Federally Qualified Health Centers: Part II (of 3)

In last month’s issue Sue Augustus provided an informative article about Federally Qualified Health Centers (FQHCs) as potential partners to provide services in Supportive Housing programs. Community Health Centers, originally begun by the Office of Economic Opportunity in the mid 1960s, have a holistic view of health and recognize that “health” is more than what happens in the physician’s office and hospital. Most every health centers’ mission statement reflects this expansive view of health and has an emphasis on prevention and health promotion. Housing is certainly an important determinant of health so there is a natural interest in working collaboratively to improve the human condition.

A key characteristic for supportive housing providers to understand is that while there are certain rules and regulations common to all health centers, each one is a separate not-for-profit entity with its own priorities and way of conducting business. The health center reflects the priorities of its community and is governed by a community based Board of Directors. This Board reflects the characteristics of the patients and a majority of the members of the Board have to be patients. This is a distinctive difference that sets health centers apart from other health care entities. This difference also is a key reason why all centers are different from each other. The Board in combination with administrative staff leadership set the “modus operandi” for each individual health center. Each one sets its priorities and deals with its own circumstances and consequences of those decisions. There is an old saying in health center circles that “if you have seen one health center, then you have seen one health center.” Each is different; each has their own relationships and relationship style. Each will respond differently when

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President’s Budget Proposal Cuts Housing and Homelessness Programs

The Administration released its proposed budget for fiscal year (FY) 2009 (which begins October 1, 2008) on February 4. It proposes an increase for the Department of Defense, cuts to health care programs, and about $2.4 billion less for domestic discretionary programs other than Homeland Security. Domestic discretionary programs include most of the housing, human service, veterans, education, and infrastructure programs that help low-income people. After accounting for inflation, these programs would be cut by 4 percent from last year.

Funding for the U. S. Department of Housing and Urban Development’s (HUD’s) McKinney Vento Homeless Assistance Grants would increase by $50 million (3 percent), much less than is necessary even to keep up with increasing renewals of permanent supportive housing. The proposal does

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RHYA Reauthorization Recommendations

The National Alliance To End Homelessness (NAEH) has partnered with the National Network for Youth and Volunteers of America to recommend modifications to the Runaway and Homeless Youth Act during the reauthorization process. Proposed changes to this federal law include:

- Increasing the allowable appropriation levels to expand shelter, outreach, and housing capacities;
- Requiring that the Administration to conduct research on the national incidence of homelessness among unaccompanied youth and a comparative study of youth housing outcomes;
- Expanding the Transitional Living program to allow respite, short-term care of older youth; seeking the creation of an appeal process for unsuccessful applicants;
- Requesting the Administration develop performance standards for funded programs; and
- Seeking applicant competency in serving special needs populations including youth of color, youth with disabilities, gay, lesbian, bisexual, and transgender youth, pregnant and parenting youth, and undocumented youth.

For further information, contact the National Alliance To End Homelessness at the address in Headlines Directory.

Vouchers Reduce Homelessness

A recent random controlled study found that housing vouchers led to a 74 percent reduction in the incidence of homelessness among study participants. This study is one of many reviewed in a new research brief, published by the Homelessness Research Institute, and written by Jill Khadduri of Abt Associates. The brief reviews the research literature on how housing vouchers can protect low-income families from becoming homeless and help families who are currently homeless access stable housing. Considering the overwhelming research evidence, the author recommends that Congress should “return immediately to a policy of steady growth in the Housing Choice Voucher Program at about 100,000 units per year…”

View the full report at www.endhomelessness.org/content/article/detail/1875.

NLIHC Releases a Mid-Decade Progress Report

The release of the 2005 American Community Survey (ACS) provided NLIHC with the opportunity to assess the state of low income housing nationwide, at the state level, and over time for the first half of this decade in a study titled, Housing at the Half: A Mid-Decade Progress Report from the 2005 American Community Survey. The analysis shows that the number of extremely low income (ELI) renters increased at a faster rate than any other income and tenure group and that the number of households facing a severe housing cost burden increased (Continued on page 6).
local homeless programs throughout the nation will receive nearly $1.5 billion in funding announced on December 21 by U. S. Housing and Urban Development Secretary Alphonso Jackson. HUD grants will support a record number of local programs, providing critically needed emergency shelter, transitional housing and permanent support more than 168,000 individuals and families. For a detailed local summary of the projects awarded funding, go to www.hud.gov/offices/cpd/homeless/budget/2007/07_illinois_totals.xls.

