# Recommendations for Increasing Stable Housing in the Community Performance Measure Utilization

**Recommendations from the Health Care Authority regarding options for integrating Value-Based Purchasing terms and a Performance Improvement Project into managed health care contracts relating to increasing stable housing in the community outcomes.**

Second Substitute House Bill 1860; Section 2(7)(b); Chapter 215; Laws of 2022

July 2024

# Executive summary

Second Substitute House Bill 1860, enacted in 2022, required the Washington State Health Care Authority (HCA) to track rates of homelessness and housing instability among Washington Apple Health (Medicaid) clients and then report on options and recommendations to utilize identified homelessness performance measures within Managed Care Organization (MCO) contracts for value-based purchasing (VBP) and a performance improvement project (PIP).

Homelessness affects both physical and mental health, and makes accessing health care difficult. As a result, people experiencing homelessness often face higher rates of poor health outcomes than people with housing.

To meet the requirements set forth by the Legislature, two performance measures were adopted by the Department of Social and Health Services (DSHS) Research and Data Administration (RDA) and incorporated into the statewide common measure set by the Performance Measures Coordinating Committee (PMCC). The final performance measures are:

- The percentage of Apple Health enrollees who were homeless in at least one month in the measurement year (succintly referred as HOME-N).
- The percentage of Apple Health enrollees who were homeless or unstably housed in at least one month in the measurement year (HOME-B).

The two performance measures are labeled as "Percent Homeless – Broad and Narrow Definition" in the Comagine 2023 External Quality Review (EQR) Annual Technical Report and "Homelessness (Broad and Narrow)" in the Washington State Common Measure Set. HCA partners with RDA to collect the measurement data via an administrative method of using claims, encounters, and enrollment.

The Percent Homeless performance measures demonstrate a reduction in rates of homelessness and housing instability among Apple Health clients for all five MCOs between the measurement years from 2020 through 2022.

Caution is advised regarding interpretation of results for these measures, however, as multiple factors likely contributed to the findings, including the eviction moratorium and the continuous enrollment requirement during the public health emergency. Additionally, the impacts are outside of the MCO's coordination of care scope of work.

MCOs provide safe discharge planning, which includes connecting their clients with available housing resources, but they are unable to create new housing resources. This performance measure data is described in more detail further in the report.

- With the Percent Homeless performance measures showing a reduction in homelessness rates from 2020 to 2022, as well as the changing circumstances contributing to these outcomes, it is not recommended to add these metrics to VBP or create a PIP within the managed care contracts currently. It is recommended to continue closely following the performance measures, add a comparitive analysis by race and ethnicity, and consider incorporating incentizing VBP terms or a PIP into a future admendment of the managed care contracts, if the metrics trend upward in future measurement years.
- The Percent Homeless performance measures were adopted into the Integrated Managed Care contracts on January 1, 2024 as part of the annual EQR performance measure review for consideration of addition to the VBP measures and PIPs . These metrics and annual evaluation process allow the agency to select quality levers that are most appropriate based on established HCA workflows. The agency can then increase or decrease quality initiative response as needed and support legislative and state priorities to better address problems as health care concerns emerge and evolve.

# Housing VBP and PIPs in managed care contracts

## Methodology and findings

Administrative data for the Percent Homeless performance measures was provided by RDA for measurement years 2020 through 2022. This data has been summarized by the HCA's contracted External Quality Review Organization (EQRO), Comagine, in the 2023 EQR Annual Technical Report. A comparative analysis of performance by each MCO has been published in the 2023 Comparative and Regional Analysis Report.

As noted in the *2023 External Quality Review Annual Technical Report*, statistically significant declines were observed (meaning improvement or reduction of housing instability) for the two Percent Homeless performance measures in MY2020 through MY2022, both statewide and individually, for all five MCOs.

