



Managed Care Organization Investments in Affordable Housing

**Medicaid Managed Care
Organization (MMCO)
Learning Hub**

2/2/2021

MMCO Learning Hub Partners

- **NORC is leading the project along with partner Speire Healthcare Strategies LLC**
- **Key Partners**
 - America's Health Insurance Plans
 - Association for Community Affiliated Plans
 - Community Catalyst
 - Families USA



Webinar Logistics

- All attendees will remain in listen-only mode
- Please send any questions for presenters using the chat box at the bottom – we'll have a Q&A session at the end
- The slides can be accessed on our website here: <https://www.norc.org/Research/Projects/Pages/medicaid-managed-care-organization-learning-hub.aspx>

Agenda

- Introduction
- Andy McMahon, UnitedHealthcare
- Keli Savage, CVS Health
- Amy Reigel, CareSource
- Facilitated Discussion
- Open Q&A
- Conclude

Speakers



Andy McMahon,
Vice President for
Policy Health and
Human Services at
UnitedHealthcare
Community and
State



Keli Savage,
Head of Impact
Investment Strategy
at CVS Health



Amy Riegel,
Director of Housing at
CareSource



UnitedHealthcare Community & State



6.4 Million Members

3,965,000*
Members

- **TANF | Temporary Assistance for Needy Families**
23 markets
- **CHIP | Children's Health Insurance Plan**
21 markets
- **ABD | Aged, Blind, and Disabled**
20 markets
- **Childless Adults**
2 markets



1,100,000*
Members

- **EXPN | Medicaid Expansion**
15 markets



1,295,000*
Members

- **LTSS | Long-Term Services & Supports**
10 markets
- **SNP | Special Needs Plans**
31 markets
- **FIDESNP | Fully Integrated Dual Eligible**
2 markets
- **MMP | Medicare Medicaid Plan**
2 markets



185,000*
Members

- **Other: Includes DD/DV, CRS, SMI, ASO | Developmentally Disabled/Ventilator Dependent, Children's Rehabilitative Services, Severe Mental Illness, Administrative Services Only**
*6 markets***



* Approximation

** Arizona has overlap in DD/DV and SMI, and is counted as one market

Investing in Communities for Impact

Landscape and Background



Social Impact Approach

Social Impact Investment Strategy

Invest in organizations through a range of investment vehicles to drive social impact, track outcomes, and leverage investments to create systems change and policy reforms.

Strategic Framework	
Health Equity	Public Health Crises Scale proven interventions and cultivate partnerships that aid in addressing opioids, homelessness, etc.
	Health & Human Services Integration Support the building, scaling and adaption of health and human services collaborations
	Delivery System Capacity Building & Transformation Support delivery system modernization to improve and expand capability and increase access
	Affordable Housing Creation & Preservation Expand the supply of affordable and supportive housing

Social Impact Vehicles

Investment Mechanisms	
Equity Investments	<ul style="list-style-type: none"> • Cash investments • Patient capital for housing or other human services organizations
Below Market Loans	<ul style="list-style-type: none"> • Low interest loans • Working Capital Funds • Revolving Loan Funds
Outcomes Based Financing	<ul style="list-style-type: none"> • Pay for Success • Other outcomes based financing models

Key Issues

- Return of principal required
- Concessionary interest rate based on health impact value proposition
- Term of 1-5 years, with room for conversation
- Potential to pair social investments with tax credit investments

Case Study #1: Addressing Homelessness

Just in Reach

- Health-based housing program that aims to reduce jail recidivism and make significant progress in permanently ending chronic homelessness among people experiencing repeat jail stays.
- The program is financed through a Pay for Success model, which ties payment services to agreed upon success measures.
- Just in Reach provides permanent supportive housing to homeless individuals with mental health, substance use disorder, or physical disabilities as they exit the LA County jail.
- Participants receive: Permanent supportive housing, connections to health care and treatment, and intensive case management.



I just woke up one morning and decided to have a better life, I said you know what I'm tired of going to jail.

Emmitt Robertson, Just In Reach Participant



Case Study #2: Addressing Opioid Use Disorder

Opioid Use Disorder: Optimizing Obstetric and Neonatal Care

- The Tennessee Initiative for Perinatal Quality Care (TIPQC) is a state-wide perinatal quality collaborative that seeks to improve health outcomes for mothers and infants
- Multi-year initiative to improve health of pregnant women with Opioid Use Disorder and Opioid-Exposed Newborns by engaging teams of obstetric and newborn care providers to implement evidence-based protocols.
- Teams from eighteen hospitals and clinics across the state are engaging in learning sessions, quality improvement consults, and monthly huddles to improve outcomes
- Goals include increasing adequate prenatal care, access to treatment for pregnant women, percentage of infants rooming-in with mother and reducing transfers, length of pharmacological treatment, and length of stay.

As health care providers, we're all looking for ways to improve the care of those we serve. Thanks to support from UnitedHealthcare we'll be able to advance the integrated care we provide newborns and their mothers.

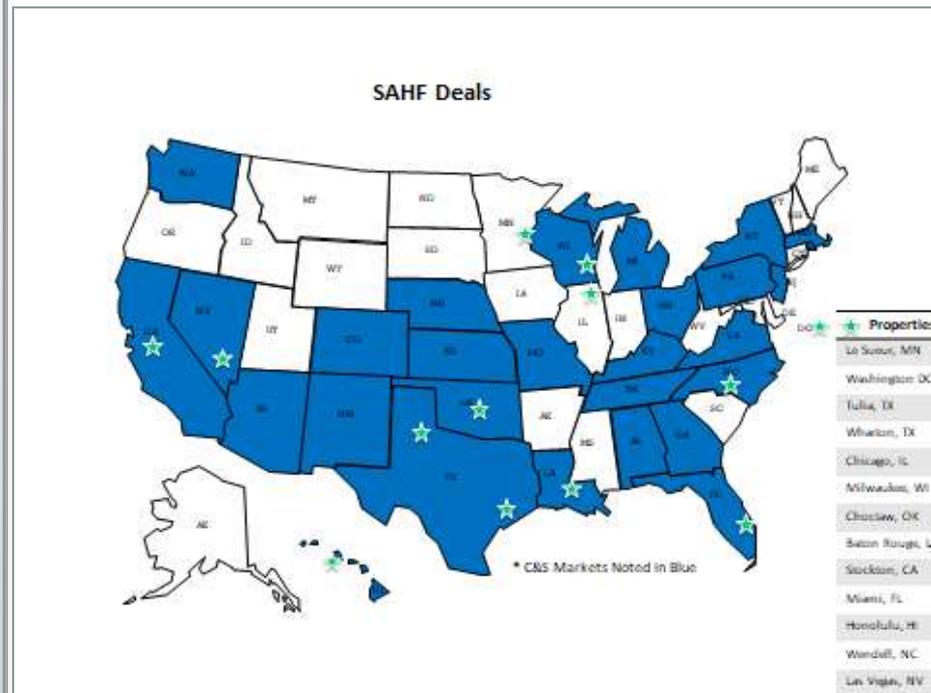
Dr. Mike Devoe, Project Leader and neonatologist at Monroe Carell Jr. Children's Hospital at Vanderbilt.



