



# A National Insurer Goes Local

## Emerging Strategies for Integrating Health and Housing

*Corianne Payton Scally, Elaine Waxman, and Ruth Gourevitch*

*July 2017*

**UnitedHealthcare provides health insurance benefits to more than 40 million people across the country. In the past decade, it has addressed housing as a social determinant of health at the national level through policy leadership and financial investments, and at the state level working with local communities to connect Medicaid participants to stable housing. Through this work, UnitedHealthcare has overcome a myriad of challenges associated with siloed health and housing fields at all levels of policy and implementation. This case study explores how this national health payer has integrated the housing needs of underserved populations into its strategic priorities for investment and programming.**

## Introduction

UnitedHealthcare (UHC) provides managed health care plans for Medicaid participants and dual-eligible individuals (low-income individuals qualified to receive both Medicaid and Medicare) in 24 states nationwide. As part of that work, UHC contracts for long-term services and supports (LTSS) for low-income individuals who need home- and community-based services to live in noninstitutional settings. This has exposed the company to the housing challenges many of its members face.

---

## BOX 1

### **Olmstead and Long-Term Services and Supports**

In 1999, the US Supreme Court's verdict in *Olmstead v. L.C.* established that people with disabilities are entitled to receive treatment in the most integrative setting possible for them. This decision has sparked efforts to ensure that people with disabilities can live independently or in community settings for as long as possible. Thus, long-term services and supports (LTSS) have grown more important, with Medicaid covering half of the \$310 billion spent on such services in 2013. Medicaid pays an even a higher percentage (62 percent) of LTSS costs for individuals with "dual eligibility" for both Medicare and Medicaid—seniors and younger individuals with disabilities who are entitled to both.

**Source:** Erica L. Reaves and MaryBeth Musumeci, *Medicaid and Long-Term Support Services and Supports: A Primer* (Washington, DC: Kaiser Family Foundation, 2015).

---

In 2009, UHC leadership recognized the difficulty of improving health outcomes without addressing the housing needs of its medically underserved populations. Housing instability can also negatively affect health care costs, as individuals who are homeless or otherwise unstably housed tend to be higher users of emergency care. As table 1 shows, it was a combination of external policy drivers and internal business decisions that motivated UHC to adopt a targeted housing strategy. Although UHC's investments in housing predate the passing of the Affordable Care Act, the law provided additional motivation for addressing housing as a social determinant health. In states that expanded Medicaid, more childless single adults, including the chronically homeless, became members of UHC Medicaid plans. This change in member base underscored the importance of transforming the programmatic strategy around addressing housing as a social determinant of health and increased the urgency to do so.

## Activities

UnitedHealthcare leverages both public and private investments across departments to improve the health of its unstably housed members. The primary individuals working on these efforts are housed in UHC's treasury team, product team, and policy team. The organization also appointed a director of housing initiatives to act as a liaison between UHC's many housing-related activities. This fosters a direct line of communication between departments and ensures that stakeholders and members of the public know to whom they should direct housing-related questions or opportunities.

### **Low-Income Housing Tax Credit Investments**

The Low-Income Housing Tax Credit (LIHTC) is a 15-year federal tax credit claimed over 10 years that finances low-income housing (Office of the Comptroller of the Currency 2014). States require insurers to maintain minimum capital and surplus levels to have enough financial reserves to take on risk, and many states allow insurers to leverage some of their reserves in low-risk housing investments. In 2009,

after the treasury team judged LIHTC to be a sound strategy financially, this vehicle provided an avenue for initial UHC investments in housing.

