, read at the second grade level, and received treatment for chemical dependency, but she could not maintain her recovery.

Under the stress of losing her children and possibly her home, Lynn relapsed and began to use crack again.

(Scenario A con't.) from the hospital. With support from the foster mother and a visiting home nurse, Lynn maintained nearly 19 months of sobriety and cared for her new baby. Under pressure from Child Protective Services, Lynn resumed parental responsibilities for Kevin and Danny while continuing to live with her foster mother.

At the same time, Lynn's welfare benefits were converted from AFDC to the new state MFIP program, which required Lynn to work or pursue a job for at least 30 hours per week. While Lynn looked for a job, the foster mother cared for the children, but her health quickly deteriorated to the point that she moved to a nursing home. Without this support, Lynn could not manage the children and the work requirements. Within a month, her benefits were cut by 10 percent as a sanction for non-compliance; the following month, her check was reduced by 30 percent. The necessary papers for her rent payment went unexecuted because of the unavailability of the foster mother due to her health condition. Without the foster mother to assist the family, Child Protective Services placed the children in St. Joseph's Home. Under the stress of losing her children and possibly her home, Lynn relapsed and began to use crack again.

Scenario B: Lynn's Story With Supportive Housing, Age 19-26, 1991-1999

Lynn continued to struggle with chemical addiction, but in 1991, when she turned 18, she and her children moved into "New Chance," a supportive housing community. This opportunity came at a critical time, when Lynn had just learned that Danny was showing signs of developmental delays and her foster mother had developed significant health problems.

Lynn's life was transformed when she was accepted into the New Chance supportive housing program. The newly furnished two bedroom apartment that she and her boys would call home was the first clean, attractive apartment she had ever known. She knew that the boys would be safe and that she might find help to turn her life around.

Almost immediately, Lynn was encouraged to enroll in a tenant education program and an on-site recovery support group, and she received weekly home visits from her community advocate. Together Lynn and her advocate designed a plan that focused on the immediate needs facing Lynn and her sons. Within six months, Lynn could see the difference. Danny no longer seemed as prone to the accidents that had previously sent him to the emergency room. He seemed calmer and easier to satisfy. Thanks to the accessible wellness clinic, Kevin was undergoing a new therapeutic treatment for asthma that lessened the need for hospitalizations. Both children were enrolled in the New Chance on-site child care center. Danny's hyperactivity was subduing and Kevin's health care assessment did not reveal any significant developmental delays.

During this time, Lynn enrolled in New Chance's job readiness program. In a sheltered work experience, Lynn was given an opportunity to earn while learning on-the-job skills. Upon completion of the program, Lynn was hired as a teacher's aide in the New Chance preschool classroom. She learned basic child development and stimulation theory, which was valuable to her as a parent. She received nearly one-on-one supervision for the first three months, and then was promoted to play supervisor.

Shortly afterward, Lynn's foster mother passed away. Lynn's advocate spent time with Lynn and helped her plan the funeral. Other New Chance residents also supported Lynn by attending the funeral, providing food, and providing emotional support. A resident who had become Lynn's recovery mentor offered to stay with her for several nights to encourage sobriety during the stress-filled days after the funeral. Community members gave the children extra attention and support as they too grieved the loss of the one whom they often referred to as "mother."

One month after her foster mother's death, Lynn became isolated. She did not come to work, and her children missed day care. Her advocate visited and found that Lynn had begun using drugs again. Lynn agreed that she needed help for her chemical addiction and her depression. She and the advocate agreed that Lynn would enter the hospital for a short stay to monitor her medications and to regain her strength for recovery. New Chance's children's specialist spent the night with the children and helped them get to school. In three days, Lynn returned to her home and job. The family remained intact and stable, and Lynn learned once again that she could count on the community to support her commitment to sobriety.

At the end of 12 months as a teacher's aide, Lynn was accepted into a teaching assistant training program. Nine months later, Lynn found jobs as a morning assistant for a day care center and a teaching assistant in New Chance's after-school program.

Lynn's sons, Danny and Kevin, continued to show signs of improvement, both emotionally and physically. Danny's cognitive development was on par with school readiness and his behavioral problems had been addressed to the extent that he could fully participate in group activities and play successfully with other children. Kevin's physical development was normal. He, too, was developing good social skills, fully participating in the activities of his day care program. His asthma, though an occasional problem, was under control and responding well to the inhalation therapies he was receiving at the nearby health clinic.