**Table 1: Percent Homeless (HOME-B and HOME-N) Measure Performance by MCO, MY2020. (Percentage of Apple Health enrollees who were homeless or unstably housed in at least one month)**

| Measures | | CCW 2020 | CHPW 2020 | MHW 2020 | UHC 2020 | WLP 2020 | Statewide 2020 |
|---|---|---|---|---|---|---|---|
| Percent Homeless - Narrow Definition (HOME-N), 18-64 Years (Note that a lower score is better for this measure) | Rate | 12.1% | 11.6% | 11.0% | 12.9% | 15.4% | 12.6% |
| | Num | 10.3K | 12.6K | 46.0K | 16.0K | 19.2K | 103.9K |
| | Dem | 84.7K | 108.1K | 417.1K | 123.5K | 124.2K | 857.7K |
| Percent Homeless - Broad Definition (HOME-B), 18-64 Years (Note that a lower score is better for this measure) | Rate | 14.7% | 14.4% | 13.7% | 15.5% | 18.0% | 15.4% |
| | Num | 12.5K | 15.5K | 57.0K | 19.2K | 23.1K | 127.2K |
| | Dem | 84.7K | 108.1K | 417.1K | 123.5K | 124.2K | 857.7K |

**Table 2: Percent Homeless (HOME-B and HOME-N) Measure Performance by MCO, MY2021. (Percentage of Apple Health enrollees who were homeless or unstably housed in at least one month)**

| Measures | | CCW 2021 | CHPW 2021 | MHW 2021 | UHC 2021 | WLP 2021 | Statewide 2021 |
|---|---|---|---|---|---|---|---|
| Percent Homeless - Narrow Definition (HOME-N), 18-64 Years (Note that a lower score is better for this measure) | Rate | 10.9% | 10.8% | 9.7% | 11.6% | 14.1% | 11.4% |
| | Num | 10.7K | 13.6K | 47.1K | 16.6K | 19.5K | 107.5K |
| | Dem | 98.0K | 125.5K | 485.1K | 143.9K | 138.9K | 991.3K |
| Percent Homeless - Broad Definition (HOME-B), 18-64 Years (Note that a lower score is better for this measure) | Rate | 13.0% | 13.1% | 11.8% | 13.7% | 16.7% | 13.7% |
| | Num | 12.8K | 16.4K | 57.4K | 19.7K | 23.2K | 129.5K |
| | Dem | 98.0K | 125.5K | 485.1K | 143.9K | 138.9K | 991.3K |

**Table 3: Percent Homeless (HOME-B and HOME-N) Measure Performance by MCO, MY2022. (Percentage of Apple Health enrollees who were homeless or unstably housed in at least one month)**

| Measures | | CCW 2022 | CHPW 2022 | MHW 2022 | UHC 2022 | WLP 2022 | Statewide 2022 |
|---|---|---|---|---|---|---|---|
| Percent Homeless - Narrow Definition (HOME-N), 18-64 Years (Note that a lower score is better for this measure) | Rate | 10.5% | 10.2% | 9.2% | 10.6% | 13.0% | 10.7% |
| | Num | 11.8K | 14.8K | 48.4K | 16.7K | 19.2K | 111.0K |
| | Dem | 112.0K | 145.3K | 526.2K | 157.2K | 148.2K | 1,088.9K |
| Percent Homeless - Broad Definition (HOME-B), 18-64 Years (Note that a lower score is better for this measure) | Rate | 12.5% | 12.2% | 11.0% | 12.4% | 15.3% | 12.7% |
| | Num | 14.0K | 17.8K | 57.9K | 19.5K | 22.6K | 131.9K |
| | Dem | 112.0K | 145.3K | 526.2K | 157.2K | 148.2K | 1,088.9K |

## Data impacts

The uncommon data trend over the measurement years occurs uniformly and is suspected to be directly related to *Proclamation 20-19.6 Evictions and Related Housing Practices* during the COVID-19 Public Health Emergency. The intent of the proclamation was to prevent a wave of statewide homelessness caused by the COVID-19 pandemic. However, it's likely that the proclamation's impacts on the driving factors of homelessness in Washington State extended beyond factors solely related to the pandemic. With the expiration of the Eviction Moratorium in July 2021, close monitoring of these performance measures is needed to support the awareness of post-pandemic levels of homelessness.