TABLE 1

**The Evolution of UHC’s Housing-Related Work**

2009	<ul style="list-style-type: none"> <li>▪ <b>Initial low-income housing investments.</b> UnitedHealth Group began investing in housing through the Low-Income Housing Tax Credit (LIHTC), a federal program that provides incentives for private developers to create and maintain affordable housing. The LIHTC is the primary means by which the federal government encourages private equity in the development of affordable housing.</li> </ul>
2011	<ul style="list-style-type: none"> <li>▪ <b>LIHTC analysis.</b> The UnitedHealth Group treasury team performed a “deep dive” analysis into its LIHTC investments. The analysis suggested they were sound investment options and deeply aligned with UnitedHealth Group’s mission-driven investment strategy to better the health and housing of individuals and support more stable regional and local economies. UnitedHealth Group began more aggressively investing in LIHTC and targeting investments towards communities where it had large member populations.</li> </ul>
2012	<ul style="list-style-type: none"> <li>▪ <b>Implementation of the Affordable Care Act.</b> In anticipation of full Medicaid expansion and Marketplace coverage under the Affordable Care Act in 2014, UHC began preparing for the enrollment of new populations, some of whom were experiencing homelessness. UHC’s policy team began examining the factors influencing affordable housing.</li> </ul>
2013-14	<ul style="list-style-type: none"> <li>▪ <b>Launch of social determinants of health team.</b> This team is devoted to understanding how UHC can bridge its experience and expertise in health care with other social services to improve outcomes for UHC members.</li> <li>▪ <b>Policy team adopts health and housing lens.</b> The policy team began to focus on understanding the policy landscape through the lens of Medicaid and affordable housing. UnitedHealthcare policy experts hoped that by focusing on these topics, the company would be able to better grasp how to get involved in addressing housing as a social determinant of health.</li> <li>▪ <b>Changes to clinical approach.</b> UnitedHealthcare’s clinical team put a greater emphasis on the community health worker model for assisting high-use individuals and adopted a greater awareness of the social determinants of health.</li> <li>▪ <b>Product development for housing.</b> UHC hired a product director to lead product development for housing and employment. This individual led technical assistance efforts to help health plans develop strategies for linking health and housing within the structures of Medicaid.</li> </ul>
2016	<ul style="list-style-type: none"> <li>▪ <b>Expanded programmatic investments.</b> Among other activities, UHC launched multiple pilot projects that aim to create social service connectivity for members and address gaps in social services for underserved communities.</li> </ul>
2017	<ul style="list-style-type: none"> <li>▪ <b>New leadership for social services integration.</b> The founder and chief executive officer of the Camden Coalition of Healthcare Providers joined UnitedHealthcare Community and State as senior vice president for integrated health and human services. In this role, Brenner will lead efforts to help low-income individuals and families access essential social services.</li> </ul>

Source: Authors’ compilation from stakeholder interviews.

Note: UHC = UnitedHealthcare.

In 2011, the treasury team, housing director, and UnitedHealthcare Community and State (the division that focuses on public-sector health services programs, including Medicaid, the Children’s Health Insurance Program and other federal and state initiatives) realized that investing in supportive housing through LIHTC directly related to their mission of improving the health of their customers. As a result, UHC adopted a selection criteria for LIHTC investments that related more directly to their

mission. For example, they began to analyze the demographics of the residents in properties where they might invest, prioritizing projects that included units targeted to individuals and families earning 30 percent or below of the area median income. The team also examined the characteristics of the properties where they were hoping to invest to see whether the developer was planning to provide on-site supportive services or handicap accessibility. UnitedHealthcare prioritized projects that included these additional features, as these services would maximize the impact of the LIHTC investment from a health perspective. One example of a recent LIHTC investment that illustrates these criteria in action is their investment in Foundation Communities, a nonprofit affordable housing developer in Austin, Texas, that provides wraparound services to residents in addition to affordable housing.

The UHC team has encountered some roadblocks in using the LIHTC. States have a limited number of tax credits to award each year, and the number of investors vying for LIHTC opportunities is high, creating a competitive market. The more recent increase in demand for LIHTC investment is largely because the banking industry has turned to LIHTC to satisfy its Community Reinvestment Act requirements (Office of the Comptroller of the Currency 2014). Furthermore, although UHC would like to invest in developments that incorporate social services and more broadly address social determinants of health, these options are limited within the LIHTC program structure, making an already competitive market for investment even narrower. Lastly, the UHC treasury team found the long timeline for realizing the return on investment a drawback for pursuing this investment option, because it is a 15-year federal tax credit payout for LIHTC.