Case Study #3: Financing Affordable Housing

SAHF & NAHT Health & Housing Fund

- \$100 million affordable housing fund, that will build 1,000 affordable units for families and older adults
- All projects align and/or integrate health and social services with housing
- Includes \$1M services fund to provide health and social services for residents
- SAHF “Housing as a Platform” tracking tool will be used to measure resident health outcomes
- Brings UnitedHealthcare investment in affordable housing to \$500M





MCO Learning Hub

Investments in Affordable Housing

Keli Savage
Head of Impact Investment Strategy

February 2, 2021



Transforming health care for consumers to meet people where they are

We are a different kind of health company with a powerful combination of expertise and health services that is making health care more accessible, affordable and better



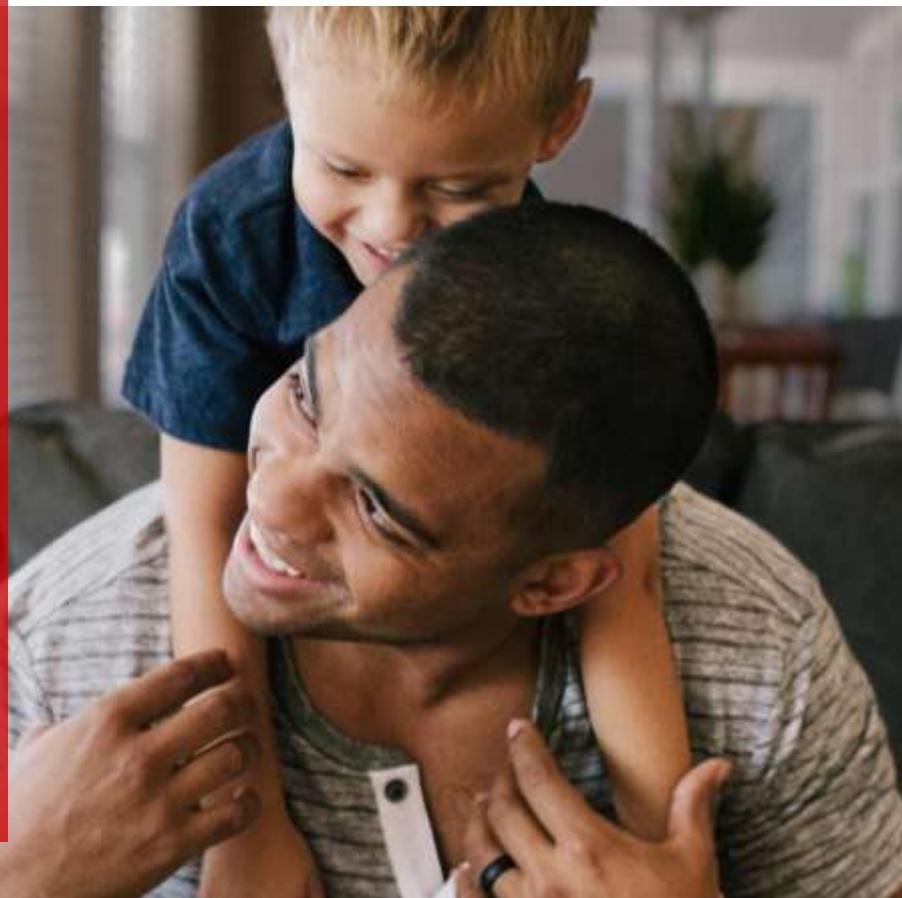
Industry-leading Managed Care Organization



Industry-leading Pharmacy Benefits Manager



Unmatched Local Community Touchpoints



Transform Health 2030

Investments in Affordable Housing Support our Corporate Social Responsibility Strategy



Healthy People

How we're delivering on our purpose of helping people on their path to better health across all of our touch points



Healthy Business

We are committed to fostering a business that creates value for our colleagues, stockholders and supply chain



Healthy Community

We are delivering significant social impacts to support the health of communities across the U.S. and improve health outcomes in the communities we serve



Healthy Planet

The health of our environment is inextricably linked to human health and we're committed to doing our part as a health care leader

“When people have access to high-quality, affordable housing, it puts them in a better position to improve their overall wellbeing, including taking care of their health or managing a chronic disease.

