

# CITY & COUNTY OF HONOLULU'S HOUSING FIRST EVALUATION SNAPSHOT

## HOUSING FIRST IMPACTS

### SOCIETAL IMPACTS: COST-BENEFITS ANALYSIS

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Photo by Housing First Photovoice project participant, 2016

Evidence shows that Housing First has significant societal benefits, including reducing financial burden on medical & criminal justice systems.

This evaluation snapshot is one of four installments highlighting the impacts of the City and County of Honolulu's Housing First initiative in its first 2 years. Administered through the Institute for Human Services, the Housing First (HF) program is a community intervention that offers permanent, affordable housing as quickly as possible for individuals and families experiencing homelessness. The HF model is unique because it does not require individuals to demonstrate that they are "housing ready" before placement.

This snapshot provides data from a cost-benefits analysis that investigated whether investing in a social service program, such as Housing First, is less expensive for taxpayers than "business as usual."

In the United States, public costs for unsheltered living have repeatedly been estimated to fall between \$40,000-\$80,000 annually.

We examined whether clients in HF used fewer publically-funded services, such as emergency medicine or correctional services, after starting the program than similar individuals who did not participate in the program.



## HOSPITAL & EMERGENCY ROOM USE

### Unsheltered people:

- Show increased reliance on emergency services, with an average cost of \$1,778 per visit<sup>1</sup> (but up to \$6,662 per visit).<sup>2</sup>
- Have increased number of hospital admissions, with an average cost of \$8,327 per admission.<sup>1</sup>
- Spend four days longer (or 36% longer) in the hospital per visit than housed low-income adults.<sup>3</sup>

### HF clients:

Since being housed, HF clients (n=77) report reductions in their use of emergency rooms and hospital admissions:

- Percentage of HF clients utilizing the emergency room decreased by 64%.
- Percentage of HF clients admitted to a hospital decreased by 74%.

**Table 1. Percent of HF Clients Reporting Medical Services in the Previous 30 days**

	3 Months	6 months	9 months	12 months	% Change from Placement to 1-year
Emergency Room	46%	12%	18%	17%	-64%
Admitted to a Hospital	17%	4%	6%	4%	-74%

## ARRESTS & INCARCERATIONS

- Unsheltered individuals are 7.5 to 11.3 times more likely to be incarcerated.<sup>4</sup>
- It costs roughly \$140 per day to house an inmate in the O'ahu Community Correctional Center (OCCC) in addition to high costs associated with each arrest.<sup>5</sup>
- The costs of incarceration at OCCC for one year is \$51,000 per person.<sup>5</sup>

*The cost of one-year incarceration at OCCC is more than double the cost associated with participating in HF for one year.*

- HF clients (n = 129) were less likely to be arrested and spent less time incarcerated than similar individuals not in HF.
- Two years after housing, HF clients had 61% fewer arrests and were incarcerated less than half as many days as they were prior to obtaining housing.
- The costs of one year in HF is estimated to be \$20,000-\$30,000 per person.

**SUMMARY:** HF clients are less likely to be arrested & to visit the hospital or emergency room, have improved physical and mental health, and are more connected to community supports, which suggest HF clients will be less likely to rely on these costly services, saving taxpayers an estimated \$11,496 per year, per person enrolled in HF.<sup>6</sup>

<sup>1</sup> The Lewin Group (2008). Summary report of evaluation findings: A dollars and sense strategy to reducing frequent use of hospital services. Oakland, CA: The California Endowment and the California Health Care Foundation.

<sup>2</sup> Hsia, R. Y., & Antwi, Y. A. (2014). Variation in charges for emergency department visits across California. *Annals of emergency medicine*, 64(2), 120-126.

<sup>3</sup> Salit, S. A., Kuhn, E. M., Hartz, A. J., Vu, J. M., & Mosso, A. L. (1998). Hospitalization costs associated with homelessness in New York City. *New England Journal of Medicine*, 338(24), 1734-1740.

<sup>4</sup> Greenberg, G. A., & Rosenheck, R. A. (2008). Jail incarceration, homelessness, and mental health: a national study. *Psychiatric services*, 59(2), 170-177.

<sup>5</sup> <http://khon2.com/2016/06/28/the-cost-to-house-a-prisoner-in-hawaii-may-surprise-you/>

<sup>6</sup> Larimer, M. E., Malone, D. K., Garner, M. D., Atkins, D. C., Burlingham, B., Lonczak, H. S., ... & Marlatt, G. A. (2009). Health care and public service use and costs before and after provision of housing for chronically homeless persons with severe alcohol problems. *JAMA*, 13, 1349-1357.