Despite these challenges, the treasury team considers the tax credit market “the foundational guidebook that has allowed investors like [UHC to] have the confidence needed to invest in affordable housing,” thereby playing an invaluable role in connecting the fields of health and housing. Altogether, the treasury team has invested more than \$350 million into communities through LIHTC over the last decade and continues to aggressively explore options for investments.

## **Pay for Success Investments**

UnitedHealthcare is exploring and monitoring pay for success (PFS) opportunities, which tie payment for service delivery to specific outcomes. For example, UHC is currently exploring an opportunity to invest in a PFS project (in a market where they do not have a Medicaid practice) that provides supportive housing plus services to individuals coming out of jail. If specific outcome goals are met for this population, investors will receive a payout. If the intervention fails to meet its stated goals, investors will not get paid.

To invest in a PFS project, UHC requires that the intervention be evidence based and focused on both health care and housing. Unfortunately, few existing PFS initiatives target the intersection of health care and housing, creating a narrower pool of options for investment. UnitedHealthcare also considers project complexity and speed to implementation. Pay for success projects with many stakeholders tend to move more slowly and often complicate implementation. But PFS tends to pay off on a faster time horizon than other investments, such as LIHTC. Overall, PFS provides a different and

newer avenue for investing financially in affordable housing, and UHC has explored this opportunity several times for both financial and mission-driven reasons.

## Programmatic Investments

Recognizing the value of community-based initiatives (that are often more nuanced than what it can achieve at a national scale), UHC helps local organizations across the country build capacity around innovative housing and health work.

When looking for programmatic investment opportunities, UHC considers the financial feasibility, state policy context, local partnership potential, and data tracking opportunities. Because there is significant variation between states, UHC conducts a full policy analysis on the state's Medicaid program. This helps assess whether there are significant provisions that could enable health and housing work, such as behavioral health carve-outs, or coverage of supportive services, such as case management, services coordination, and rehabilitative services (see [CSH 2015](#)). As part of this analysis, UHC also works to understand if the state is covering housing supports or tenancy supports. In addition, UHC often uses in-house patient data to plot the locations of the most complex and chronically ill members, looking for spatial concentrations of these individuals to target.

UnitedHealthcare was recently awarded the Accountable Communities of Health grant from the Center for Medicare and Medicaid Innovation to launch a project in Honolulu, Hawaii, that examines cost savings associated with better management and coordination of social services when individuals access the clinical system. For this project, UHC works with the clinical delivery system, which includes safety net providers, federally qualified health centers, social services providers, and the local hospital—a valuable cross-sector partnership. Rocky Mountain Health Plan, a UnitedHealthcare plan, was also awarded an Accountable Communities of Health grant to work in the communities of Colorado.

## Partnerships

A key to UHC's participation in housing interventions lies in its ability to partner with innovative local and national housing leaders, including local housing developers, nonprofit homeless service providers and networks, federally qualified health centers, state Medicaid agencies, and national housing organizations such as Enterprise Community Partners and the Corporation for Supportive Housing. By having health and housing partners at the local, state, and federal levels, UHC can engage in activities at a range of scales and tailor its work appropriately.

As a health payer, UHC was not initially well-versed on how local housing environments are influenced by unique economic, political, and social contexts. One UHC employee, for example, remarked, "I was unaware of the impact that public housing authorities have in the local communities," citing this as an early lesson in UHC's experience with housing investments. Because of these gaps in housing-related knowledge, UHC quickly realized the importance of collaborating with community development experts who could act as liaisons between UHC and local housing networks.

