

Supportive Housing Reduces Homelessness—and Lowers Health Care Costs by Millions

On any given night, tens of thousands of people sleep on the streets of Los Angeles, the nation's capital of unsheltered homelessness.

But a recent [RAND study](#) found a reason for hope on those same streets. Los Angeles County has quietly succeeded in moving some of its most chronically homeless and vulnerable residents into permanent housing, with health care and social services. And it's done it while saving taxpayers millions of dollars.

“It makes a very compelling argument to say, 'Look, if we provide housing and support, we can actually save money,’” said [Sarah Hunter](#), a senior behavioral scientist who led RAND's evaluation of the program and has spent years working with service providers on Los Angeles's Skid Row.

“Creating hurdles for people in need to receive housing is not the right approach,” she said. “There are better ways to meet the needs of some of the most vulnerable in our society.”

Los Angeles County had more than 53,000 people experiencing homelessness at last count. Nearly 40,000 of them were living on the streets, in their cars, or in makeshift camps, the nation's largest population of unsheltered homeless people by far.

Like cities and counties across America, Los Angeles spends millions of dollars every year on health care for people who are homeless and have nowhere to turn but a public emergency room. Starting in 2012, the county began to identify frequent users of health services, move them into supportive housing, and then address their physical or mental health needs there. It called it Housing for Health.

The program has moved more than 3,500 people off the streets, most of them chronically ill and chronically homeless.

[The program](#) is not run by a housing or social-services agency, but the county health department. Its goal is straightforward: To end homelessness in Los Angeles. So far, it's moved more than 3,500 people off the streets, most of them chronically ill and chronically homeless. One had needed more than \$1 million in public hospital services in the single year before entering the program; another was 95 years old.

And another was a former construction worker from the suburbs named Michael Cyrilik. Years of hard drug use had left his body scarred and wasted, so skinny that people called him Sticks. His bed on most nights was a torn piece of cardboard under the bleachers of a neighborhood ballfield, just down the street from where he grew up.

He credits a bike accident four years ago with saving his life. The accident left him bloodied on the ground with a spinal injury so severe that he still walks with a limp and a cane. But his stay in the hospital also brought him to the attention of Housing Works, a local nonprofit that provides supportive housing through the Housing for Health program.

“Let's put it this way,” he says now, “it changed my life in every perspective. If it wasn't for this housing, I don't know where I'd be. I'd probably already be deceased.”

Housing for Health: By the Numbers

The program moved **3500** homeless people off the streets

Out of 900 participants **96%** stayed in the program for at least a year

The county saved more than **\$6.5 million** in the second year of the program

Program participants spent **75%** less time in the hospital in the year after moving into supportive housing

The county saved **\$1.20** for every dollar spent

Program participants made **70%** fewer visits to the ER

[RAND's study](#) tracked nearly 900 program participants from the year before they entered housing until the year after. It found that 96 percent of them stayed

in the program for at least a year, a remarkable success rate. But that wasn't the headline.

Program participants made nearly 70 percent fewer visits to the emergency room in the year after they moved into supportive housing. They spent 75 percent less time in the hospital. They needed fewer mental-health checkups, fewer crisis interventions, even fewer months of county general-relief financial support.

Even adding back in the costs of the program, the county still saved more than \$6.5 million.

[Their use of expensive safety-net services](#) had cost the county a combined \$34 million in the year before they started the program. That number fell below \$14 million in the year after, a reduction in county costs of \$20 million. Even adding back in the costs of the program, around \$13.5 million, the county still saved more than \$6.5 million. Put another way: For every \$1 the county spent, it saved around \$1.20.

RAND's evaluation included more people, with more varied needs, and found bigger savings than other studies of supportive housing programs. It was based on data from six front-line county departments, but researchers cautioned that it might not capture every cost and benefit. “That will be something to watch as this program scales up and engages more people and more organizations,” RAND's Hunter said.

Program participants also reported improvements in their mental health in a limited survey the researchers conducted. But they reported almost no change in physical health. That might be because they suffered from chronic conditions, like diabetes or heart disease, that don't resolve with only one year off the streets.

Assistant policy researcher [Melissa Felician](#), a PhD fellow at Pardee RAND Graduate School, decided to dig into those findings for her doctoral dissertation. In interviews with program participants, she found unexpected barriers to health even after they had housing. Many went without food because they did not know how to cook but did not want to still rely on churches and shelters. They

often felt socially isolated and said they wanted something to do to get them out of their apartments—a job, a volunteer opportunity, some way to contribute to society.

“People spoke a lot about how they wanted those connections,” she said. “You can house people, but there's so much care that's needed afterward.” Her interviews, she added, “just taught me, but for the grace of God, anybody could be in that situation.”

Michael Cyrilik offers a quick prayer every morning and every night that he's not in that situation anymore. He has a small apartment not far from downtown Los Angeles, a place he can finally call home. He hung a small plaque over the front door with the 12 steps of addiction recovery. The drugs, the cravings: “All out of my head, out of my soul now. Period.”

“I don't want it no more,” he says. “This is my life now. Paying my bills, having responsibilities. I want to do life. I want to go out and enjoy my life. I want to go fishing. And maybe, perhaps, if the man upstairs allows me, I want to get back on a bike.”

— Doug Irving