HUD’s funding is provided in two ways:

- HUD’s Continuum of Care programs provide permanent and transitional housing to homeless persons. In addition, Continuum grants fund important services including job training, health care, mental health counseling, substance abuse treatment and child care. More than $1.3 billion in Continuum of Care grants are awarded competitively to local programs to meet the needs of their homeless clients. Continuum grants fund a wide variety of programs from street outreach and assessment programs to transitional and permanent housing for homeless persons and families. Half of all Continuum funding awarded today, nearly $706 million, will support new and existing programs that help to pay rent and provide permanent housing for disabled homeless individuals and their families.

- Emergency Shelter Grants provide funds for homeless shelters, assist in the operation of local shelters and fund related social service and homeless prevention programs. HUD is awarding $160 million in Emergency Shelter Grants that are allocated based on a formula to state and local governments to create, improve and operate emergency shelters for

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Housing Affordability Standards

To provide advocates with the necessary context for current policy discussions over the setting of rents and income limits, a new primer from NLIHC explores the historical origins and evolution of the Brooke Rule, named for former Senator Edward Brooke (R-MA). In its current iteration, the Brooke Rule says that in order to provide a household with affordable housing its housing cost-to-income ratio (HCIR) should be set at no more than 30%.

Low income housing advocates have a love/hate relationship with the Brooke Rule, the most common standard of housing affordability in US housing policy. On the one hand, advocates recognize the Brooke rule as one of the foundations of this country’s progressive housing policy, creating a fundamental link between costs and household income. On the other hand, they recognize that use of a relatively simplistic ratio does not to capture the complexity of the affordability tradeoffs families face, nor does it reflect that many families cannot afford to pay 30% of their income for housing.

While the report notes the practical reasons to use the 30% HCIR standard, it also lays out the criticisms of its current broad application in research and policy. Proposals for reform that seek a more precise definition of affordability are examined. These reforms promote the use of a “residual income approach,” which, rather than using a fixed percentage of income for all families in order to determine what is affordable, looks at what income is available for housing relative to the other expenses in a family’s budget.

This “residual income approach” has been present in U.S. housing policy debates at least since NLIHC founder Cushing N. Dolbeare raised it in a 1966 pamphlet. In today’s housing policy debate, discussion of more precise affordability standards has largely been sidelined by alternatives that seek to simplify rent calculations and provide a stronger link to the costs of providing housing and incentives for work. The report concludes that in this environment, where more precise standards of affordability are off the table, advocates find themselves vigorously defending the Brooke Rule despite their reservations, while a move to a more rational affordability standard remains stalled.

The full report, Getting to the Heart of Housing’s Fundamental Question: How Much Can a Family Afford? A Primer on Housing Affordability Standards in U.S. Housing Policy, can be found here: www.nlihc.org/doc/AffordabilityResearchNote_2-19-08.pdf

For further information, contact the National Low Income Housing Coalition at the address in Headlines Directory.
Center for Economic Progress and the Earned Income Tax Credit

The Tax Counseling Project (the Project), a program of the Center for Economic Progress stands to bring more than $45 million into the state’s economy this year by preparing over 30,000 income tax returns for low and moderate-income families. In the last thirteen years, $240 million in federal and state tax refunds have been returned to Illinois taxpayers, largely as a result of the Earned Income Tax Credit (EITC).

The Tax Counseling Project will operate in 35 communities throughout the state of Illinois from January 26-April 15, 2008. For times and locations of operation, go to the Center for Economic Progress website at www.centerforprogress.org. Note the links on the right side of the tax site web page for sites outside Chicago.

The Federal Earned Income Tax Credit

The Federal Earned Income Tax Credit (EITC), now the most popular and arguably the most successful federal anti-poverty program, was signed into law by then-President Gerald Ford and became effective for the 1975 tax year.

In its early years, the tax credit was not well known and was hardly used. In 1980, only 6 million families with annual incomes of less than $10,000 qualified for the credit. The maximum credit that year was a modest $500 for a household with two children.

In 1993, the value of the credit was nearly doubled, and since that year, more than 4.3 million people have been lifted out of poverty each year as a result of the EITC.

People below the poverty line are not the only beneficiaries of the program. Working families with two or more children can earn up to $39,783 per year and still qualify for a credit.