At the state level, “housing navigators,” who have expertise in local markets and pre-existing relationships with the housing sector, act as liaisons between UHC and local entities. These navigators are health plan employees hired to focus on building relationships and collaborations to support access to quality services for members. They work as brokers with local communities where UHC hopes to build strategic partnerships. In addition to these navigators, organizations such as Enterprise Community Partners and the Corporation for Supportive Housing assist UHC in establishing local relationships and helping them understand the housing markets in different contexts.

---

## BOX 2

### **Partnership Spotlight: Ending Community Homeless Coalition (Austin, Texas)**

The Ending Community Homeless Coalition (ECHO) is a nonprofit coalition that directs a citywide approach to ending homelessness in Austin, Texas. As part of this goal, ECHO manages the Homeless Management Information System database, which tracks individuals who have received US Department of Housing and Urban Development–funded homeless services. These individuals have no permanent address and often do not have access to reliable phone or e-mail access.

In its scan of members lacking a permanent address, UnitedHealthcare (UHC) had identified Austin as a focus area. Connected by other local partners, UHC and ECHO began discussing a data collaboration strategy. Both organizations were motivated to connect their clients to health care. For UHC—a managed care organization—full payment is contingent upon connecting its clients to a physician. For ECHO, increasing access to health care has been shown to reduce homelessness.

After signing a data sharing agreement, ECHO and UHC matched names of individuals receiving services from both organizations. UnitedHealthcare narrowed the list to focus on the most clinically at-risk and with the highest rates of health care use. ECHO would offer to connect clients (who were identified as UHC members) with UHC and begin working to secure housing for these individuals. This project has shown the power of connecting Homeless Management Information System and patient claims data to target housing as a social determinant of health.

---

Early partnerships with local housing organizations taught UHC important lessons for engaging effectively. For example, early in its work with the Ending Community Homeless Coalition (ECHO) in Austin (box 2), UHC proposed a traditional data sharing agreement. Unfortunately, UHC’s significant regulatory and legal requirements were overly burdensome for ECHO. Thus, the two agreed to collaborate on a streamlined, simpler agreement that still met each organization’s needs. By being flexible in this way, UHC succeeded at fostering an effective, trusting partnership, while maintaining the rigors needed to comply with state and federal partner expectations. Furthermore, refining its approach with community-based organizations was a difficult but essential step toward replicating the work in other contexts. As one UHC employee said, “part of getting to scalability is changing our own perceptions” as an organization. Through interactions with local partners, UHC has shifted its approach to contracts, financial investment decisions, and more.

Recently, UHC has expanded its relationships with national thought leaders to share best practices and examine how different policies might foster collaboration between health and housing players. For

example, through UHC’s participation on the Enterprise Community Partners’ Health Advisory Council, it has begun sharing its experiences with individuals from across the health care sector and examining how to address the intersection of health care and housing needs in complex patient populations. One national housing leader noted that UHC’s active participation in discussions with federal actors about the policy implications of federal budget issues and stable housing underscores its valuable role in this space.

## Evaluating Success

UnitedHealthcare strives to make data and evaluation a central focus of its programmatic work. Before investing in any initiative, it models the potential impacts and outcomes. For example, UHC analysts map out members’ socioeconomic characteristics to determine whether specific interventions will target the right issues, and pinpoint high rates of health care use to see if the intervention might reduce costs.

As a payer, UHC is uniquely positioned to analyze how different interventions targeting social determinants of health may affect health outcomes. Using claims data, it has shown that shortly after implementing a pilot demonstration targeting a chronically homeless population, there was an initial spike in health care use, followed by a long-term decrease. The spike reflected the pent-up demand for health care services, and the longer-term trend highlighted the positive effects of maintained contact and preventative care. UnitedHealthcare is also learning ICD10 coding—a new diagnostic coding system that includes mechanisms for tracking social determinants of health—to better understand how its programmatic efforts can target the housing needs of the populations they serve.

In addition to analyzing its own data, UHC has partnered with other organizations to merge data, often with the goal of helping locate its chronically homeless members who are more transient (box 2). UnitedHealthcare is also currently collaborating with Enterprise Community Partners to leverage its forthcoming index, which seeks to quantify individuals’ access to opportunity, to better understand how UHC’s programmatic investments could affect intergenerational poverty and the social determinants of health.