However, sometime later, Lynn's advocate and other community members found out that Lynn had once again relapsed. She had been involved with a man who shared a similar history of drug abuse. With advocates and the community's help, Lynn terminated the relationship and entered inpatient treatment. Once again, the community cared for the children in the apartment with minimal disruption to their lives. (con't. on page 6)

The family remained intact and stable, and Lynn learned once again that she could count on the community to support her commitment to sobriety.

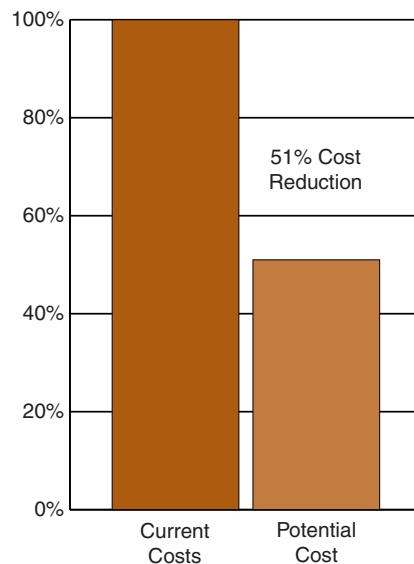
Lynn experienced the value of a strong support network and an environment that encourages stability and self-sufficiency.

(Scenario B con't.) While in treatment, Lynn discovered she was once again pregnant. She made the decision to keep the baby, but this time also decided to seek prenatal care and additional support to maintain her sobriety. The community advocate assisted her in navigating the health care system. She attended all of her prenatal visits, participated in a special nutritional support program, and received home-based recovery support services. After a successful, full term

pregnancy, Lynn gave birth to Cassy, a healthy baby girl free of drugs.

Lynn's story at New Chance is full of twists and turns. It is not without setbacks – the loss of a loved one, an unexpected pregnancy, and a recovery that includes relapse. However, at New Chance, Lynn experienced the value of a strong support network and an environment that encourages stability and self-sufficiency.

Supportive Housing offers potential for significant cost reductions.



Comparison of Costs Between Scenario A & B

As the charts on these two pages show, Lynn's family's stay in supportive housing reduces costs to the public sector by an average of 51 percent per year, from \$77,200 per year to \$37,500 per year. Providing a stable home for the family, health care, and treatment and community support to control Lynn's substance abuse prevents her older children from being sent into foster care and her youngest child from being born with severe health problems. Furthermore, the stability and assistance supportive housing affords may also prevent future costly interventions. With the supportive housing provider to coordinate services for the family, there is far less duplication of functions such as case management.

Thus, while the supportive housing scenario involves increased costs for housing, chemical dependency treatment, and employment-related services, these costs are offset by the reductions in costs to the medical care and foster care systems. Moreover, the less costly supportive housing option leads to far more stable lives for Lynn and her children.

Chart 1 — Cost Reductions With Supportive Housing, 1991-1999

Chart 1 compares the costs to the public sector incurred by Lynn's family from 1991 to 1999 in each of the preceding scenarios and documents the cost reductions associated with the provision of supportive housing.

Public Intervention Cost Sectors	Costs Without Supportive Housing	Costs With Supportive Housing	Cost Reductions With Supportive Housing
Out-of-Home Placement for Children	\$ 99,700	\$ 0	\$ 99,700
Chemical Dependency Treatment/Support	9,600	39,200	(29,600)
Criminal Justice	48,800	0	48,800
Hospital/Medical	281,200	38,200	243,000
Housing	6,000	52,400	(46,400)
AFDC/MFIP	69,100	69,100	(0)
Case Management	54,500	24,200	30,300
Child Care	77,500	85,200	(7,700)
Employment	200	2,600	(2,400)
Academic Development	48,600	5,900	42,100
Mental Health	0	12,700	(12,700)
Transportation	0	7,600	(7,600)
Total	\$695,200	\$337,100	\$358,100
Annual Average	\$77,200	\$37,500	\$39,800

3 Cost Analysis Detail

Costs without and with supportive housing

The following charts present a detailed listing of the estimated public costs generated by Lynn's family under each scenario. Charts 2 and 3 continue to trace the costs under Scenario A, in which Lynn's family does not receive supportive housing, while Charts 4 and 5 trace the costs under Scenario B, in which Lynn's family moves into

New Chance in 1991. Each cost estimate was provided by an independent source, in many cases by staff from the public agency itself. It is important to note that some public agencies internally subsidize their services so the cost estimates may actually understate total public intervention costs.