Last year, more than 22 million families and individuals in the United States claimed the federal EITC and received more than $42 billion.

The federal EITC is a special tax benefit for working people who earn low or moderate incomes. This credit helps to reduce the tax burden on these workers, to supplement wages, and to make work more attractive than welfare.

Workers who qualify for the EITC and file a federal tax return can get back some or all of the federal income tax that was taken out of their pay during the year. They also may get extra cash back from the IRS. Even workers whose earnings are too small to have paid taxes can get the EITC and the credit reduces any income and payroll taxes workers may owe.

Single or married people who worked full or part-time at some point during the year can qualify for the EITC. The average EITC is $1,867, however, for families with children the average raises to $2,160. It varies depending on family size and income. For example:

- Workers who were raising one child in their home and had a family income of $35,241 or less in year 2007 could be eligible for a credit up to $2,853.
- Workers who were raising more than one child in their home and had family income of less than $39,783 in 2007 could be eligible for a credit up to $4,716.
- Workers who were not raising children in their home but were between the ages of 25 and 64 on December 31, 2007 and had incomes below $14,590 could get a credit of up to $428.

How many low-income workers are eligible?

An estimated 22.7 million workers in the United States, including almost 950,000 in Illinois, are eligible for the federal EITC for tax year 2007. In 2007, 840,000 Illinois workers filed for the Federal EITC, claiming $1.5 billion in refunds.

Why do some eligible workers fail to claim the EITC?

Thousands of potentially eligible workers don’t know about the tax credit. The Center estimates that more than 120,000 eligible Illinois workers fail to claim the EITC because they do not know about it or they do not file tax returns. Some of these people are not required to file tax returns, but they cannot take advantage of the EITC unless they file.

Many other people are immigrants who face language barriers or are native-born individuals with literacy deficiencies that make it difficult for them to deal with the complicated IRS tax forms and instruction booklets. Some are people who are working for the first time and have never before filed a tax return.

The uncertainty our economy is experiencing, with increasing poverty and the volatile housing and labor markets, means that those who are eligible to claim the EITC changes from year to year based on annual earnings. As many as one-fourth of EITC taxpayers in 2007 did not claim the credit in 2006, many of which filed tax returns but did not know about it or they do not file tax returns but did not know they were eligible for the credit.

For further information, contact:

Mary Ruth Herbers, Senior Director of Programs
Center for Economic Progress
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Chicago, IL 60602
Telephone (312) 252-0280
approached by supportive housing entities. Generally, a health center’s resources, while from the outside appear abundant; are in actuality, stretched pretty thin. An understanding of the impact of these factors is an important key to a successful relationship between supportive housing providers and community health centers.

The term FQHC started in the early 1990s at the same time that changes in the health centers’ reimbursement went to a cost based formula. More recently health centers are reimbursed on a Prospective Payment System (PPS) and the only increases in reimbursement are based on the Medical Economic Index (MEI). Health centers have evolved from very social service oriented providers where physicians were assigned to work by the government into entities that compete on the open market for physicians and other technical staff because fiscal realities dictate a “business” orientation for survival. In the 1980s our health center’s budget was 60% Federal grant dollars; today the Federal Bureau of Primary Health Care funding makes up 21% of our health center’s primary care budget.

Our community health center, Southern Illinois Healthcare Foundation, started in 1985 to address the exodus of physicians and loss of health services in the metro-east communities of Centreville, East Saint Louis and other surrounding high poverty communities. After the first 3 years as an organization and four different executive directors, today’s CEO, Robert Klutts, brought stability in leadership and an orientation to serving more people through organizational growth. When Mr. Klutts came in 1988 there were 2,071 patients, a budget of $675,000, one location, 7 physicians and 30 employees. In 2007 there were 74,151 patients, a budget of over $37 million, 21 locations, over a 100 full and part time providers (physicians and mid-level practitioners) and over 500 employees. Now, one payroll every two weeks is more than the entire annual budget for 1988. A systems approach to providing health services and finding “Market Niches of Need” that are not served by other providers were important factors in our growth. Services are provided from the urban centers in St. Clair and Madison Counties and somewhat uniquely, from 4 different rural counties, Fayette, Marion, Cumberland and Effingham counties. Services in everyone one of these counties grew out of relationships that initiated the discussions for service development. Start small and build on little successes.

