

Rhode Island Pay for Success: Permanent Supportive Housing



WHAT IS PAY FOR SUCCESS?

Pay for Success is an innovative financing model that shifts financial risk from a traditional funder—usually government—to a new investor, who provides up-front capital to fund a social program. In Pay for Success models, governments work with high performing provider agencies and intermediary organizations like nonprofits and charities to identify measurable targets for program outcomes.



If a Pay for Success program successfully meets outcome measures, the government repays the original private investments plus a modest return. If the program falls short of achieving its outcomes, then private investors bear the costs. The Pay for Success model shifts the financial risk for new programs from the government (i.e., public dollars) to private investors.

The Pay for Success: Permanent Supportive Housing Pilot Program in Rhode Island will support 125 permanent supportive housing slots. It is expected to serve 175 - 200 individuals experiencing homelessness who are high utilizers of the state's healthcare, housing, and criminal justice systems. If successful, this program will positively impact individuals' lives while also:

- Increasing housing stability
- Decreasing healthcare utilization
- Decreasing criminal justice involvement

WHY IS PERMANENT SUPPORTIVE HOUSING NEEDED?

Permanent supportive housing is an evidence-based intervention that combines affordable housing assistance with voluntary support services to address the needs of Rhode Islanders experiencing chronic housing insecurity or homelessness. It provides a safe and stable home environment for the duration of the individual's need.



Permanent supportive housing has been shown to lower public costs associated with the use of crisis services such as shelters, hospitals, and the prison system.

- From 2020 to 2021, our state saw a 15% increase in the number of Rhode Islanders experiencing homelessness.¹
- By housing high utilizers of the healthcare, criminal justice, and homeless services with Permanent Supportive Housing (PSH) there is an estimated annual savings of \$15,000-\$20,000 per individual.²
- According to Rhode Island's Point-in-Time Count, from January 2022, persons living in "Emergency Shelter" increased by 14%, persons living in "Transitional Housing" decreased by 32.7%, and persons living "Outdoors or in Cars increased by 37%.³

¹ Rhode Island Coalition to End Homelessness – Pay for Success www.rihomeless.org/pay-for-success (accessed 3/1/23.)

² Rhode Island Coalition to End Homelessness – Frequently Asked Questions, #3. www.rihomeless.org/homeless-faq (accessed 3/1/23.)

³ Rhode Island/HUD PIT Reports 2021 & 2022 – www.rihomeless.org/point-in-time

WHO WILL BENEFIT?

Permanent Supportive Housing can have a positive impact on all Rhode Islanders by improving health outcomes, reducing healthcare costs, promoting economic stability, increasing safety, and providing a greater sense of community. The primary goal of the Pay for Success: Permanent Supportive Housing Pilot Program in Rhode Island is to provide supportive housing to a population of individuals that are in need. This pilot program focuses on providing safe, stable housing with supportive services, leveraging housing units that already exist. The program does not create housing units.

This pilot program will support the top tier of homeless individuals who are high utilizers of the following systems in the state:



- The Healthcare System
- The Criminal Justice System
- Homeless Services System

WHAT DOES SUCCESS LOOK LIKE FOR THIS PILOT PROGRAM?

Permanent Supportive Housing Programs, such as this Pay for Success Pilot Program, can improve an individual's quality of life while simultaneously reducing participant utilization of the healthcare, homeless, and criminal justice systems. Additionally, state spending on emergency and crisis interventions can be reduced with the successful implementation of a permanent supportive housing program by:

- Identifying and enrolling individuals into the Pay for Success program
- Engaging with and preparing clients for housing
- Providing and maintaining housing through supportive services



HOW DOES PAY FOR SUCCESS, PERMANENT SUPPORTIVE HOUSING ALIGN WITH EOHHS' STRATEGIC PRIORITIES?

PRIORITY 1: Focus on the root causes and the socioeconomic and environmental determinants of health that ensure individuals can achieve their full potential.

1. Stable housing is a social determinant of health. Permanent supportive housing provides individuals with a stable and safe place to live, which improves health outcomes, reduces stress, and provides a foundation for individuals to better address other health concerns.
2. Permanent supportive housing recognizes that the root cause of homelessness lies in systemic issues, such as poverty and income inequality. By providing individuals with housing and supportive services, these systemic issues are addressed, which helps individuals achieve greater socioeconomic stability.
3. Permanent supportive housing is a long-term cost-effective solution. It reduces costs associated with emergency room utilization and hospitalizations, homeless services, and criminal justice system involvement. By addressing the root causes of homelessness, such as poverty and inadequate housing, permanent supportive housing helps individuals achieve meaningful health outcomes and reduces the burden on the system.



WHERE CAN I LEARN MORE ABOUT THE PAY FOR SUCCESS: PERMANENT SUPPORTIVE HOUSING PILOT PROGRAM?

To learn more about this initiative, please visit:

- Rhode Island Coalition to end Homelessness: www.rhomeless.org/pay-for-success
- Please contact EOHHS staff member Allison Arden at allison.arden@ohhs.ri.gov.



OUR EOHHS CORE VALUES:

VOICE

CHOICE

EQUITY