Chart 2—Scenario A:

Summary of Costs Without Supportive Housing, 1991-1999

Public Intervention	Cost
Out-of-Home Placement for Children	\$ 99,700
Chemical Dependency Treatment/Support	9,600
Criminal Justice	48,800
Hospital/Medical	281,200
Housing	6,000
AFDC/MFIP	69,100
Case Management	54,500
Child Care	77,500
Employment	200
Academic Development	48,600
Mental Health	0
Transportation	0
Total	\$695,200
Annual Average	\$77,200

Chart 3 — Scenario A: Without Supportive Housing — Detail of Public Intervention Costs, 1991-1999

Out-of-Home Placement for Children					
Person	Public Intervention	Time Period	Source	Justification	Cost
DANNY	Foster care	Forty seven months (1991-1996)	Hennepin County Children and Family Services	Staff calculated historical costs by year requested including administrative costs.	\$43,100
	Emergency Shelter	30 days (1999)	St. Joseph's Home for Children	Represents current figures.	\$4,500
KEVIN	Foster care	Forty seven months (1991-1996)	Hennepin County Children and Family Services	Staff calculated historical costs by year requested including administrative costs.	\$43,100
	Emergency Shelter	30 days (1999)	St. Joseph's Home for Children	Represents current figures.	\$4,500
CASSY	Emergency Shelter	30 days (1999)	St. Joseph's Home for Children	Represents current figures.	\$4,500
Subtotal					\$99,700

CHART 3 Without Supportive Housing

Chemical Dependency Treatment and Support					
Person	Public Intervention	Time Period	Source	Justification	Cost
LYNN	Residential drug treatment	Two 30-day treatments (1992, 1993)	Corporation for Supportive Housing. "Implications of Research on the Costs of Serving the Pilot's Target Population." Figures from Department of Human Services, Chemical Dependency Division.	For primary inpatient care for Minnesota Rule 35 Chemical Dependency Treatment, the daily cost was \$159.22/day in 1997.	\$9,600
Subtotal					\$9,600

Criminal Justice					
Person	Public Intervention	Time Period	Source	Justification	Cost
LYNN	Arrest	1995	180 Degrees (halfway house) and Corporation for Supportive Housing's "Implications of Research on the Costs of Serving the Pilot's Target Population." Figures from Minnesota Dept. of Human Services, State Operated Services Division.	Reflects figures for 1999: \$45 per arrest, \$118 for booking, \$81 for court case, plus daily jail costs. 180 Degrees staff stated that these figures appeared in 7/99 issue of Star Tribune. MN Dept. of Human Services records that in 1997 it cost \$116.92/day in jail for females.	\$400
	Hennepin County Jail	180 days including 30-day drug treatment with aftercare (1995)	Corporation for Supportive Housing's "Implications of Research on the Costs of Serving the Pilot's Target Population." Figures from Department of Human Services, Chemical Dependency Division.	In 1997, it cost \$116.92/day in jail for females. For primary inpatient care for Minnesota Rule 35 Chemical Dependency Treatment, the daily cost in 1997 was \$159.22/day. For extended care it was \$56.21/day.	\$36,000
	Halfway house with aftercare	Three months (1995)	180 Degrees	Staff calculated the approximate cost for three months in 180 Degrees facility.	\$5,000
	Probation officer	208 hours (1995)	Hennepin County Community Corrections	A senior probation officer's current salary is \$28.85/hr. including benefits.	\$6,000
DANNY	Two juvenile justice interventions	Eight days total	Dakota County Juvenile Services	"Non-partner county" such as Hennepin would currently cost \$170 per day for a youth to be placed at the juvenile center as a resident.	\$1,400
Subtotal					\$48,800

CHART 3 Without Supportive Housing

Hospital/Medical					
Person	Public Intervention	Time Period	Source	Justification	Cost
LYNN	Hepatitis C treatment	During jail sentence (1995)	Department of Reimbursement, Hennepin County Medical Center	Reflects charges for 1999 for one patient for one day of hospitalization. The figures taken from Hennepin County Medical Center only reflect the facility component of charges; they do not include physicians' fees.	\$2,900
DANNY	Hospitalization	1995 (eight days)	Department of Reimbursement, Hennepin County Medical Center	The example of asthma inpatient charges was used for this calculation. The average daily charge per patient in 1999 was \$1,613.45. This represents those charges associated with a patient profile of 208 people hospitalized and treated for asthma symptoms. The historical charges are adjusted for 5% inflation per year.	\$10,600
	Hospitalization	1999 (three days)	Department of Reimbursement, Hennepin County Medical Center	Same as above.	\$4,900
	ER visits	Stitches 1994 1998 (2) 1999	Department of Reimbursement, Hennepin County Medical Center	The ER charges for sutures is based on a sample of 1305 patients, with simple sutures, and all body sites in 1999. The average charge per visit is \$599.03. In each example of ER charges that follows, the average charge in 1999 was determined and adjusted for 5% inflation per year.	\$ 500 1,200 600
	ER visits	Pneumonia 1995 1998	Department of Reimbursement, Hennepin County Medical Center	Sample: 425 patients. Average charge: \$596.38.	\$500 600
	ER visits	Ear infections 1991 (3)	Department of Reimbursement, Hennepin County Medical Center	Sample: 974 patients. Average charge: \$199.48.	\$400

