

# Housing subsidies reduce health care costs for vulnerable veterans

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Ensuring that veterans have stable housing not only reduces homelessness but also slashes the cost of providing them with publicly funded health care, according to a national study led by University of Utah Health scientists. The researchers found that veterans who received temporary financial assistance (TFA) from the Department of Veterans Affairs (VA) to acquire or retain housing had fewer hospital visits and an average reduction in health care costs of \$2,800 over a two-year period than veterans who did not receive this benefit.

The researchers say this model could help non-profit organizations and other federal, state, and local governments better serve homeless Americans who are not veterans.

"Getting veterans experiencing homelessness into stable housing is desirable for a whole host of social, [health](#), economic, and moral reasons," says Richard E. Nelson, Ph.D., the study's lead author and a research associate professor of internal medicine at U of U Health. "In this case, the overarching finding of our research is that

providing veterans with temporary financial assistance helps them get into stable housing and reduces [health care](#) costs—particularly inpatient health care costs. This should be seen as a 'win-win' for the average person or taxpayer."

The study appears in the May issue of *Health Affairs*.

On any given night, about 40,000 American veterans are homeless, according to the U.S. Department of Housing and Urban Development. Thousands more are at risk of losing their homes every day, Nelson says.

Homelessness is associated with myriad health care problems, including HIV/AIDS, malnutrition, skin infections, tuberculosis and pneumonia, and substance abuse. As a result, VA's specialized homelessness programs provide health care to almost 150,000 homeless veterans annually.

In previous research, Nelson and his colleagues found that homeless veterans or those at risk of becoming homeless who received TFA provided by VA's Supportive Services for Veteran Families (SSVF) program were more likely to have stable housing 90 days after enrolling in the program than those who didn't receive the program's short-term subsidies.

Building on that finding, the scientists sought to determine if TFA also had an impact on utilization of VA health care facilities by these veterans. They identified 29,184 veterans who had received TFA through the SSFA program in 49 states as well as 11,229 who participated in other aspects of SSFA but did not receive TFA.

The researchers analyzed data on these veterans from two years prior to SSVF enrollment to two years after in quarterly increments. Overall, health care costs increased sharply in the eight quarters prior to SSVF enrollment. However, health care

costs decreased an average of \$352 per quarter for SSVF veterans receiving TFA following enrollment compared to those who didn't receive this benefit. This decrease was consistent regardless of the amount of TFA received, which on average was about \$6,000 over the course of SSVF participation, which averaged about three months.

The magnitude of the decrease was larger for those who were homeless at enrollment compared to those who were on the brink of it but remained in their homes because of their TFA allocation. This difference was due, in part, to the fact that homeless veterans are more likely to be hospitalized.

In some instances, the decrease in health care [costs](#) offset the total TFA amount VA allotted to these veterans, potentially reducing the overall outlay for their care and well-being. The researchers say this finding could have implications for efforts to alleviate homelessness and its accompanying health care issues among other populations.

"Historically, housing and health care have been considered separate things," Nelson says. "By showing that they are linked—that improving somebody's housing situation might also improve their health status—this finding could have a big impact on how we approach these challenges among veterans and other citizens in the future."

Among the study's limitations, [health care costs](#) for veterans who use non-VA providers were not included in the analysis. Veterans are also more likely than the general population to be male and have a higher risk of substance abuse and mental illness, two conditions commonly associated with homelessness.

Moving forward, the researchers plan to examine whether other SSVF services such as legal assistance, credit counseling, and obtaining VA benefits can improve [housing](#) and health care outcomes for veterans who are homeless or at risk of it. In addition, since reduced health care spending doesn't necessarily improve health, they will explore more direct measures, such as mortality.

"There has been a huge shift over the past 10 to 15 years in homeless assistance policies toward interventions like the one we studied," says Thomas H. Byrne, Ph.D., the study's senior author, an investigator at VA Bedford Healthcare System in Bedford, Massachusetts, and an assistant professor of Social Work at Boston University. "Yet, there is limited evidence to date about their effectiveness. Our findings help provide some much-needed evidence about the impact of such interventions."

The study, "Temporary Financial Assistance Decreased Health Care Costs For Veterans Experiencing Housing Instability," appears in *Health Affairs*.

**More information:** *Health Affairs* (2021). [DOI: 10.1377/hlthaff.2020.01796](https://doi.org/10.1377/hlthaff.2020.01796)

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