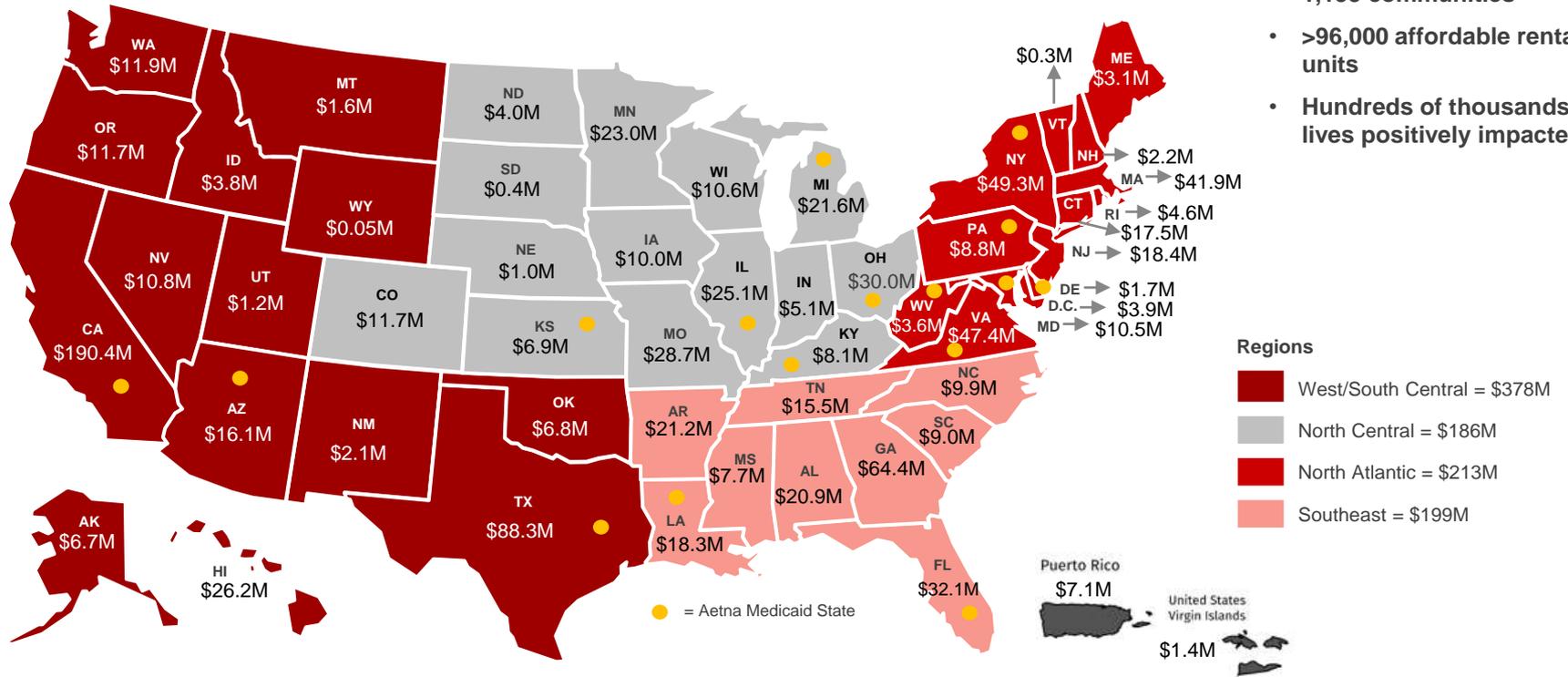
— DAVID CASEY, CHIEF DIVERSITY OFFICER, CVS HEALTH



Affordable Housing Investments Since Program Inception

\$985 Million in Affordable Housing Investments

- 1,155 communities
- >96,000 affordable rental units
- Hundreds of thousands of lives positively impacted



Note: Data reflects investments made by Aetna, a CVS Health Company, currently under construction or completed as of December 31, 2020

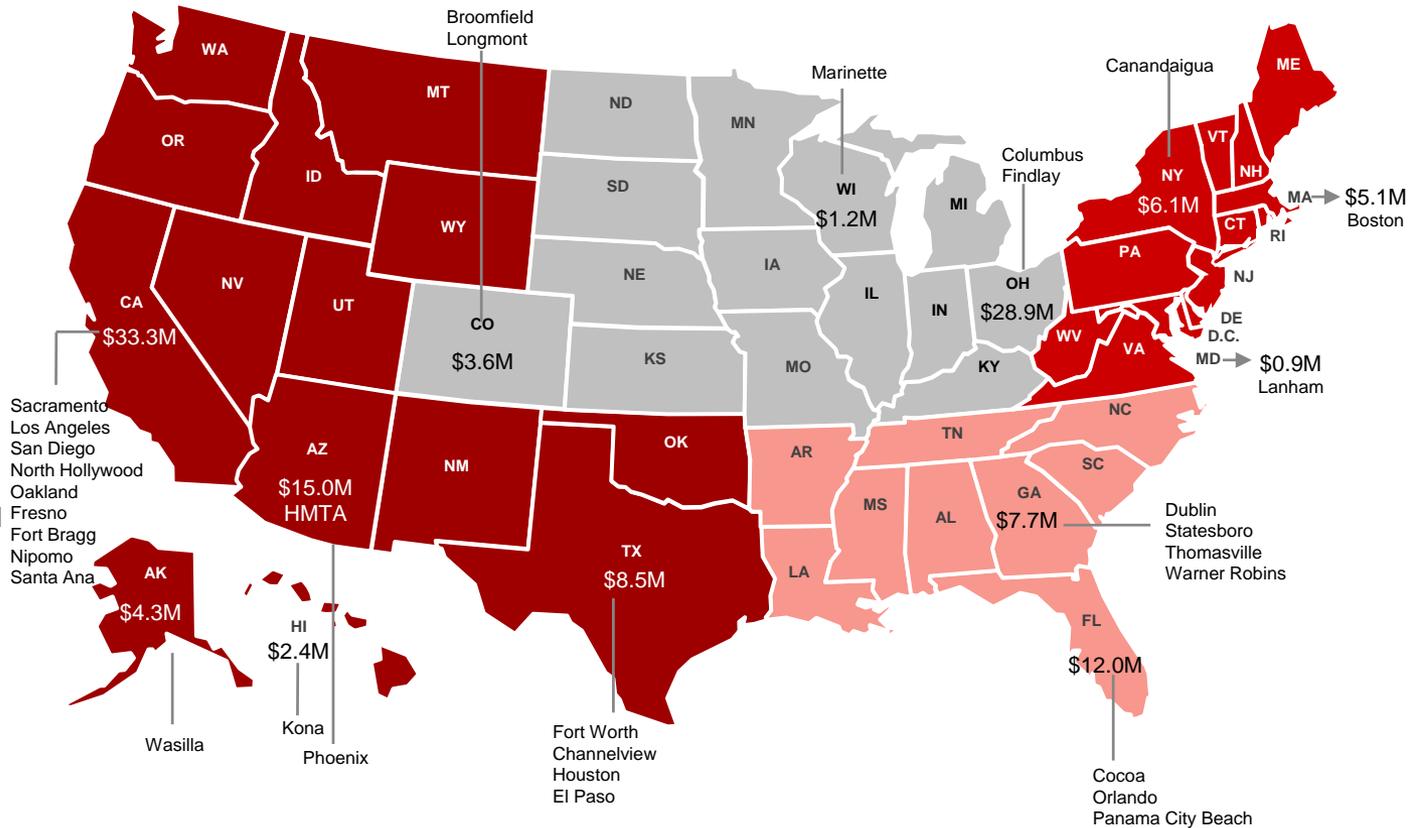
Affordable Housing Investments 2020

During 2020, CVS Health closed commitments to invest \$114.1M to construct or rehabilitate more than 2,800 affordable housing units in 30 cities across 12 states.