An additional impact to the performance measure data was the Families First Coronavirus Response Act (FFCRA), passed by Congress at the start of the COVID-19 pandemic, that required state Medicaid agencies to keep clients continuously enrolled through the end of the COVID-19 public health emergency (PHE). This act paused annual Apple Health eligibility redeterminations which led to a substantial rise in the integrated managed care enrollee population during the PHE. HCA and DSHS resumed Apple Health terminations on April 30th, 2023, after Congress passed the Consolidated Appropriations Act. State enrollment data demonstrates that there has been a 13.9 percent reduction of Apple Health enrollment between May 2023 and March 2024. HCA will carefully follow the Percent Homeless performance measures in upcoming years to analyze the impact that the enrollment reduction had on clients receiving and maintaining stable housing.

## Impactful HCA programs on homelessness

Health Related Social Needs (HRSN) are defined by CMS as "an individual's social needs—such as for housing and food security—that may exacerbate poor health and quality-of-life outcomes when they are not met." HCA has received CMS approval, through Washington State's 1115 Medicaid Transformation waiver (MTP), to provide HRSN services to improve these poor health outcomes. One HRSN service that will be instrumental in addressing homelessness is the rental subsidy service. This program provides up to six months of financial assistance to individuals at risk of homelessness so they can pay their rent and have stable housing.

Another MTP program that has continued to expand since its roll out in 2018 is Foundational Community Supports (FCS). The function of FCS is to provide supportive housing and supported employment services to Medicaid-eligible individuals who have risk factors such as chronic homelessness, complex behavioral health and/or co-occurring substance use needs, a physical disability, or other long-term care needs. An example of recent expansion for this program is lowering of the eligibility age minimum from 18 and older to 16 and older. As of September 1, 2023, over 11,800 enrollees were receiving some level of supportive housing services through FCS.

Additionally, HRSN services that are allowable under federal authority, may be provided directly by an MCO for the managed care population through "in lieu of services" (ILOS). An ILOS is defined in the Apple Health Integrated Managed Care contract as "a service or setting that is provided to an Enrollee as a substitute for a service or setting covered under the Medicaid State Plan, in accordance with 42 CFR § 438.3(e)(2)." A key requirement of this definition is that the substituted service for the covered state plan service must be cost effective. One example of an ILOS currently in use provides additional supportive services to clients residing in certain settings such as adult family homes, with a goal of helping the client maintain stability in their home setting, thus decreasing their risk of hospitalization and disruption in living environment. Examples of state plan services that may be avoided with ILOS include but are not limited to inpatient and outpatient hospital services, emergency hospital services, crisis intervention, and crisis stabilization.

## Continuous quality improvement at HCA

HCA uses a quality framework called Quality Measurement, Monitoring, and Improvement (QMMI). The QMMI process is designed to meet the requirements specified by the Code of Federal Regulations (CFR) 438.340, which requires the development and maintenance of a Medicaid Managed Care Quality Strategy. The QMMI framework addresses quality improvement across multiple lines of business and leverage collective impact. Use of QMMI teams, structures, and processes ensure efforts are data-driven, in alignment with state priorities, and carried out in a systematic way that limits burden on providers. This provides availability of resources to support Continuous Quality Improvement (CQI) strategies.

VBP and PIPs are examples of CQI strategies implemented for Apple Health managed care. Other examples of tools leveraged include performance measure monitoring and trending, cross-payer initiatives, collaborative workgroups, and other payment reform initiatives. Many CQI initiatives require performance measure data. VBP and PIPs are two examples where performance measure data must be available, and the measure must be explicitly listed in the MCO contracts. Measures within Apple Health managed care contracts must be validated per federal Centers for Medicare & Medicaid Services (CMS) regulations. This process occurs when a measure is fully developed and stable, the data sources are reliable, and there is intent to add the measure to the state's MCO contract.

HCA's Managed Care Quality Strategy goal is to ensure high quality, cost-effective care to all clients within the Apple Health program. To meet this goal, federal requirements mandate that every state Medicaid agency that contracts with managed care organizations provide for an external quality review (EQR) of health care services provided to enrollees, to assess the accessibility, timeliness, and quality of care they provide. HCA contracts with Comagine to provide an external quality review of health care services provided to Apple health enrollees and to produce an annual technical report that summarizes the findings and recommendations from the review. Evaluation of MCO performance measures and providing VBP recommendations is one part of the external quality review.