Hospital/Medical (con't.)					
Person	Public Intervention	Time Period	Source	Justification	Cost
DANNY	ER visits	Broken arm 1999	Department of Reimbursement, Hennepin County Medical Center	Sample: 55 patients. Average charge: \$596.38.	\$600
	ER visits	Broken collar bone 1998	Department of Reimbursement, Hennepin County Medical Center	Sample: 41 patients. Average charge: \$533.36.	\$600
	ER visits	Fevers 1995 (2) 1996 1997 1998 1999	Department of Reimbursement, Hennepin County Medical Center	Sample: 137 patients. Average charge: \$541.39.	\$900 500 500 600 600
	ER visits	Miscellaneous (e.g., asthma) 1995 (2) 1998	Department of Reimbursement, Hennepin County Medical Center	Sample: 760 patients. Average charge: \$502.87.	\$900 500
KEVIN	Asthma treatments	54 days total (six days a year) 1991 1992 1993 1994 1995 1996 1997 1998 1999	Department of Reimbursement, Hennepin County Medical Center	Sample: 208 patients. Average daily charge: \$1,613.45.	\$6,500 6,800 7,200 7,500 7,900 8,300 8,800 9,200 9,700

CHART 3 Without Supportive Housing

Hospital/Medical (con't.)					
Person	Public Intervention	Time Period	Source	Justification	Cost
KEVIN	ER visits	54 days total (six days a year) 1991 1992 1993 1994 1995 1996 1997 1998 1999	Department of Reimbursement, Hennepin County Medical Center	Sample: 760 patients. Average charge per visit: \$502.87.	\$2,000 2,200 2,300 2,400 2,500 2,600 2,800 2,900 3,100
	Medical care support (medications, inhalants)	1991-1999	Website on asthma: asthma.minningco.com	Average cost for prescriptions for a severe case of asthma is \$1,000/yr.	\$9,000
CASSY	Neonatal Intensive Care Unit	28 days (1996)	Minnesota Organization on Adolescent Pregnancy, Prevention, and Parenting	Children's Defense Fund telephone survey in 1989 found that ICU costs ranged from \$1,500-\$3,000/day. We adjusted the \$3,000/day charge to reflect inflation.	\$118,200
	Visiting Nurse Association	285 home visits in 19 months	Metropolitan Visiting Nurse Association	This represents charges for nursing visits only (\$110/visit). It does not include any charges associated with equipment or social work referrals.	\$31,400
Subtotal					\$281,200

Housing					
Person	Public Intervention	Time Period	Source	Justification	Cost
FAMILY	Shelter costs	Five years total (1991-1996)	Anonymous source	Figure represents County Emergency Assistance charges.	\$6,000
Subtotal					\$6,000

AFDC/MFIP					
Person	Public Intervention	Time Period	Source	Justification	Cost
FAMILY	AFDC for two children and one adult	1991-1995	Economic Assistance Department, Hennepin County	Staff completed cost calculations based on specific time periods requested.	\$32,100
	AFDC for three children and one adult	1996-1997	Economic Assistance Department, Hennepin County	Same as above.	\$14,900
	MFIP (Cash and food portion)	1998	Economic Assistance Department, Hennepin County	Same as above.	\$10,900
	MFIP (Cash and food portion)	1999	Economic Assistance Department, Hennepin County	Same as above.	\$11,200
Subtotal					\$69,100

CHART 3 Without Supportive Housing

Case Management					
Person	Public Intervention	Time Period	Source	Justification	Cost
FAMILY	Child Protective Services case manager	1991-1996 (500 contact hours)	Economic Assistance Department, Hennepin County	Staff completed cost calculations based on specific time periods requested.	\$20,600
		1996-1999 (208 contact hours)			9,500
	MFIP case manager	460 contact hours	Hennepin County Training and Employment	Reflects current salary including cost of benefits.	\$6,600
	Public health nurse case manager	1996-1999 (100 contact hours)	Hennepin County Coordinated Home Services	Average charge was \$19.97 for each 15-minute increment.	\$8,000
	Therapeutic child care case manager	1991-1997 (600 contact hours)	Rueben Lindh Family Services	The cost per hour for a home visit is \$16.34.	\$9,800
Subtotal					\$54,500