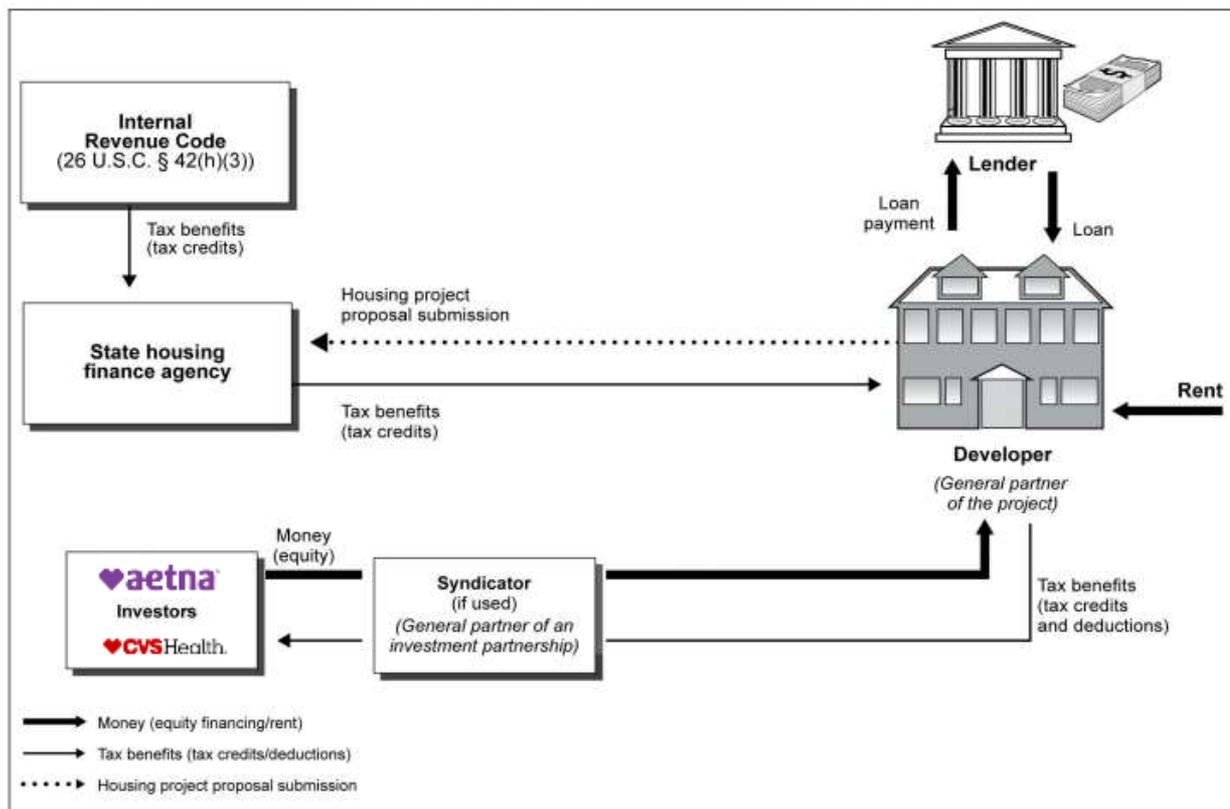
Over 460 of these are Permanent Supportive Housing (“PSH”) units for people experiencing homelessness, and other vulnerable populations. PSH services to be provided include social, behavioral health, addiction recovery and other supportive services.

560 of these units are dedicated to housing seniors, while over 100 are reserved specifically for veterans and their families and 60 are reserved for Native Hawaiians and their families.

During 2020, CVS Health also pledged \$15M to support Home Matters to Arizona (“HTMA”), by providing debt financing for affordable housing investments in Phoenix.

