Permanent Supportive Housing: An Investment That Works for Rhode Island

What Rhode Island's **Pay for Success (PFS)** pilot is teaching us about housing, public systems, and taxpayer dollars



AT A GLANCE

$1.8 million
two-year investment serving 50 high-need Rhode Islanders

$6.65 million
10-year projected gross system savings

$3.70
projected savings for every $1 invested

$4.85 million
modeled net fiscal benefit

EVIDENCE FROM RHODE ISLAND'S PILOT

PFS pairs stable housing with supports for people experiencing homelessness who rely heavily on Medicaid, emergency health care, shelters, and the justice system. It has enrolled 81 clients this performance year, with measurable early results:

Housing Stability - 11 → 37
Participants maintaining a lease each month more than tripled.

Shelter use - 73% decrease
Shelter nights fell from 3,443 to 931 and the share with any shelter stay fell from 38% to 19%.

Inpatient hospital days - 50% decrease
Hospital days fell from 2,199 to 1,057 per 1,000 participants.

Time in community - 18.5% increase
For participants with a history of incarceration, days in the community rose from 5.5 to 77.6 per quarter.

WHERE SAVINGS COME FROM

Homelessness drives people into the most expensive public systems. PFS changes that: a stable address and case manager help people access routine care, keep housing, and stay in the community.

Shelters 11,828 shelter nights avoided in Years 3-10	**$407K**
Emergency Departments 467 ED visits avoided	**$111K**
Inpatient Care 3,818 inpatient days avoided	**$286K**
Medicaid Transitions	**$3.5M**
Nursing Home Diversion	**$1.6M**

LIMITATIONS: These are projections, not guarantees. The analysis uses a small pilot sample and a 10-year model. Gross system savings are not the same as direct General Fund savings. The modeled General Fund savings are approximately $2.4 million under the stated Medicaid assumptions. RIDOC and police/court savings are reported separately as notional or illustrative and are not included in the $6.65 million headline total.

Source: Estimating the Fiscal Impact of a Permanent Supportive Housing Model, Faulkner Consulting Group for RICEH, September 2026.

RHODE ISLAND COALITION TO END HOMELESSNESS

What this means for Rhode Island

For people: Housing stability means fewer nights in shelter, fewer hospitalizations, and more time connected to community, health care, employment, and social supports.

For taxpayers: The model indicates that a targeted housing investment can offset its cost by reducing expensive crisis-system utilization over time.

For public systems: When people are housed, emergency and inpatient systems, shelters, and other high-acuity services may see reduced demand - allowing resources to be used more strategically.

For policymakers: The strongest fiscal case is targeted: the model focuses on people experiencing homelessness who have historically high utilization of publicly funded systems.

Rhode Island does not have to choose between compassion and fiscal responsibility. The pilot suggests that, for a carefully targeted population, housing paired with the supports needed to keep it can improve lives while reducing reliance on expensive crisis systems.

The ask is **continued investment in targeted permanent supportive housing, paired with rigorous measurement of housing, health, public-system utilization, and fiscal outcomes** — building on the evidence already emerging from Rhode Island's own communities.

About the analysis: Faulkner Consulting Group served as the independent evaluator for the Rhode Island PFS PSH program. The white paper uses PFS pilot data, Rhode Island cost data where available, and published research where Rhode Island-specific data were unavailable. Criminal-justice cost estimates are based on an out-of-state evaluation and are not included in the headline savings. Housing and service cost assumptions may differ from current market conditions.

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