Child Care					
Person	Public Intervention	Time Period	Source	Justification	Cost
DANNY	Therapeutic childcare	Two years (1991-1992)	New Dimensions	Figure represents two years at preschool rate. Reflects current costs.	\$26,600
KEVIN	Therapeutic childcare	Three years (1991-1993)	New Dimensions	Figure represents one year at toddler rate and two years at preschool rate. Reflects current charges.	\$40,900
CASSY	Therapeutic childcare	254 days	New Dimensions	Figure represents 254 days of care at the current toddler rate.	\$10,000
Subtotal					\$77,500

Employment					
Person	Public Intervention	Time Period	Source Period	Justification	Cost
LYNN	Employment readiness assessment	Five to six hour assessment at halfway house (1995)	Minneapolis Rehabilitation Center	This reflects a five to six hour assessment using standardized and individual testing to determine employment readiness.	\$200
Subtotal					\$200

CHART 3 Without Supportive Housing

Academic Development					
Person	Public Intervention	Time Period	Source	Justification	Cost
DANNY	Special education	1993-1999	Minnesota Department of Children, Families, and Learning, Special Education Department	Staff estimated current yearly costs based on budget and number of student participants.	\$26,600
	Title One	Six years <i>Reading</i> : two grade levels below; <i>Math</i> : three levels below	Minnesota Department of Children, Families, and Learning	There are many variables that could be used to determine these costs. The Title One allocation for the Minneapolis School District is \$480 per year per eligible child. Eligibility is determined by students who are part of the free or reduced lunch program.	\$3,000
KEVIN	Special education	1995-1999	Minnesota Department of Children, Families, and Learning, Special Education Department	Staff estimated current yearly costs based on budget and number of student participants.	\$19,000
Subtotal					\$48,600
Total Scenario A					\$695,200

Chart 4 — Scenario B:

Summary of Costs With Supportive Housing, 1991-1999

Public Intervention	Cost
Out-of-Home Placement for Children	\$ 0
Chemical Dependency Treatment/Support	39,200
Criminal Justice	0
Hospital/Medical	38,200
Housing	52,400
AFDC/MFIP	69,100
Case Management	24,200
Child Care	85,200
Employment	2,600
Academic Development	5,900
Mental Health	12,700
Transportation	7,600
Total	\$337,100
Annual Average	\$37,500

CHART 5 With Supportive Housing

Chart 5 — Scenario B: With Supportive Housing — Detail of Public Intervention Costs 1991-1999

Chemical Dependency Treatment and Support					
Person	Public Intervention	Time Period	Source	Justification	Cost
LYNN	Chemical dependency treatment and aftercare support	30 days plus aftercare (1991)	Corporation for Supportive Housing. "Implications of Research on the Costs of Serving the Pilot's Target Population." Figures from Department of Human Services, Chemical Dependency Division and Corporation for Supportive Housing Cost Research Project.	Used MN Rule 35 CD Treatment and extended care figure. We also added the cost of an aftercare support program offered by New Foundations, a supportive housing project studied in Cost Research Project. The average annual cost for all 20 families for aftercare support is \$2,314 in 1998. For a single family, the cost incurred is \$116/year.	\$15,100
	Chemical dependency treatment and aftercare support	30 days plus aftercare (1995)	Same as above.	Same as above.	\$15,100
	Relapse prevention	1991-1999	Corporation for Supportive Housing Cost Research Project	Reflects New Foundations' 1998 program costs for 20 families. Relapse prevention costs \$7,815/year and relapse intervention and family support costs \$5,095/year. Relapse planning costs \$3,048/year. Figure is prorated for a single family for nine years.	\$7,200
	Sober recreational activities	1991-1999	Corporation for Supportive Housing Cost Research Project	Reflects New Foundations' 1998 costs for 20 families, which is approximately \$3,800/year. Figure is prorated for a single family for nine years.	\$1,800
Subtotal					\$39,200

