

HHS CONSIDERS ALLOWING HOSPITALS TO USE MEDICAID FUNDS TO PAY FOR PATIENTS' HOUSING

The Secretary of Health and Human Services ("HHS") recently announced that Medicaid may allow hospitals and health systems to use funds to pay for patients' housing.^[1]

HHS has already experimented with this idea by providing states with waivers under Section 1115 of the Social Security Act to expand Medicaid coverage to individuals experiencing homelessness.^[2] Some states, including California and Illinois, have used waivers to help chronically homeless individuals find and maintain housing in an effort to decrease length of hospitalization and to avoid crisis care.

HHS has reported success in these states' programs, concluding that the use of Medicaid funding to cover costs associated with locating housing with supportive services for those who are chronically homeless is important in achieving cost savings in avoidable hospitalization, crisis care and nursing home stays.^[3]

Other government programs, such as the U.S. Interagency Council on Homelessness, support this concept and have indicated that access to health care is key in ending homelessness, and health care is most effective when it is coupled with housing assistance.^[4]

Currently, federal law prohibits using Medicaid assistance for rent payments. However, as health care moves to a value-based model, we may see the scope of Medicaid benefits broaden to cover housing costs, reinforcing a concept that health care providers have long known: homelessness and other social determinants directly contribute to an individual's health.

To discuss health care real estate questions, please contact:

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- Your regular Hall Render attorney.

[1] <https://www.modernhealthcare.com/article/20181114/NEWS/181119981/cms-may-allow-hospitals-to-pay-for-housing-through-medicaid>.

[2] *Medicaid and Permanent Supportive Housing For Chronically Homeless Individuals: Emerging Practices from the Field*, U.S. Department of Health and Human Services, August 2014, found at: <https://aspe.hhs.gov/system/files/pdf/77116/EmergPrac.pdf>.

[3] *Id.*

[4] <https://www.usich.gov/solutions/health-care/>.