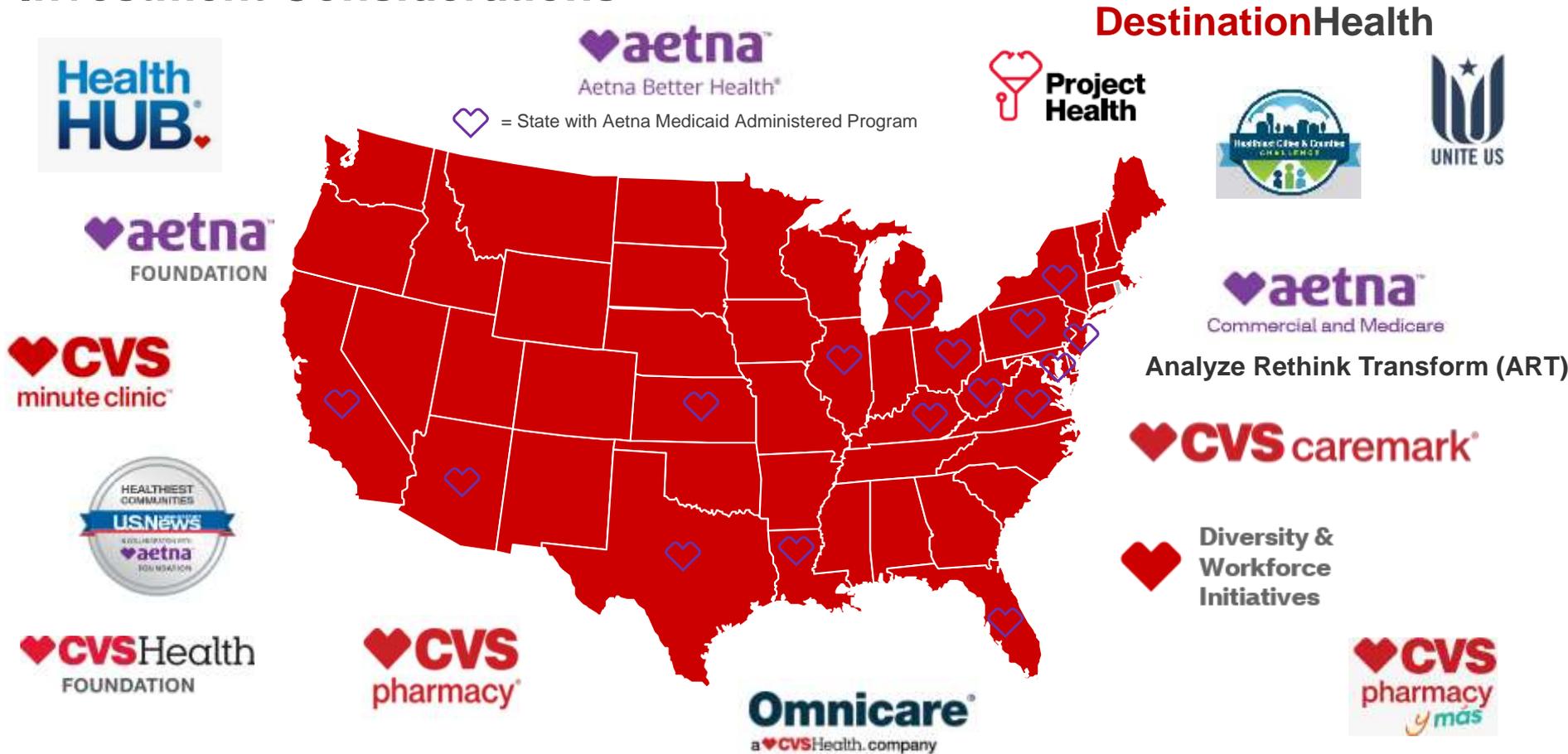


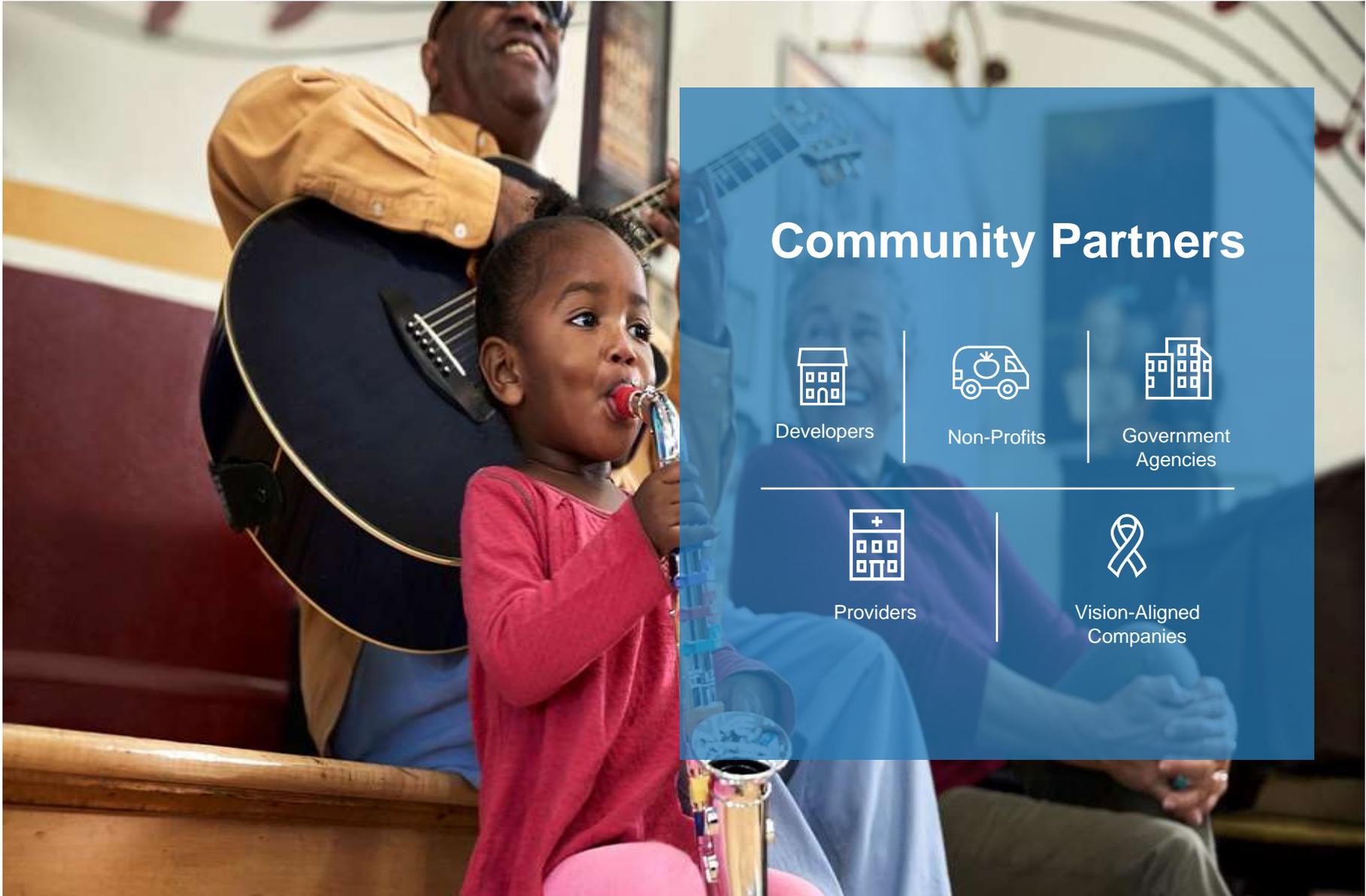
Low-Income Housing Tax Credit (LIHTC) Investment Structure



- Equity investment in exchange for tax benefits (credits and deductions)
- Risk of loss is tax recapture due to lender foreclosure during the 15-year compliance period
- Investments sourced through our national network of syndicators and developers
- Recent focus on projects with special set-asides and required supportive services for residents
- Early involvement of our business units, as well as Workforce and Project Health Initiatives

Investment Considerations





Community Partners



Developers



Non-Profits



Government
Agencies



Providers



Vision-Aligned
Companies

Affordable Housing Investment Impacts



Housing Stability

- Housing for vulnerable populations
- Reduced overcrowding
- Decreased risk of teen pregnancy, early drug use, and depression

Health Outcomes

- Better access to health care and nutritious foods
- Increased use of primary care services
- Positive mental and behavioral health outcomes

Economic Security

- Fewer overburdened renters
- Increased school attendance and performance
- Higher community employment rates

Lower Health Expenditures

- Fewer emergency room visits
- Better chronic disease management
- Lowered physical and behavioral service costs

