The Impact of Failed Housing Policy on the Public Behavioral Health System

Kevin Martone, M.S.W.

The author describes the crisis in affordable housing for individuals with serious mental illness who have extremely low incomes and outlines implications for the behavioral health system. Studies have shown that nowhere in the United States can an individual with serious mental illness who is receiving Supplemental Security Income afford housing. This has contributed to compliance issues with the Americans With Disabilities Act. The failure of housing policy to effectively address the needs of individuals with serious mental illness who are in poverty is largely to blame for the most visible and costly failures attributed to the behavioral health system: institutionalization, incarceration, and chronic homelessness. It is critical for the behavioral health field to advocate for housing policies to address the housing affordability crisis. (*Psychiatric Services* 65:313–314, 2014; doi: 10.1176/appi.ps.201300230)

The Technical Assistance Collaborative and the Consortium for Citizens With Disabilities Housing Task Force recently published the biennial *Priced Out in 2012* (1), a study of the affordable housing crisis confronting people with disabilities who are receiving Supplemental Security Income (SSI). The report highlights the fact that nowhere in the United States can a person with a disability who is receiving SSI afford safe, decent housing. For individuals with serious mental illness, anecdotal evidence suggests that because of stigma, affordable housing is often less available to this group than to other disability groups. The public behavioral health system is often identified as broken. However, its visible failures—chronic homelessness, institutionalization and incarceration—are as much failures of federal and state housing policy for the poorest and most disabled individuals. Unfortunately, the problem is worsening and is perhaps the most significant form of discrimination today facing individuals with serious mental illness.

Mr. Martone is with the Technical Assistance Collaborative, Boston (e-mail: kmartone@tacinc.org).

The housing shortage for persons receiving SSI

Individuals with mental illness receiving SSI have extremely low incomes that are below 30% of Area Median Income. In 2012, the average annual income of a single individual receiving SSI payments was $8,714—only 19.2% of the national median income for a one-person household and almost 22% below the 2012 federal poverty level. According to federal housing policy, rent is affordable when it is no more than 30% of a person's income. Individuals who pay more than 30% of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation, and medical care.

Data cited in *Priced Out in 2012* show that the national average rent for a modest one-bedroom rental unit was $758 in 2012, equal to 104% of the national average monthly income of a one-person SSI household. This finding confirms that in 2012 it was virtually impossible for a single adult with a disability who was receiving SSI to afford rental housing in the community unless he or she had some type of permanent rental subsidy. Complicating this is the short supply of affordable housing resources. Although there are an estimated 1.9 million people with serious mental illness who receive SSI (2), there are ten million extremely-low-income households competing for U.S. Department of Housing and Urban Development (HUD) rental assistance that subsidizes approximately 4.6 million low-income families and individuals (1).

The attention of the behavioral health system is largely focused on three areas at this time: health care reform, public safety as a result of high-profile mass shootings, and community integration of individuals with serious mental illness. Health care reform, particularly the integration of behavioral and primary health care delivery systems, offers significant hope that people with mental illness will gain better access to care and experience improved outcomes. However, the existing fiscal climate and the potential misperception of lawmakers and state and federal budget officers that health care reform and Medicaid expansion will resolve the problems of the mental health system could be devastating to current and future resources needed for housing. Unfortunately, the conversation about public safety (which should be a conversation about public health) will be with us for the foreseeable future but may provide some opportunity for new resources.

The shortage of affordable housing is the major barrier to community integration. As a result, resources for services are largely tilted toward crisis-oriented, institutionally based systems, such as psychiatric hospitals, jails and prisons, and nursing homes. State behavioral health systems are struggling

to comply with the Americans With Disabilities Act (ADA) and U.S. Supreme Court's *Olmstead* decision affirming the civil right of individuals with disabilities to live in the most integrated settings. Several states already have reached settlement agreements (for example, Georgia, North Carolina, Delaware, Illinois, New Jersey, and New York), and some are facing impending lawsuits for violating the ADA. It is likely that every state in the country has individuals in more costly, restrictive settings than needed.

Misplaced and insufficient efforts to address the shortage

Many states are working to rebalance funding to support people with serious mental illness in more integrated settings, and federal initiatives through the Centers for Medicare and Medicaid Services, such as Money Follows the Person and the Balancing Incentives Program, provide mechanisms to do this. State strategies include reallocating funding from state psychiatric hospitals and nursing homes to community-based services. In some states, portions of the funds that should be used for services have been utilized as temporary or "bridge" rental assistance until federally funded rental assistance can be secured. Because of the shortage of federal assistance, however, these funds tend to be dedicated to housing assistance indefinitely.

Clearly, behavioral health systems should organize and deliver comprehensive, evidence-based practices in integrated settings in order to meet the diverse needs of people with serious mental illness. However, responsibility for affordable housing solutions should not be misplaced on the behavioral health system at the expense of service funding. Unfortunately, state mental health authorities and provider agencies have also had to take on the housing challenges for individuals and are often underfunded or ill equipped to do so, largely because it is not their primary mission. Nonetheless, an evidence-based solution that considers the service and housing needs of individuals does exist in permanent supportive housing. This intervention tackles both sides of the equation, blending services and affordable housing, and studies of permanent supportive housing have found improved outcomes in behavioral and physical health, even for the most disabled individuals. Data from the National Low Income Housing Coalition indicate that the cost of providing affordable housing assistance for people with mental illness (3) pales in comparison with the costs of chronic homelessness (4), institutionalization (5), and incarceration (6). These outcomes are borne out by research findings time and again. The shortage of rental assistance and available, affordable housing, however, has been a major barrier in implementing permanent supportive housing at scale in states.

The magnitude of the problem requires additional housing investments by state and federal governments. Unfortunately, state and federal funds are increasingly scarce because states are still recovering from significant cuts made during the recession (7) and the federal housing budget is subjected to sequestration. The promising Section 811 Project Rental Assistance Demonstration program at HUD funded in federal fiscal years 2012 and 2013 will assist approximately 5,500 individuals with disabilities when fully implemented but is proposed to receive significantly fewer dollars in federal fiscal year 2014. The National Housing Trust Fund, designed to provide permanent, dedicated funds for the production, rehabilitation, preservation, and operation of rental housing, especially for individuals with extremely low incomes, has not received any funding since it was authorized five years ago.

Conclusions

The failure of housing policy to effectively address the needs of individuals with serious mental illness who are in poverty is largely to blame for the most visible and costly failures attributed to the behavioral health system—institutionalization, incarceration, and chronic homelessness. While we spend our time addressing the important issues of health care reform, debating public safety, or advocating for adequate reimbursement rates, we must not forget the critical role that safe, decent housing plays as a social determinant of health: housing is essential to our overall health (8,9).

Safe, decent, affordable housing is unattainable in every housing market in the country for individuals with mental illness with extremely low incomes. Yet it is a cost-effective, recovery-oriented intervention that provides big bang for the buck and is associated with positive outcomes. We who make up the behavioral health system need to make concerted efforts to ensure that federal and state policy makers prioritize the housing needs of people with the most serious mental illnesses if we are to successfully facilitate community integration, end chronic homelessness, and implement health care reform. Otherwise, we should temper our expectations for achieving significant outcomes in these three areas.

Acknowledgments and disclosures

The author reports no competing interests.

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