Southern Illinois Healthcare Foundation’s (SIHF) relationship with Chestnut Health Systems (CHS), a mental health, substance abuse and supportive housing provider evolved when both entities were involved with a group effort to develop a subsidized county wide employer based health insurance product. Chestnut initiated discussions with SIHF to explore potentials for integrating medical and behavioral health services. Financial factors and changes in the state mental health reimbursement methodology were an impetus driving this relationship. Discussions evolved over 3-4 years that include their core mental health and substance abuse services and their supportive housing units. These have resulted in several changes. Today each of the 7 supportive housing sites and 4 other service locations of CHS in St. Clair and Madison counties are now in the SIHF “scope of project”. By being in the “scope of project” SIHF can receive PPS reimbursement for medical services provided in the supportive housing unit. This is an arrangement similar to a health centers relationship with a nursing home where the medical provider continues to care for their health center patient when that patient’s care requires going into a nursing home. This is very similar to a private practice physician who follows their patient and continues to care for them when they are in a nursing home.

Medical services at the supportive housing sites can include psychiatric services and those physical health services provided by family practice or internal medicine providers. SIHF is not involved in any other way in the supportive housing unit operation. The supportive housing services are all provided by and will remain to be provided by CHS. We are just in the process of going to these 11 locations and plan on going once a month to provide medical services. We are still working through the details of providing psychiatric services at these sites. The residents become SIHF patients and have the same benefits as other health center patients. These include “on call” 24/7 medical consultation;they are an established patient and if they need to be seen by a physician they can call the center and be brought in to be served by “their” provider; admission and follow through hospital (medical) care if needed; access to discounted drug programs and a sliding fee scale for services if not on Medicaid or Medicare. The advantage for CHS is that medical and soon psychiatric services are available for the patients without CHS having to purchase these services. The advantages for SIHF is that the residents of the supportive housing are additional patients who already have varying degrees of case management and are in a group setting when services are brought to their location. Generally a health center will need 10-15 patients at a site to make the going out to a site feasible. Variables will include the payer mix and distance from the health center site. Other health centers may or may not desire to do this. We are open to sharing our experience with this, if other supportive housing groups are negotiating with

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not include a prisoner reentry initiative, which the Administration proposed in previous years, or a rapid rehousing for families initiative, which was funded by Congress last year. The budget for Section 8 includes $75 million for additional HUD-Veterans Affairs Supportive Housing (HUD-VASH) vouchers, which should fund an additional 8,000 - 10,000 vouchers for homeless veterans.

Many mainstream housing and services programs would be cut substantially. Housing Choice Voucher funding is $1.3 billion less than is needed to continue housing families that are currently assisted. The shortfall could result in at least 100,000 vouchers not being renewed. The Community Development Block Grant (CDBG) program would be cut by $659 million, or almost 20 percent. The $654 million Community Services Block Grant (CSBG), which alleviates the causes and conditions of poverty, would be eliminated. (President Bush has proposed to eliminate CSBG in every budget.) The budget also proposes to cut Medicaid by $18 billion over 5 years.

The Administration’s budget is a proposal. Congress will make decisions on actual funding levels later this year. For a more detailed analysis and a budget chart, go to www.endhomelessness.org/content/article/detail/1878.

CoC and ESG Awards

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homeless persons. These funds may also support essential services including job training, health care, drug/alcohol treatment, childcare and homelessness prevention activities. By helping to support emergency shelter, transitional housing and needed support services, Emergency Shelter Grants are designed to move homeless persons away from a life on the street toward permanent housing.

Illinois Grants

Total Illinois grants came to approximately $82.9 million (up from $79.6 million in 2006). HUD officials acknowledge that there may be some errors in this data.) Of Illinois’ share, approximately $75.2 million will go to projects serving homeless families and individuals in areas covered by twenty-one Continuums of Care in the State.

Each Continuum of Care in Illinois brings together non-profit groups, the private sector and local and state governments in a partnership to design local programs to help homeless people become self-sufficient. Programs funded by the Continuum of Care grants will provide transitional and permanent housing assistance and will help people overcome problems that can lead to homelessness, such as a lack of basic education and job skills, mental illness and drug addiction. The amounts awarded to states, local governments and non-profit groups based on a number of factors that measure the effectiveness of their respective individual plans to help homeless people.

