

Rental Subsidies Targeted to Medicaid Super-Utilizers With a Serious Mental Illness will Save Medicaid Dollars

Housing Instability for Those with Serious Mental Illnesses Drives High Medicaid Costs

- ❖ Thousands of Illinoisans who are disabled because of a serious mental illness live on just \$733/month (Supplemental Security Income (SSI)/disability income). Many spend between 70-80% of this income on housing alone.
- ❖ Many become homeless/unstably housed because they cannot find affordable housing.
- ❖ Medicaid costs rise: Numerous *preventable* hospitalizations are the norm with housing instability.
- ❖ US Government Accountability Office Report: 57% of the most expensive 5% of Medicaid enrollees in Illinois have a mental illness. This is often due to the inability to find affordable housing and treatment.

A Rental Subsidy for Super-Utilizers *plus* Treatment Means Net Medicaid Savings

Rental subsidies to enable affordable housing targeted to super-utilizers with a serious mental illness who are homeless/unstably housed will drive *down* Illinois Medicaid costs. The individual pays 30% of their income toward rent; the remainder is covered by the subsidy (mirroring the State's Bridge Subsidy Program).

Rental Subsidy (\$9,800) + Treatment (\$10,000) = \$19,800

Medicaid Savings: Preventable Hospitalizations

5 hospitalizations = \$30,000

10 hospitalizations = \$60,000

15 hospitalizations = \$90,000

20 hospitalizations = \$120,000

(does not include savings from reduced justice involvement and homelessness)

There is sufficient rental stock across the state for which subsidies can be used.