



ADMINISTRATIVE OFFICE
811 Wilshire Blvd., 6th Floor
Los Angeles, CA 90017
Ph: 213.683.3333
Fx: 213.892.0093
TTY: 213.553.8488
www.lahsa.org

From: Peter Lynn 

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Re: Greater Los Angeles Area Brief on VA Central Office Directive with Regards to HUD-VASH Case Management (dated September 22, 2017)

Background

On September 22, 2017, the Acting Under Secretary for Health of the U.S. Department of Veterans Affairs (VA), Poonam Alaigh, M.D., sent a memorandum to VA Network Directors, Deputy Under Secretaries and Chiefs of Staff of VA Medical Centers nationwide instructing them to realign ninety-nine (99) line items from the Specific Purpose Fund to the Veterans Equitable Resource Allocation (VERA) General Purpose funds. This directive went into effect October 1, 2017, without community input, to align with the beginning of the federal Fiscal Year (FY) 2018.

All line items for HUD-VASH Case Management (\$266M nationally) are impacted. While the funding provided by the U.S. Department of Housing and Urban Development (HUD) for the Housing Choice Voucher is not affected, the accompanying HUD-VASH Case Management funding provided by the VA is no longer earmarked for this specific purpose and the use of the funds will be up to the local VA Medical Center's discretion. Due to the nature of the HUD-VASH Case Management program and the services required to support the clinical needs across the Greater Los Angeles Area, services such as VA Outreach, the West LA Welcome Center and others will also be affected.

The HUD-VASH program is uniquely tailored to target veterans with the highest needs, especially chronically homeless veterans or homeless veterans with families, and provide them with permanent, affordable, and supported housing. The supportive services provided through HUD-VASH Case Management ensure the veteran's housing is stable.

Shifting HUD-VASH Case Management funding to a discretionary form creates a void in which homeless veterans will not be housed and formerly homeless veterans will return to homelessness. Over the long-term nature of the program, this shift will be detrimental to the progress made to end veteran homelessness in Los Angeles County, which is inconsistent with the VA's public emphasis on veteran homelessness in Los Angeles.

Requests to Secretary Shulkin

- *Homeless Programs Funding:* The Greater Los Angeles Area requests that Secretary Shulkin commit to continue funding homeless programs in Fiscal Year (FY) 2019.
- *Reverse the Directive:* The Greater Los Angeles Area requests that Secretary Shulkin commit to preserving the federal homeless programs serving veterans by reversing the directive to move HUD-VASH Case Management from Specific Purpose funding to General Purpose funding at all VA Medical Centers. Preserving this funding for the HUD-VASH program is vital to veterans remaining housed.

HUD-VASH Case Management Funding Facts Specific to Los Angeles County

- According to the 2017 Homeless Count, Los Angeles County is home to **4,828** veterans living on the streets or in shelters on any given night, the largest homeless Veteran population in the nation (**10%**). The re-alignment of VA funds for staff providing critical permanent support services will adversely impact both homeless and formerly homeless veterans in the HUD-VASH program.
- The HUD-VASH program is a critical resource in the system of homeless assistance resources for veterans. An estimated **5,000** veterans are currently housed and receiving supportive services using a HUD-VASH voucher across Los Angeles County.
- The directive to VA Medical Center Directors across the country is to redirect these earmarked line items to allow local facilities greater flexibility in how the funds are used, in an effort to bolster VA's foundational services and Secretary Shulkin's five priorities. Because facilities will no longer receive funding directly for HUD-VASH Case Management, among other unintended consequences, this shift in funding will jeopardize the current services and staffing HUD-VASH Case Management provides, debilitating the Los Angeles community's on-going, systemic effort to end veteran homelessness.
- Los Angeles County suffers from a severe shortage of available rental units. With a vacancy rate of under **3%**, HUD-VASH vouchers and case management are crucial linchpins keeping Los Angeles' veteran homelessness from a massive spike.
- We know that homeless and formerly homeless veterans who also suffer from severe and persistent mental illness are disproportionately at risk for self-destructive behaviors including addiction and suicide. The impact on wrap-around services provided to this population, through changes in HUD-VASH Case Management funding and staffing, could impede the work already done and in progress on VA's high priority goal of suicide prevention. Reduction in these services is also likely to perpetuate a significant increase in usage of emergency and other acute care services, having the potential to raise VA healthcare costs long term.
- The HUD-VASH program attrition rate for the City of Los Angeles Housing Authority (HACLA) is reported above **15%** for 2015 and 2016. Los Angeles' homeless service providers and partners have advocated for a fully staffed HUD-VASH Case Management team to support the HUD-VASH program, and have requested smaller client to clinician ratios on caseloads to support retention of veterans enrolled. If funding from the HUD-VASH Case Management program is not kept as Specific Purpose funds, the attrition rates for the HUD-VASH Program will rise drastically.
- A recent study following veterans prior to and after enrollment in the HUD-VASH program showed that when veterans were enrolled, the number of emergency room visits decreased **27%** and acute inpatient hospitalizations decreased by **37%** within the first 12 months of program enrollment. These decreases in acute healthcare services led to significant reductions in healthcare costs: overall there was a **32%** percent reduction in total direct VA healthcare costs and, specifically, the utilization of more intensive inpatient cost decreased by **54%**. This suggests that this population, who often present with trauma, difficulties managing chronic

disease, mental illness, addictions, and deferred or delayed medical needs are engaging in ambulatory care services, ultimately reducing cost of healthcare.¹

- The City and County of Los Angeles have invested significant local resources for veteran homeless housing and services over the next ten years, which will be used to leverage federal funding. Los Angeles has relied on the VA's commitments to homeless veterans in preparing the City and County plans, and a gap in federal homeless veteran investment will have major unintended consequences for the thousands that rely on critical homeless service resources.
- In 2015, the VA entered into the Principles for a Partnership and Framework for Settlement to settle the class action litigation *Valentini v. Shinseki* brought on behalf of homeless and disabled veterans in Los Angeles. In this landmark legal document, the VA committed to work “in coordination with key Federal, State, local, and community stakeholders and charitable and philanthropic entities to end veteran homelessness in Greater LA in 2015 and beyond.” Pursuant to the settlement agreement, the VA adopted a written strategy and action plan for ending veteran homelessness in Greater LA that included a commitment to implement improvements in care and services for homeless veterans, including the expansion of the HUD-VASH program and other resources. The VA elevated its commitment to the principles under the settlement agreement by taking the unprecedented step of having the Secretary of the VA personally sign the agreement.

¹ Montgomery, A., Hill, L., Culhane, D., & Kane, V. (April 2014). “Housing First Implementation Brief.” VA National Center on Homelessness Among Veterans. Retrieved from <https://www.va.gov/homeless/nchav/docs/Housing-First-Implementation-brief.pdf>