An additional $7.6 million in Emergency Shelter Grants were also awarded in Illinois to eleven entitlement communities, and to the State of Illinois for distribution to non-entitlement areas. Those resources will provide food and shelter on a short-term basis to homeless people. These grants are awarded through a formula based on a community’s housing and poverty needs. States and cities select projects to receive funding.

For further information, contact Darrel Bugajsky of the Chicago HUD office at (312) 353-1696, ext. 2720 or the address in Headlines Directory.

Mid-Decade

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23 percent nationwide between 2001 and 2005.

The ACS shows that just 15 percent of American households bore severe housing costs in 2005, and only 4 percent had inadequate housing or lived in crowded situations. However, the NLIHC report looks beyond this snapshot to analyze how housing problems are distributed across places and populations. As housing costs grew significantly relative to income in the first half of the decade, all income groups experienced a decrease in their ability to afford housing, with the steepest decline in affordability was among households in the bottom of the income distribution. These households had by far the highest and fastest-growing housing cost burdens.

Illustrating the over-representation of the lowest income households among the cost burdened, this study shows that while ELI renters represented only 25 percent of all renter households, they made up 70 percent of all renters with severe housing cost burdens in 2005. In stark contrast, households that were not low income made up 35 percent of all renter households but only 1 percent of renters with severe housing cost burdens.

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FQHC Part II
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their near by health centers. Again we are very early in the implementation of this service.

Another collaboration with CHS is in our new healthcare for the homeless program. Through Bureau of Primary Health Care funding, a primary care site has been co-located with a CHS mental health and substance abuse counseling site to provide another primary care access point for homeless persons. The organizations are working out procedures to go beyond just a co-location of services and integrate care for the patients. Another component of the health care for the homeless program is to take the SIHF mobile unit to all of the homeless shelters and related services in St. Clair and Madison Counties. This mobile medical unit has 2 fully equipped exam rooms and lab specimens can be drawn in the unit.

In a recent collaboration with CHS additional Bureau of Primary Health Care funding is sought to integrate medical and behavioral health services by adding behavioral health personnel at a busy health center site. Services will be organized on the basis of the 4 Quadrant Model. Essentially patient needs are categorized as one group of patients who have high needs for behavioral health services and high needs for physical health service and another group who have a low need for behavioral health and a low need for physical health services. The other two groups are divided into those with high behavioral health needs and low physical needs; and those with low behavioral needs and high physical needs. Appropriate care for each grouping will be provided through a “warm hand-off” process that retains the patient’s dignity and respect.

In the SIHF rural sites in Vandalia, Salem, Greenup and Effingham residents of supportive housing can make an appointment and come to these sites when individuals need medical care. If rural supportive housing providers desire to obtain services at these health centers as a group, they should call (618) 332 - 0694 and ask for Jeffie Lewis to work out arrangements for a group of persons to be brought to those sites or Rick Diaz for arrangements at any of the other SIHF locations in St. Clair or Madison Counties. These are the operational contact persons if medical services on a group basis are desired by the supportive housing entity or if any other specific information is desired.

SIHF views its role as the provider of medical services and as a partner to collaborate with other agencies for the provision of services. Other community health centers may also have similar intentions to relate with supportive housing service providers; although, each health center has its own set of priorities that they are working on at any one time. It really begins with relationships where, ideally, each entity gains. Information on the health center nearest to your community can be found at www.iphca.com this is the state association for Illinois health centers. By working together we can collaboratively improve the human condition.

Dale Fiedler can be reached at Southern Illinois Healthcare Foundation, 2041 Goose Lake Rd, Sauget, Illinois 62207 PH: (618) 332 – 0694 dfiedler@sihf.org

Mid-Decade
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This study also looks at the supply of affordable housing. In 2005, there were 9 million ELI renter households, but only 6.2 million rental units affordable to them, creating an absolute shortage of 2.8 million units. When taking availability into consideration along with affordability this shortage increases to 6 million units, or only 38 affordable and available units for every 100 ELI renter households nationwide. This report is based on earlier NLIHC research notes, also looks at housing affordability at the state level and finds that low income Americans faced unsustainable housing burdens in all 50 states and the District of Columbia. The report includes implications of these data for housing policy and makes a number of policy recommendations. The full report can be found here: www. nlihc.org/doc/ Mid-DecadeReport_2-19-08.pdf

For further information, contact the National Low Income Housing Coalition at the address in Headlines Directory.