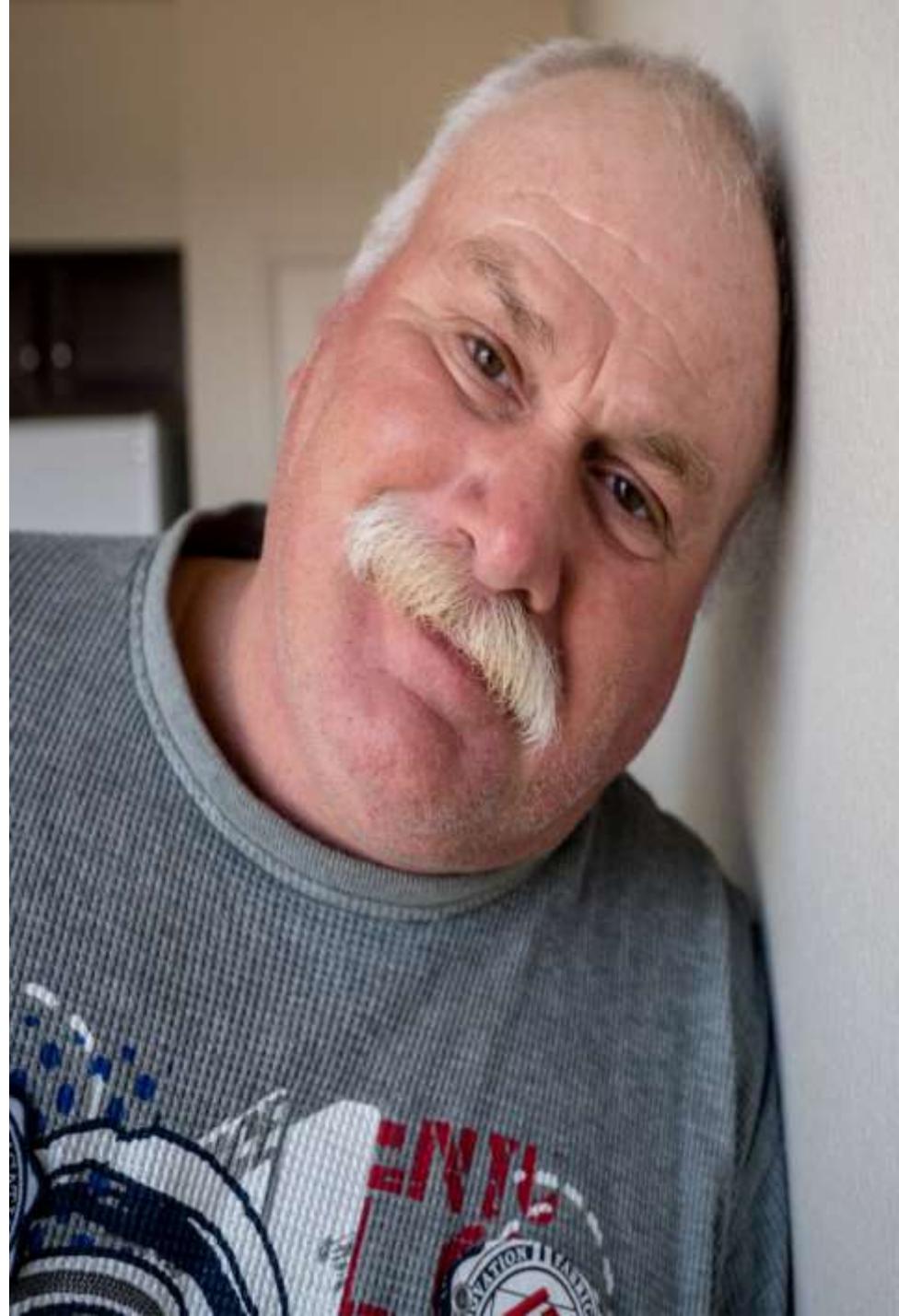
Community Benefits

- Community revitalization
- Advances health, income, education and social equity
- Reduced crime and poverty rates

“It’s changed everything to have a place to live. I was ready to give up.”

— KEVIN DUVALL, NEW RESIDENT AT SEQUOIA COMMONS

After years of homelessness and food insecurity, 59-year-old Kevin Duvall still feels overwhelmed and grateful knowing he can cook his own food, pour a clean glass of water and enjoy the privacy and safety of his own home.



Recent Investment Example

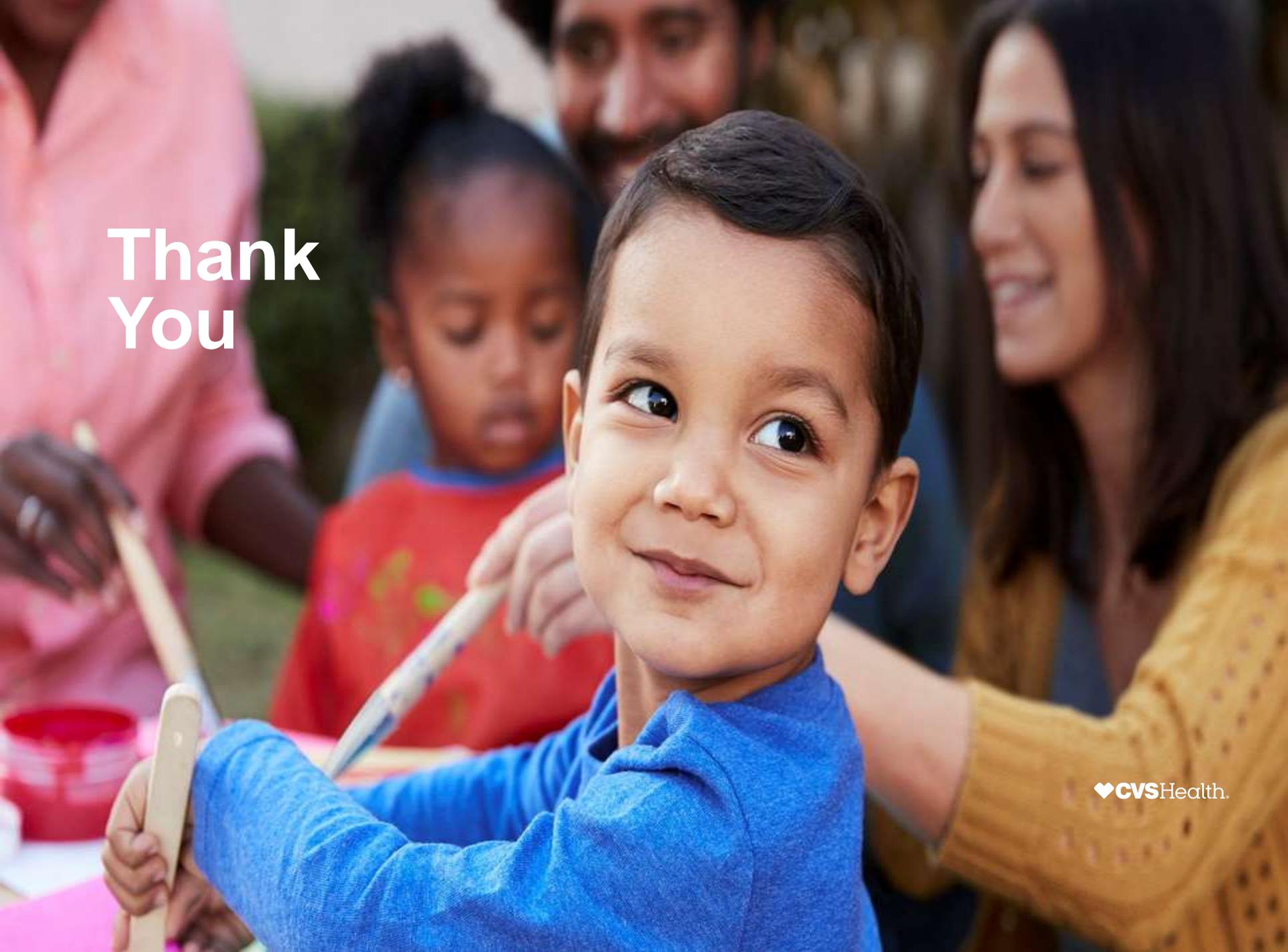
South Linden's Rosewind Community Columbus, OH