Hospital/Medical					
Person	Public Intervention	Time Period	Source	Justification	Cost
LYNN	Hospitalization	Three days (1991)	Department of Reimbursement, Hennepin County Medical Center	The example of asthma inpatient charges was used for this calculation. The average daily charge per patient in 1999 was \$1,613.45. This represents those charges associated with a patient profile of 208 people hospitalized and treated for asthma symptoms. The historical charges are adjusted for 5% inflation per year.	\$4,900
	General health care assessment	1991	Community University Health Care Center	Reflects current 1999 charges. Average charge for a physical is \$300-350. Due to Lynn's lack of consistent health care, we used the \$350 figure.	\$400
	Clinic visits	Four visits (1991-1999)	Community University Health Care Center	Reflects current 1999 charges. Minimal cost is \$50. A confidential source stated clinic costs averaged \$100. We averaged the two figures at \$75/visit.	\$300
DANNY	General health care assessment	Three assessments (1991-1999)	Community University Health Care Center	Reflects current 1999 charges. Average charges for children's physical are \$280-300. Includes immunization costs.	\$900
	Clinic visits	Eight visits (1991-1999)	Community University Health Care Center	Reflects current 1999 charges. Minimal cost is \$50. A confidential source stated clinic costs averaged \$100. We averaged the two figures at \$75/visit.	\$600

CHART 5 With Supportive Housing

Hospital/Medical (con't.)					
Person	Public Intervention	Time Period	Source	Justification	Cost
DANNY	Hospitalization	1995 (4 days)	Department of Reimbursement, Hennepin County Medical Center	The example of asthma inpatient charges was used for this calculation. The average daily charge per patient in 1999 was \$1,613.45. This represents those charges associated with a patient profile of 208 people hospitalized and treated for asthma symptoms. The historical charges are adjusted for 5% inflation per year.	\$5,300
	Hospitalization	1999 (1 day)	Department of Reimbursement, Hennepin County Medical Center	Same as above.	\$1,700
	ER visit	Stitches 1994	Department of Reimbursement, Hennepin County Medical Center	The ER charges for sutures is based on a sample of 1,305 patients, with simple sutures, and all body sites in 1999. The average charge per visit is \$599.03. In each example of ER charges that follows, the average charge in 1999 was determined and adjusted for 5% inflation per year.	\$500
	ER visit	Pneumonia 1995	Department of Reimbursement, Hennepin County Medical Center	Sample: 425 patients. Average charge: \$596.38.	\$500
	ER visit	Ear infections 1991	Department of Reimbursement, Hennepin County Medical Center	Sample: 974 patients. Average charge: \$199.48.	\$200

Hospital/Medical (con't.)					
Person	Public Intervention	Time Period	Source	Justification	Cost
KEVIN	General health care assessment	Five assessments (1991-1999)	Community University Health Care Center	Reflects current 1999 charges. Average charges for children's physical are \$280-300. Includes immunization costs.	\$1,500
	Clinic visits	Nine visits (1991-1999)	Community University Health Care Center	Reflects current 1999 charges. Minimal cost is \$50. A confidential source stated clinic costs averaged \$100. We averaged the two figures at \$75/visit.	\$700
	Immunotherapy for asthma	Two years (1991-1992)	Website on asthma: asthma.miningco.com	According to the website, immunotherapy at Emory University costs approximately \$1,500 for two years of treatment. Immunotherapy reduces the overall cost of asthma from 50-80% (e.g., ER visits, hospitalizations).	\$1,500
	Asthma treatments	8 days total 1991 (3 days) 1992 (2 days) 1993 (1 day) 1997 (2 days)	Department of Reimbursement, Hennepin County Medical Center	Sample: 208 patients. Average daily charge: \$1,613.45. The historical charges are adjusted for 5% inflation per year.	\$3,300 2,300 1,200 3,000
	ER visits for asthma	7 days total 1991 (3 days) 1992 (2 days) 1993 (1 day) 1997 (1 day)	Department of Reimbursement, Hennepin County Medical Center	Sample: 760 patients. Average charge per visit: \$502.87. The historical charges are adjusted for 5% inflation per year.	\$1,000 700 400 500
	Medical care support (medications, inhalants)	1991-1999	Website: asthma.miningco.com	Average prescription cost is \$1,000/year. With immunotherapy costs may be lowered to \$500/year for Kevin.	\$4,500