### Successes

UnitedHealthcare respondents and external partners agree that a key to UHC’s success has been its ability to work with both local and national partners in a manner that is both tailored to local needs and attentive to the national policy landscape. At the state and local level, UHC’s reliance on local housing experts to act as community liaisons has allowed it to “expand the impact of local organizations” and develop opportunities for “scale and replication” in communities nationwide. At the national level, it has established trusting relationships with housing and policy organizations and has served on advisory committees for national organizations striving to create comprehensive community solutions that integrate health and housing.

In addition, UHC's comprehensive organizational structure has allowed it to tackle housing from a variety of angles. The treasury team, clinical team, policy team, product development team, and social services integration team work both individually and collaboratively to address housing as a social determinant of health. By incorporating housing work into a variety of departments within the broader company, UHC has accomplished a greater array of programmatic activities and investments in housing. Furthermore, the comprehensive nature of its housing work has stood out to external thought leaders as innovative and self-motivated. As one respondent noted, "no one is making [UHC] do this, they are just trying to figure it out."

## Challenges

Because of UHC's role as a health payer, entering the housing field required overcoming significant language differences between the siloed fields of health and housing. Each field comes with its own complicated set of vocabulary, with different acronyms for different health care and housing policies and players. Being new to the housing field, UHC employees noted that it was initially challenging to understand where to best insert their health care knowledge because they could not fully understand the housing landscapes of different localities. Similarly, local partners mentioned being confused by some of the language that UHC used in initial meetings. To overcome this challenge, UHC has relied on national housing partners, such as the Corporation for Supportive Housing, for education on housing terms and concepts, and on state-level housing navigators to bridge the language gaps between UHC and its local partners.

In addition, some UHC respondents noted the challenges associated with tracking and evaluating health and housing interventions. Data protection protocols may preclude organizations from sharing their datasets, especially across sectors. These privacy standards can also be hard to understand, making it a resource-intensive process to ensure compliance. Smaller organizations often lack the capacity to develop the legal and structural framework to support these data sharing agreements, making it difficult to partner with on-the-ground organizations who capture local data.

## Looking Forward

The leadership at UHC is unsure how the new administration's health care and housing policies will affect the mechanisms through which UHC invests in housing. The extent to which UHC's practices are centralized (national versus state or market specific) has historically been a point of healthy tension internally, and the leadership recognizes that future health care policy changes will test UHC's ability to be flexible and innovate. Nevertheless, UHC employees believe that, no matter the current policy landscape, investments in housing should and will continue to be made.

---

*We can't move fast enough, given the magnitude of the problem. – Catherine Anderson, Senior Vice President for Policy and Strategy, UnitedHealthcare Community and State*

---

## Key Take-Aways

UnitedHealthcare's innovative approach to addressing housing as a social determinant of health relies on quality partnerships at the local and national level, as well as data tracking and evaluation mechanisms. Its breadth of investment activities highlights its flexibility to adapt to local contexts and its goal of furthering its mission through housing work. UnitedHealthcare has faced numerous challenges and is still working on how to best leverage its data to support housing-related interventions. Its work in local communities highlights how a large health care organization can work across sectors to achieve both housing and health outcomes for vulnerable populations and provides examples of how local and state entities can partner with larger health care organizations to address local health and housing needs.

- **Data and evaluation.** As a payer, UHC has a robust database of patient claims data, which it is working to incorporate into its evaluation techniques. This case highlights how data sharing agreements between health care and housing organizations can lead to more targeted and effective interventions and the importance of understanding the cost savings outcomes associated with health and housing strategies.
- **Strong organizational structure.** The way UHC has structured its internal housing operations has allowed the organization to partake in a variety of interventions and investments. By having multiple departments that incorporate housing strategies into their operations, coupled with a central point of contact within the company, UHC can respond quickly to new opportunities and be flexible in its programmatic strategies.
- **Local and national partnerships.** Unlike many health and housing partnerships, which tend to rely on one health care partner and one housing partner, this case highlights how a large organization with a national scope can participate in numerous partnerships at a variety of geographic scales. By engaging in many types of partnerships, UHC has been able to create a toolbox of strategies that can target social determinants of health, creating opportunities to replicate certain interventions in localities facing similar health and housing issues.