Renovation Estimated Completion Q1 2022



- First investment under the \$600M commitment to address racial inequality (July 2020)
- \$13.7M investment to renovate 230 low-income family homes
- 95% of residents are Black and have an average annual household income of less than \$17,000
- Average life expectancy in South Linden is over seven years shorter than the average in all of Franklin County
- Included in our investment was \$275,000 to support programming for the residents including:
 - Health and wellness programming
 - On-site health screenings and COVID-19 testing
 - Maternal programs to combat the high infant mortality rate experienced by South Linden residents
 - Educational cooking series, supplies included, to teach residents how to make affordable healthy and tasty meals
 - Community programs fostering an open dialogue about the root causes of systemic inequalities and barriers

A young boy with dark hair, wearing a blue long-sleeved shirt, is the central focus. He is holding a wooden craft stick and looking off to the side with a slight smile. In the background, a woman with long dark hair, wearing a yellow patterned sweater, is smiling and looking towards him. To the left, another child in a red shirt is also painting a craft stick. The scene is outdoors, and the overall atmosphere is warm and joyful.

Thank
You

♥CVSHealth.




CareSource[®]
LIFE SERVICES

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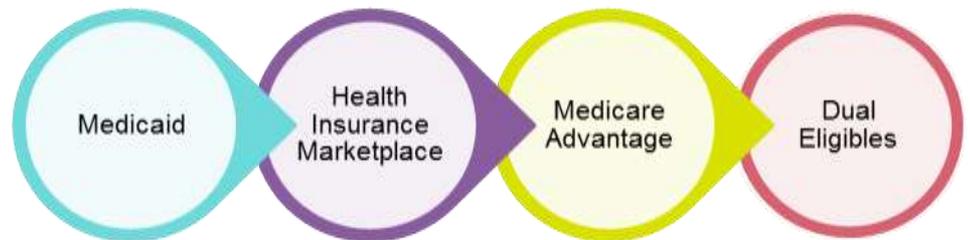
Our MISSION

To make a lasting difference in our members' lives by improving their health and well-being.



CARESOURCE

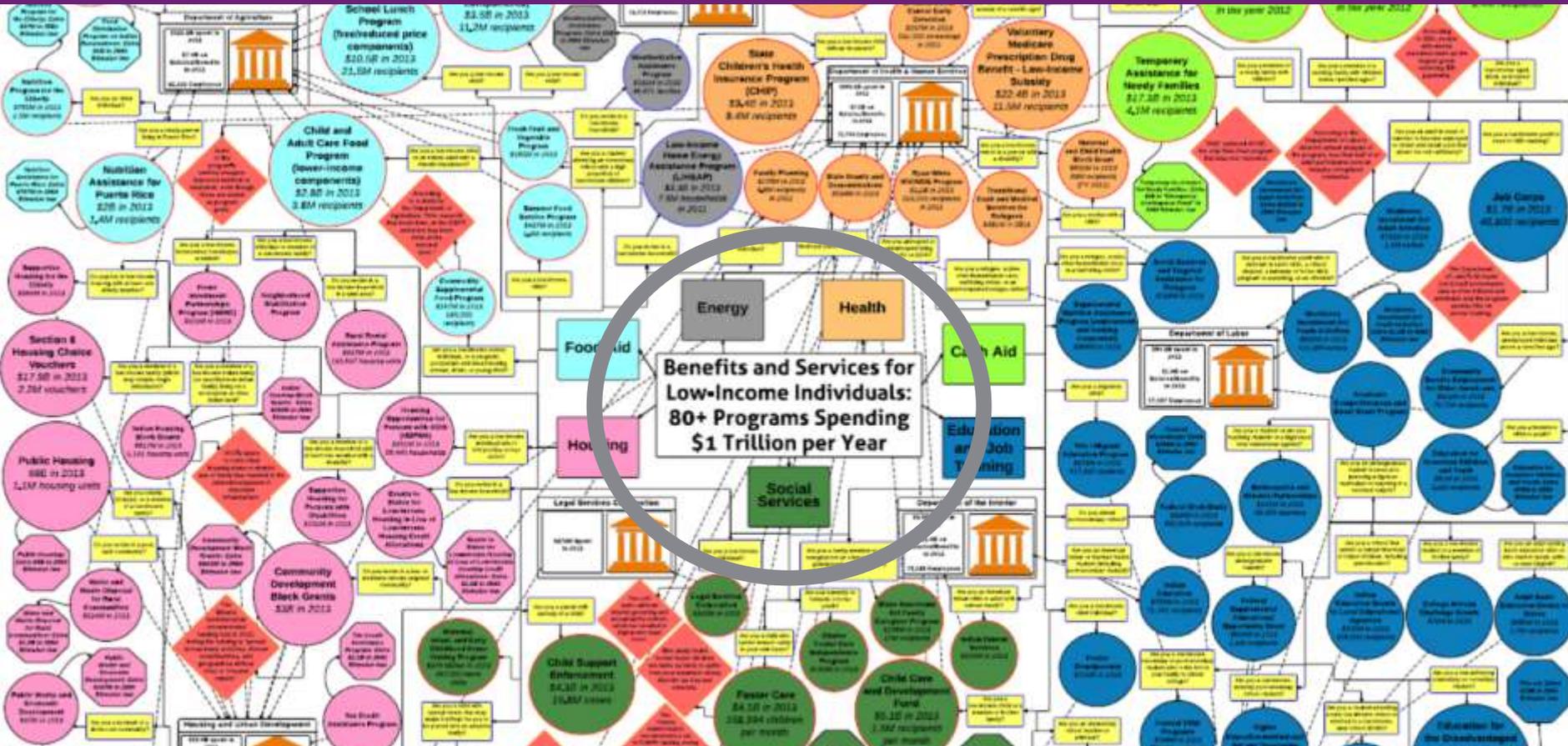
- A nonprofit health plan and national leader in Managed Care
- 30-year history of serving low-income populations across multiple states and insurance products
- Currently serving members in Georgia, Indiana, Kentucky, Ohio and West Virginia
- 4,300+ employees located across 30 states