## Value-based purchasing

VBP describes a range of health care purchasing strategies intended to contain costs while improving outcomes by tying payment to performance expectations. Annually, HCA's contracted External Quality Review Organization (EQRO) evaluates MCO performance on measures and submits recommendations for VBP measures. Performance measures, selected by QMMI, need to be well-established to be considered for VBP recommendation.

To support these measures being available as a tool, the Percent Homeless Narrow (HOME-N) and Percent Homeless Broad (HOME-B) performance measures were adopted by the PMCC on October 1, 2022. The measures were adopted from a variation of the ESHB 1519 (2014) homelessness measure and expands the definition of homelessness, applies additional demographic breakdowns, and offers both a broad and narrow measurement.

Contract changes were made to include these metrics in MCO contracts starting January 1, 2024.Contracted performance measures, which have completed federal criteria for inclusion in managed care quality initiatives, are assessed routinely in the existing annual VBP measure selection processes, including analysis and recommendation by the EQRO.

## Performance improvement projects

PIP topics must be carefully selected to identify a quality initiative that supports change within PIP regulations. Contracted PIP topics are selected based on data availability/analysis, MCO performance measure outcomes, CMS requirements, and in alignment with state priorities. If a project does not meet the criteria for a PIP, there are other quality improvement strategies that can be considered. HCA uses various levers to impact quality, including CQI workgroups, monthly technical assistance meetings, MCO collaborative meetings, and other QMMI structures. PIP topics must be selected to identify a quality initiative in which change can be accomplished in the contracted time period and data is available to support the project so the change can be measured. HCA is required to publicly report PIPs within the External Quality Review Annual Technical Report with recommendations for improvement coming from the contracted EQRO.

The Percent Homeless performance measures between MY2020 and MY2021, and between MY2021 and MY2022 demonstrated a reduction of housing instability and homelessness for all five MCOs. However, rates of homelessness continue to demonstrate significant racial and ethnic disparities regarding housing access and stability within the state of Washington. The performance measure data will be monitored routinely within current QMMI framework and incorporated into the routine work of QMMI teams. As of the writing of this report, the Percent Homeless performance measures may be appropriate for a collective MCO PIP focused on health equity, and will be evaluated accordingly for consideration.

# Next steps and reccommendations

Regarding Second Substitute House Bill 1860; Section 2(7)(b); Chapter 215; Laws of 2022:

## Next steps

1. HCA will continue to monitor and analyze the Percent Homeless performance measures outcomes routinely and will assess areas of priority within the set of measures under development for use in CQI.
2. Based on evaluation of the Percent Homeless performance outcomes, HCA will determine the most appropriate quality initiative to utilize to address the issues identified.
3. HCA will continue to monitor performance accordingly using existing workstreams (such as EQRO reporting).
4. HCA will continue EQRO contracting to fund and support federal and public reporting for Performance Measure Validation for state-developed measures.
5. HCA and RDA will support process change to perform Performance Measure Validation of state-developed measures.
6. HCA will continue to provide oversight to the FCS program to provide supportive housing and supportive employment services through community providers.
7. HCA will continue to develop HRSN services, provided either through MTP or ILOS, to better meet the social needs of Apple Health enrollees.

## Recommendations

1. Given the reduction in the rate of housing instability and homelessness, as demonstrated in the Percent Homeless performance measures between MY2020 through MY2022, HCA does not recommend adding these metrics to Value-Based Purchasing or creating a Performance Improvement Project within the managed care contracts currently. It is recommended to continue closely following the performance measures and add a comparison by race and ethnicity in the future. HCA will evaluate the appropriateness of implementing additional measures in the VBP Withhold or supporting a homeless MCO collaborative PIP, in alignment with current or emerging legislative and state priorities.
2. HCA recommends supporting use of existing QMMI structure, data monitoring and analysis practices, and established CQI strategies shown to be effective to address legislative priorities, including allowing the agency to select the levers most appropriate. QMMI processes are data-driven, and include strategies such as VBP, PIP, and other initiatives as indicated in response to findings. This allows the agency to increase or decrease quality initiative response and support legislative and state priorities as to better address problems as health care concerns emerge and evolve.