CHART 5 With Supportive Housing

Hospital/Medical (con't.)					
Person	Public Intervention	Time Period	Source	Justification	Cost
CASSY	Prenatal care, labor and delivery, and postnatal care	1996	Figure taken from “The Economic Impact of High-Risk Pregnancies” by W.E. Feldman and B. Wood. <i>Journal of Health Care Finance</i> . 24(1): 64-71, 1997 Fall.	Figure represents prorated calculation of the costs determined in 1997 associated with prenatal care, labor and delivery, and postnatal care of a sample of 2,825 low-risk pregnancies whose total costs were approximately \$3,500,000.	\$1,300
	General health screenings	Two visits (1996-1999)	Community University Health Care Center	Reflects current 1999 charges. Average charges for children’s physical are \$280-300. Includes immunization costs.	\$600
	Clinic visits	Five visits (1996-1999)	Community University Health Care Center	Reflects current 1999 charges. Minimal cost is \$50. A confidential source stated clinic costs averaged \$100. We averaged the two figures at \$75/visit.	\$400
Subtotal					\$38,200

Housing					
Person	Public Intervention	Time Period	Source	Justification	Cost
FAMILY	Housing	1991-1999	Corporation for Supportive Housing Cost Research Project	Reflects the cost of a single unit provided by a transitional housing project.	\$52,400
Subtotal					\$52,400

AFDC/MFIP					
Person	Public Intervention	Time Period	Source	Justification	Cost
FAMILY	AFDC for two children and one adult	1991-1995	Economic Assistance Department, Hennepin County	Staff completed cost calculations based on specific time periods requested.	\$32,100
	AFDC for three children and one adult	1996-1997	Economic Assistance Department, Hennepin County	Same as above.	\$14,900
	MFIP (Cash and food portion)	1998	Economic Assistance Department, Hennepin County	Same as above.	\$10,900
	MFIP (Cash and food portion)	1999	Economic Assistance Department, Hennepin County	Same as above.	\$11,200
Subtotal					\$69,100

Case Management					
Person	Public Intervention	Time Period	Source	Justification	Cost
FAMILY	Case management in supportive housing	1991-1999	Corporation for Supportive Housing Cost Research Project	Reflects the costs associated with a transitional housing program.	\$17,600
	MFIP case manager	460 contact hours	Hennepin County Training and Employment	Reflects cost of salary and benefits.	\$6,600
Subtotal					\$24,200

CHART 5 With Supportive Housing

Child Care					
Person	Public Intervention	Time Period	Source	Justification	Cost
DANNY	Child care	1991-1999	Hennepin County's published figures	Figure represents maximum charge at an accredited facility for two years at weekly preschool rate and seven years (15 weeks/yr.) at weekly schoolage rate. Yearly costs are adjusted for 2.5% inflation per year.	\$23,400
KEVIN	Child care	1991-1999	Hennepin County's published figures	Figure represents maximum charge at an accredited facility for one year at weekly toddler rate, three years at weekly preschool rate and five years (15 weeks/yr.) at weekly school age rate. Yearly costs are adjusted for 2.5% inflation per year.	\$32,600
CASSY	Child care	1996-1999	Hennepin County's published figures	Figure represents maximum charge at an accredited facility for one year at weekly infant rate, one year at weekly toddler rate, and two years at weekly preschool rate. Yearly costs are adjusted for 2.5% inflation per year.	\$29,200
Subtotal					\$85,200

Employment					
Person	Public Intervention	Time Period	Source	Justification	Cost
LYNN	Employment readiness assessment	1991	Minneapolis Rehabilitation Center	This reflects a five to six hour assessment using standardized and individual testing to determine employment readiness.	\$200
	Job training	Three years (1991-1994)	Corporation for Supportive Housing Cost Research Project	Reflects New Foundations' 1998 costs for 20 families, which is approximately \$1,800/year. Figure is prorated for a single family for three years.	\$300
	Job counseling and advocacy	1991-1999	Corporation for Supportive Housing Cost Research Project	Reflects New Foundations' 1998 costs for 20 families, which is approximately \$4,500/year. Figure is prorated for a single family for nine years.	\$2,100
Subtotal					\$2,600