1.8M
members



Current U.S. Poverty Programs



Though well-intentioned, government subsidy programs are structured to help beneficiaries maintain, not overcome, their level of poverty.

Currently CareSource Receives funding from HUD, Mental Health, Housing Development Contracts and DOL to support Life Services efforts.

Source: House Ways and Means Committee staff, using Congressional Research Service reports and other data.

CareSource Integrated Care Model



CareSource | Integrated Care Model

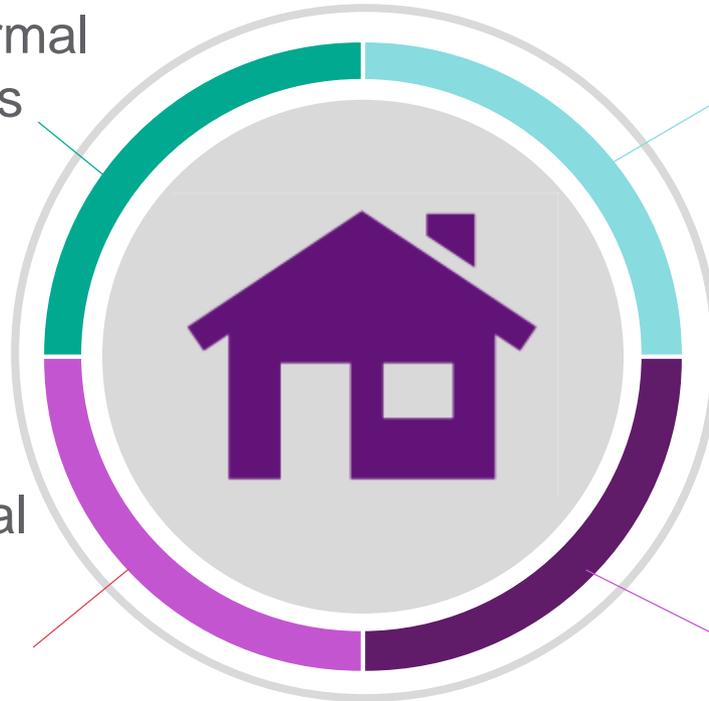
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← **QUALITY Embedded Across All Aspects of Care4U** →

CareSource Housing Strategy



Goal 1 - Develop formal programs to address housing stability



Goal 3 - Develop partnerships with national housing groups

Goal 2 - Seek financial or investment tools to support the development of affordable housing

Goal 4 - Advocacy effort to expand voucher programs or create new housing programs

The Four Things to Know about Housing



1. There is no county in the U.S. where a person making minimum wage/full time can afford a 2 bedroom apartment.

 In Columbus, Ohio a person must earn \$18.41/hr to afford Fair Market Rent

2. Only 25% of households eligible for federal housing assistance actually receive a voucher or unit.

 In Ohio, 356,000 households pay more than 50% of their income in rent

3. In the U.S. on average, for every 100 people searching for affordable housing there are only 30 affordable units available.

 In Franklin County, there are 15,715 rental units that are affordable to the 58,825 ELI households

4. In the U.S. you are the most likely to experience homelessness within the first 5 years of life.

 Between 2012-2016 6,257 infants entered the homeless system




CareSource

Celebrate One Healthy Beginnings at Home



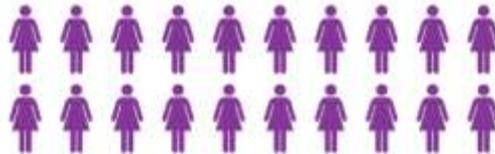
GOALS:

 Decreased Infant Mortality

 Improved Birth Outcomes

Target Population

Program Capacity of **100**
At-Risk Women Identified and Enrolled



Target Area

Franklin County, Ohio



45%

of all infant deaths occur in 13 zip codes

Social Determinants of Health Barriers



Lack of Housing



Food Insecurities



Poverty



Education Level



Employment

\$50M Commitment to Housing



Measurable Health Outcomes

Preference made for investments that demonstrate a clear connection to positive member outcomes at a personal, public, or plan level.



Engage in Strong Partnerships

Investments made with organizations that demonstrate a long-term track record in affordable housing.



Multi-Project Funds

Preference for investments in multi-project funds that have demonstrated underwriting and investment criteria to reduce risk and exposure.



Term

Preference for investments with a time horizon of 10 years or fewer.



Key Market Geography

Where possible, investments should be diversified within our markets.



Facilitated Discussion

Q&A

Presentation Slides and Recording

- For more information about the Medicaid MCO Learning Hub, including accessing slides and presentation recordings, please visit our website:

<https://www.norc.org/Research/Projects/Pages/medicaid-managed-care-organization-learning-hub.aspx>

Thank you.

 Research You Can Trust™

 **NORC** at the
University of
Chicago