Social Impact Partnership to Pay for Success Act (SIPPRA)

Independent Evaluator (IE) Biannual Evaluation Progress Report

Grantee Name: City and County of Denver's Denver Housing to Health (H2H) Pay for Success Project

Reporting Period: July 1, 2022 to June 30, 2024

Independent Evaluator Name: Urban Institute

Not later than two years after a project has been approved and biannually thereafter, the independent evaluator must submit a written report to the head of the relevant federal agency and the Interagency Council summarizing the progress that has been made in achieving each outcome specified in the award agreement. Data in evaluation progress reports and final reports will be made available to all federal agencies represented on the Interagency Council, and data content requirements will be specified in the agreement between the grantee and the head of the relevant federal agency.

1. *Provide an overview of the project including:*
    a. *unique factors that contributed to achieving or failing to achieve the outcome in the context of the intervention, including but not limited to any major change in policy or law that may have affected the project intervention and whether or not the project was implemented with fidelity (e.g., randomization of treatment and control groups),*
    b. *challenges faced in attempting to achieve the outcome, and*
    c. *improved future delivery of this or similar intervention.*

    Supportive housing can be a health care solution by creating the stability that participants need to prioritize their health care goals, connect with appropriate health care services, and reduce avoidable, high-cost emergency health care visits. Even with an appropriate increase in needed outpatient services, the reduction in high-cost visits can result in a net decrease in health care costs. In contrast, people experiencing chronic homelessness often remain unsheltered or in emergency shelter, continue to have frequent encounters with police as a result, and spend frequent short amounts of time in jail, which can prevent and disrupt the continuity of needed services including mental and physical health treatment. As of 2023, an estimated 1,698 people in Denver County were experiencing chronic homelessness on a single night and almost half were unsheltered,[1]increasing their chances of high-cost emergency health care visits and reducing the likelihood of them receiving needed healthcare services.

    From 2016 to 2020, the City and County of Denver implemented a Housing First supportive housing program designed to serve people experiencing chronic homelessness and high rates of arrest (the Denver SIB). The evaluation of that program demonstrated that people referred to Denver SIB supportive housing experienced a 40 percent reduction in arrests and a 30 percent

[1] Metro Denver Homeless Initiative, "2023 Point in Time Count," July 21, 2023, https://public.tableau.com/app/profile/mdhi/viz/MDHI2023PointinTimeCount/Overview.

reduction in jail stays over the first three years in housing.[2] An additional study of the impact of the Denver SIB's supportive housing on health care utilization demonstrated a 40 percent decrease in emergency department visits and a 150 percent increase in office-based visits with a psychiatric diagnosis for people referred to the program, as compared with people in services as usual.[3] These findings are consistent with other rigorous studies, which found that supportive housing implemented with a Housing First approach decreases emergency department visits and increases utilization of outpatient.[4]

In 2022, to build on the significant impact achieved by the Denver Supportive Housing Social Impact Bond (Denver SIB) and scale supportive housing as a targeted health care solution, the City and County of Denver launched the Housing to Health (H2H) Pay for Success project. The H2H project provides supportive housing to people experiencing chronic homelessness and high rates of arrest and who are at high risk for avoidable and high-cost health services paid for through Medicaid.

The Denver H2H project is implemented through a partnership agreement between the City and County of Denver and an intermediary managed by the Corporation for Supportive Housing. The project funds 125 units of supportive housing through two service providers: Colorado Coalition for the Homeless (CCH), a housing and service provider that also runs a federally qualified health center, and WellPower, a community behavioral health center. Denver Health and Hospital Authority (Denver Health)—a comprehensive, integrated health system that is also Colorado's primary safety net institution—serves as both a referral source and outreach partner, and Denver's Department of Safety provides staff for the referral process and administrative data for the evaluation. To measure payment outcomes for the pay for success contract, and to provide rigorous, long-term evidence on scaling supportive housing as a health care solution, the Urban Institute is conducting a seven-year randomized controlled trial evaluation and implementation study to measure the impact of supportive housing on health care utilization and net cost reductions for Medicaid.

The project leverages pay for success financing through upfront funding from private investors for supportive services, along with dedicated housing assistance like federal and state housing vouchers and Medicaid reimbursement for covered services provided as part of the intervention. Under the SIPPRA program, the US Department of Treasury will pay the City and County of Denver based on the net reduction in Medicaid expenditures for program

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[2] Cunningham, Mary, Devlin Hanson, Sarah Gillespie, Michael Pergamit, Alyse Oneto, and Patrick Spauster. 2021. *Breaking the Homelessness-Jail Cycle with Housing First: Results from the Denver Supportive Housing Social Impact Bond Initiative*. Washington, DC: Urban Institute.

[3] Hanson, Devlin, and Sarah Gillespie. 2024. "Housing First Increased Psychiatric Care Office Visits and Prescriptions while Reducing Emergency Visits." *Health Affairs* 43 (2): 209–17.

