

# Pay for Success in Austin/Travis County Texas

Overview of Ending Homelessness Initiative to date

September 19, 2016



## Project Overview

<b>Policy Area</b>	<ul style="list-style-type: none"><li>• Homelessness</li></ul>
<b>Jurisdiction</b>	<ul style="list-style-type: none"><li>• Austin/Travis County, Texas</li></ul>
<b>Community Problem</b>	<ul style="list-style-type: none"><li>• Persons experiencing long histories of homelessness and chronic disabilities and health conditions are disproportionate users of high-cost public emergency services that only provide short-term respite for their health &amp; basic needs.</li><li>• These expensive crisis services include usage of emergency rooms, hospital inpatient beds, Emergency Medical Services (EMS) and jail time.</li></ul>
<b>Solution</b>	<ul style="list-style-type: none"><li>• Housing persons for whom the solution of housing costs significant less than the repetitive use of public crisis services.</li><li>• Connecting persons experiencing homelessness with a history of costly utilization of public services to permanently affordable housing and cost-effective community-based health care and support services.</li></ul>
<b>Specific Intervention</b>	<ul style="list-style-type: none"><li>• Permanent housing through a “Housing First” approach where housing is offered as a first step towards stability without requiring preconditions to entry.</li><li>• Use of the Assertive Community Treatment (ACT) model that identifies, coordinates and delivers appropriate supports, including: intensive case management, crisis intervention, substance use counseling, mental health treatment, and primary care referrals.</li></ul>
<b>Objectives</b>	<ul style="list-style-type: none"><li>• House and improve the well-being of persons experiencing homelessness with a history of costly utilization of public services while significantly reducing public costs to Travis County.</li><li>• Test a Pay for Success pilot where <i>public entities</i> <u>only</u> pay for the achievement of agreed-upon measurable outcomes verified by a third-party evaluation and private funds from <i>social investors</i> are used to implement the program upfront and bear the financial risks of the initiative.</li><li>• Scale up permanent supportive housing, a proven intervention that meets the complex needs of persons experiencing homelessness and results in decreased inappropriate health care usage and decreased criminal justice interactions</li></ul>

## Data Matching Overview

### Databases Linked

As part of our feasibility study published in March 2016, we matched administrative data from the following systems:

- *Medical*: the community’s Health Information Exchange (“HIE”), Integrated Care Collaboration (“ICC”), which tracks encounters in both public and private emergency departments, hospital inpatient settings, outpatient clinics, and emergency medical services.
- *City*: three different departments within the City of Austin that track Emergency Medical Services (EMS) transports, Austin Police Departments (APD) encounters, and cases in the Downtown Austin Community Court – a municipal court that processes Class-C misdemeanors that are considered public nuisances.
- *Sheriff*: the Travis County Sheriff Office’s database, which includes booking and jail bed days in the local jails.
- *HMIS*: ECHO’s Homeless Information Management System (“HMIS”), which includes shelter utilization data.

### Data Matched

- Records of over 10,000 people from a 4.5 year period (2011 – Mid 2015) were matched from across the health care, criminal justice and shelter systems. The following information was analyzed.

Data Description	Medical	Sheriff	City	HMIS
<b>Identifying information</b>				
Name	X	X	X	X
Social Security	X	X		X
Date of Birth	X	X	X	X
Gender	X	X	X	X
Homeless flag per different data records/definitions	X	X	X	X
<b>Criminal Justice</b>				
Jail bookings		X		
Booked for public intoxication		X		
Booked with Mental Health Special Needs		X		
Number of days in jail		X		
Cases in Downtown Austin Community Court			X	
Interactions with APD			X	
<b>Emergency Services</b>				
Number of (EMS) transports			X	
Emergency Room visits	X			
Hospital inpatient days	X			
<b>HMIS</b>				
Days in Emergency Shelter				X

### Data Analysis

#### Summary of 250 Highest Cost Users

Usage/Costs per year	Emergency Department Visits	Inpatient Bed Days	EMS Transports	Jail Bookings	Combined Systems
Average Annual Encounters	21.82	37.10	8.60	0.85	68.37
Estimated Per Unit Cost	\$1,400	\$4,800	\$876	\$153	N/A
Total Average Annual Cost	\$30,542.40	\$178,074	\$13,857.15	\$129.91	\$222,603
Range	0 - 194 Visits	0-183 Days	0-191 Transports	0-9 Bookings	\$188,220 to \$905,286 in annual costs

Source: Joint Analysis conducted by the Central Health Joint Technology Team, Travis County Justice Planning department and ECHO, November 2015