CHART 5 With Supportive Housing

Academic Development					
Person	Public Intervention	Time Period	Source	Justification	Cost
LYNN	Adult education and literacy tutoring	1991-1999	Corporation for Supportive Housing Cost Research Project	Reflects New Foundations' 1998 costs for 20 families, which is approximately \$1,800/year. Figure is prorated for a single family for nine years.	\$900
	Newborn/ Infant care taking	1991	Corporation for Supportive Housing Cost Research Project	Reflects New Foundations' 1998 costs for 20 families, which is approximately \$1,800/year. Figure is prorated for a single family for one year.	\$100
	Tenant education	1991	Corporation for Supportive Housing Cost Research Project	Reflects New Foundations' 1998 costs for 20 families, which is approximately \$1,900/year. Figure is prorated for a single family for one year.	\$100
DANNY	Early childhood programming	1991-1993	Corporation for Supportive Housing Cost Research Project	Reflects New Foundations' 1998 costs, which is \$2,115/yr. for 31 children. Figure is prorated for one child for three years.	\$200
	Academic enrichment and tutoring	Six years (1994-1999)	Corporation for Supportive Housing Cost Research Project	Reflects New Foundations' 1998 costs, which includes \$2,115/year for 23 children for afterschool enrichment and \$3,615/year for 23 children for academic tutoring and special education services. Figure is prorated for one child for six years.	\$1,500
	Title One	Three years <i>Reading</i> : two grade levels below; <i>Math</i> : three levels below	Minnesota Department of Children, Families, and Learning	There are many variables that could be used to determine these costs. The Title One allocation for the Minneapolis School District is \$480 per year per eligible child. Eligibility is determined by students who are part of the free or reduced lunch program.	\$1,500

Academic Development (con't.)					
Person	Public Intervention	Time Period	Source	Justification	Cost
KEVIN	Early childhood programming	Five years (1991-1995)	Corporation for Supportive Housing Cost Research Project	Reflects New Foundations' 1998 costs, which is \$2,115/year for 31 children. Figure is prorated for one child for five years.	\$400
	Academic enrichment and tutoring	Four years (1996-1999)	Corporation for Supportive Housing Cost Research Project	Reflects New Foundations' 1998 costs, which includes \$2,115/year for 23 children for afterschool enrichment and \$3,615/year for 23 children for academic tutoring and special education services. Figure is prorated for one child for four years.	\$1,000
CASSY	Early childhood programming	1997-1999	Corporation for Supportive Housing Cost Research Project	Reflects New Foundations' 1998 costs, which is \$2,115/year for 31 children. Figure is prorated for one child for three years.	\$200
Subtotal					\$5,900

CHART 5 With Supportive Housing

Mental Health					
Person	Public Intervention	Time Period	Source	Justification	Cost
FAMILY	Mental health counseling	1991-1999	Corporation for Supportive Housing Cost Research Project	Reflects New Foundations' 1998 costs for 20 families, which is approximately \$28,110/year for entire mental health program. Figure is prorated for a single family for nine years.	\$12,700
Subtotal					\$12,700

Transportation					
Person	Public Intervention	Time Period	Source	Justification	Cost
FAMILY	Transportation	1991-1999	Corporation for Supportive Housing Cost Research Project	Reflects New Foundations' 1998 costs for twenty families. Transportation costs prorated for a single family include: a. chemical dependency treatments/aftercare: \$1,427/yr.; b. general health care: \$3,315/yr.; c. children's health care: \$3,541/yr.; d. children's education: \$1,427/yr.; e. emergency transportation: \$4,592/yr.; f. children's recreation: \$4,717/yr.; g. family programming: \$1,427/yr.; h. bus system class: \$1,338/yr. Figure is prorated for a single family for nine years for a-e and prorated for three years for f-h.	\$7,600
Subtotal					\$7,600
Total Scenario B					\$337,100

5 Conclusion

The information collected for Scenario A suggests that public agencies expend significant funds on chronically homeless families who struggle in and out of severe hardships. The present response consists of multiple service interventions involving many case managers who are not working in tandem to discover an individual family's distinct needs. Without a single source of support that will act before the family reaches a crisis, agencies incur the high costs of duplicated services, interventions that are reactions to emergency or exacerbated circumstances, and responses that often amount to "too little, too late." Currently, numerous uncoordinated public interventions on behalf of a chronically homeless family could generate an average annual public cost of \$77,200. These costs compound when there is no comprehensive system of support to unravel and remedy the precipitating causes of homelessness.

Supportive housing offers a cost-effective strategy while at the same time addressing the precipitating causes of homelessness. Supportive housing assists chronically homeless families by providing consistent access to affordable housing, services, and a strong community at a significant reduction in emergency intervention costs. While the housing and services associated with supportive housing do present some higher costs at the outset, doing nothing produces far less satisfactory results and is ultimately more costly. Providing supportive housing for homeless families is both humane and cost-effective. With the investment and development of expanded resources found in the supportive housing program, there is an opportunity for families to break the cycle of homelessness.

Supportive housing offers chronically homeless families consistent access to affordable housing, services, and a strong community at a significant reduction in emergency interventions costs.

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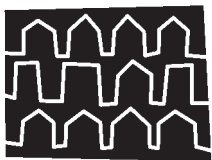
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