[4] Lachaud, James, Cilia Mejia-Lancheros, Anna Durbin, Rosane Nisenbaum, Ri Wang, Patricia O'Campo, et al. 2021. "The Effect of a Housing First Intervention on Acute Health Care Utilization among Homeless Adults with Mental Illness: Long-term Outcomes of the At Home/Chez-Soi Randomized Pragmatic Trial." *Journal of Urban Health* 98 (4):505–15.; Raven, Maria C., Matthew J. Niedzwiecki, and Margot Kushel. 2020. "A Randomized Trial of Permanent Supportive Housing for Chronically Homeless Persons with High Use of Publicly Funded Services." *Health Services Research* 55 (Suppl 2): 797–806.

participants, as measured by the experimental evaluation. If the evaluation shows that the project achieved its performance targets for housing stability and reduction in jail days, Denver will repay the private investors.

2. *Has the evaluation study encountered any challenges, such as those identified in the evaluation design plan's theory of change? If so, how has the evaluation team and/or grantee addressed these challenges?*
   The evaluation study has not encountered any challenges at this time.

3. *Has there been any alterations to the study's research questions or planned design on account of these challenges? If so, what changes were made?*
   No changes have been made at this time.

4. *Assess the degree to which the project was delivered as intended, including a discussion of how closely the projects theory and intended procedures aligned with actual project implementation.*
   In the first years of operation, the project was implemented as intended. Early implementation of the project has been focused on engaging and housing people who, because of a systemic lack of affordable housing and the link between homelessness and the criminal legal system, have been disconnected from needed services, and instead have relied on the emergency department and other emergency health services.

   Eligible participants are referred to the H2H project—and one of the two service providers—through a random lottery as space becomes available in the program. Between January 1, 2022, and June 30, 2023, 203 people were referred to the program.[5] Outreach teams have been successful locating H2H participants during the early implementation period. Of the 203 people referred to the program, 139 were located within six months following their referral. On average, it took about 54 days after referral for providers to locate participants. H2H providers then worked to engage and enroll people in the program.

   Because of providers' ongoing outreach and engagement efforts, of the 139 people located by providers, 119 people (86 percent) were engaged in the H2H program. Usually, once someone was located, engagement occurred very quickly, with an average of only three days between location and engagement. Finally, once the housing application is approved, H2H participants sign a lease and move into permanent housing. Of the 119 people who were engaged in the program, 90 participants (or 75 percent) were housed within 6 months of referral and at an average of 71 days after referral.

   Both CCH and WellPower use a Housing First approach, which means there are no additional requirements for housing beyond the project's eligibility criteria. Both service providers also use a modified Assertive Community Treatment (ACT) model for supportive services. Individualized services are provided at a ratio of 1 staff member for every 12 participants. Staff positions

[5] The observation period for this reporting period is from 7/1/2022 through 12/31/2023. In order to observe at least six months of outcomes, we examine outcomes only for people who could have been in housing for at least 6 months by 12/31/2023 (or, put another way, those randomized by 6/30/2023).

include program managers, case managers, peer specialists, and psychiatrists. Small, shared caseloads mean team members visit clients in their homes at least weekly, and more often as needed.

Most H2H participants successfully retained their housing without any exits. Six months after entering housing, 87 percent of participants were stably housed or had a planned exit, meaning an exit for a reason that was beneficial for the participant or not preventable (e.g., death).

5. *Have any of the intervention model's key components changed? If so, how? For example, describe any changes in the following areas, 1) staffing, 2) recruitment/identification and maintenance of training providers and other key partners, 3) recruitment/identification, screening, and enrollment of participants, recruitments/identification, screening, selection of investors, and 4) intervention features and strategies across participating providers.*
   There have been no changes to the intervention model's key components.

6. *Include an assessment of the value to the federal government as discussed and defined in Section 4.f.ii, Outcome: Outcomes Valuation. If outcomes were not evaluated during this reporting period, enter N/A.*
   N/A

7. *Are there additional topics or information not discussed above that the independent evaluator would like to highlight regarding this project and/or other areas?*

On June 4, 2024, the Urban Institute published the first public implementation and payment briefs for the H2H project.

- The implementation brief ("Scaling Supportive Housing as a Health Care Solution: Early Findings from the Denver Housing to Health Pay for Success Project") focuses on early project implementation and details the H2H project's progress towards building the foundations required for future results, including strong outreach, quality supportive housing and services, intentional navigation of the criminal legal and health care systems, and promising housing retention. The brief can be found on the Urban Institute website at: https://www.urban.org/research/publication/scaling-supportive-housing-health-care-solution
- The payment brief ("Denver Housing to Health Project Housing Stability Payment Outcomes: Report to the H2H Governance Committee") details the first assessment of housing stability payment outcomes over the first six project quarters (July 2022 through December 2023). The brief can be found on the Urban Institute website at: https://www.urban.org/research/publication/denver-housing-health-project-housing-stability-payment-outcomes