## Preliminary Projected Cost Avoidance

<b>Target Population</b>	<ul style="list-style-type: none"> <li>250-300 persons experiencing homelessness whose cumulative criminal justice, healthcare, shelter, and emergency medical services costs place them in a cohort of roughly the top 500 most expensive homeless users of these public crisis services.</li> </ul>																																																																													
<b>Project Timeframe</b>	<ul style="list-style-type: none"> <li>Intervention: 5 years</li> <li>Overall Implementation: ~6 years (2016-2021)</li> </ul>																																																																													
<b>Projected Cost Avoidance Per person</b>	<p style="text-align: center;"><u>Annual Cost Avoidance Projection for Person Receiving Supportive Housing</u></p> <table border="1" data-bbox="479 537 1448 984"> <thead> <tr> <th rowspan="2">Cost Driver</th> <th rowspan="2">Unit Cost Description</th> <th rowspan="2">Unit Cost</th> <th colspan="2">Before Housing</th> <th colspan="3">After Supportive Housing</th> </tr> <tr> <th>Units</th> <th>Cost</th> <th>Units</th> <th>Cost</th> <th>Cost Reduction</th> </tr> </thead> <tbody> <tr> <td>Emergency Shelter</td> <td>Day of Shelter</td> <td>\$20</td> <td>30</td> <td>\$600</td> <td>0</td> <td>\$0</td> <td>\$600</td> </tr> <tr> <td>Emergency Room</td> <td>Visit</td> <td>\$1,400</td> <td>13</td> <td>\$18,578</td> <td>5</td> <td>\$7,000</td> <td>\$11,578</td> </tr> <tr> <td>EMS</td> <td>Call w/Txfr</td> <td>\$876</td> <td>9</td> <td>\$7,910</td> <td>5</td> <td>\$3,955</td> <td>\$3,955</td> </tr> <tr> <td>Hospital Inpatient</td> <td>Days</td> <td>\$4,800</td> <td>14</td> <td>\$69,024</td> <td>2</td> <td>\$9,663</td> <td>\$59,361</td> </tr> <tr> <td>Downtown Austin Community Court</td> <td>Case</td> <td>\$32</td> <td>11</td> <td>\$352</td> <td>2</td> <td>\$64</td> <td>\$288</td> </tr> <tr> <td>Jail</td> <td>Bed Days</td> <td>\$97</td> <td>45</td> <td>\$4,352</td> <td>23</td> <td>\$2,176</td> <td>\$2,176</td> </tr> <tr> <td>Jail</td> <td>Booking</td> <td>\$153</td> <td>3</td> <td>\$402</td> <td>1</td> <td>\$201</td> <td>\$201</td> </tr> <tr> <td></td> <td></td> <td></td> <td><b>Total</b></td> <td><b>\$101,218</b></td> <td><b>Total</b></td> <td><b>\$23,059</b></td> <td><b>\$78,158</b></td> </tr> </tbody> </table> <p><i>Source: Projections based on local and national data analysed for feasibility study published in March 2015. Projections are subject to future revisions as additional information is analysed.</i></p>	Cost Driver	Unit Cost Description	Unit Cost	Before Housing		After Supportive Housing			Units	Cost	Units	Cost	Cost Reduction	Emergency Shelter	Day of Shelter	\$20	30	\$600	0	\$0	\$600	Emergency Room	Visit	\$1,400	13	\$18,578	5	\$7,000	\$11,578	EMS	Call w/Txfr	\$876	9	\$7,910	5	\$3,955	\$3,955	Hospital Inpatient	Days	\$4,800	14	\$69,024	2	\$9,663	\$59,361	Downtown Austin Community Court	Case	\$32	11	\$352	2	\$64	\$288	Jail	Bed Days	\$97	45	\$4,352	23	\$2,176	\$2,176	Jail	Booking	\$153	3	\$402	1	\$201	\$201				<b>Total</b>	<b>\$101,218</b>	<b>Total</b>	<b>\$23,059</b>	<b>\$78,158</b>
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<b>Expected Capital Raise</b>	<ul style="list-style-type: none"> <li>\$17-20mm</li> </ul>																																																																													

Funding	
Secured Funding to date	<p><u>Funding to date for transaction structuring</u></p> <ul style="list-style-type: none"> <li>• \$250,000 from the Nonprofit Finance Fund (NFF)</li> <li>• \$25,000 from the Downtown Austin Alliance (DAA)</li> <li>• \$25,000 from the United Way Great Austin</li> </ul> <p><u>Funding to date for success payments</u></p> <ul style="list-style-type: none"> <li>• \$881,376 from the Department of Housing &amp; Urban Development (HUD) and Department of Justice (DOJ)</li> </ul>
Potential Outcome Metrics	<ul style="list-style-type: none"> <li>• Improved housing stability</li> <li>• Improved health outcomes by reducing emergency room usage, EMS and inpatient costs</li> <li>• Increased primary care visits and behavioral health services</li> <li>• Reduced jail system usage, court and police interactions</li> </ul>
Potential End Payors	<ul style="list-style-type: none"> <li>• Central Health/Community Care Collaborative</li> <li>• City of Austin</li> <li>• Travis County</li> </ul>
Evaluation	<ul style="list-style-type: none"> <li>• Third-Party evaluator will be procured to independently evaluate outcomes</li> </ul>
Risk-Sharing Structure	<ul style="list-style-type: none"> <li>• 100% of the risk will be shifted to investors: end payors will only make success payments when participants reach agreed-upon measurable outcomes verified by a third-party evaluator</li> </ul>

ECHO | [www.austinecho.org](http://www.austinecho.org)

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