---

### BOX 3

#### Want to Learn More?

For further information regarding the UnitedHealthcare case study, please contact Katherine Paris at [katherine\\_paris@uhc.com](mailto:katherine_paris@uhc.com) or Jenny Ismert at [jenny.ismert@uhc.com](mailto:jenny.ismert@uhc.com).

---

## References

Office of the Comptroller of the Currency. 2014. *Low-Income Housing Tax Credits: Affordable Housing Investment Opportunities for Banks*. Washington, DC: Office of the Comptroller of the Currency, Community Affairs Department.

## About the Authors



**Corianne Payton Scally** is a senior research associate in the Metropolitan Housing and Communities Policy Center at the Urban Institute, where she explores the complexities of interagency and cross-sector state and local implementation of affordable rental housing policy, finance, and development. Her areas of expertise include federal, state, and local affordable housing programs and partners, covering topics from policy development and advocacy to program funding and implementation to on-the-ground development and operations. Through extensive case study research, interviews, and surveys, Scally evaluates how well the affordable rental housing system works to serve vulnerable populations, including low-income households, people with disabilities, and the elderly. She is a former associate professor of urban planning at the State University of New York at Albany and a former nonprofit affordable housing developer. Scally received her BA in international affairs and MS in urban planning from Florida State University and her PhD in urban planning and policy development from Rutgers University.



**Elaine Waxman** is a senior fellow in the Income and Benefits Policy Center at the Urban Institute. Her expertise includes food insecurity, nutrition and the food assistance safety net, the social determinants of health disparities, and other issues affecting low-income families and communities. Before joining Urban, Waxman was vice president of research and nutrition at Feeding America, where she oversaw research on food insecurity, the intersection of hunger and health, and the circumstances and experiences of people seeking charitable food assistance. She also helped develop community-based intervention models to address the needs of low-income, food-insecure families. From 1999 to 2009, Waxman worked on a series of linked research projects at the University of Chicago on low-wage work and the challenges facing low-income working families. Waxman has coauthored numerous research and policy reports and articles in scholarly journals, including *Applied Economics Perspectives and Policy*, *Health Affairs*, *Social Science Review*, *Journal of Hunger and Environmental Nutrition*, *Journal of Family and Economic Issues*, and *Journal of Food*

*Law and Policy.* She is a member of the Feeding America Technical Advisory Group, an adviser to the national food and agricultural policy forum Agree, an advisory board member of the Family Resiliency Center at the University of Illinois, and a member of the Aspen Institute Dialogue on Food Insecurity and Health Care Expenditures. She holds an MPP and a PhD from the University of Chicago, where she is a lecturer.



**Ruth Gourevitch** is a research assistant in the Metropolitan Housing and Communities Policy Center. Her current research projects include an evaluation of the DC Promise Neighborhood Initiative; an evaluation of the Strong Cities, Strong Communities National Resource Network; and a research study on emerging partnerships in the health and housing sector. In addition, she assists on projects related to mobility from poverty, promoting economic inclusion, and understanding the effects of neighborhood change on residents. Before joining Urban, Gourevitch participated in internships at New York University's Furman Center for Real Estate and Urban Policy and Brown University's Annenberg Institute for School Reform. She graduated with honors from Brown with a BA in urban studies.

# Acknowledgments

This report was funded by the Robert Wood Johnson Foundation as part of the Urban Institute's Policies for Action grant on social determinants of health. We are grateful to them and to all our funders, who make it possible for Urban to advance its mission.

The views expressed are those of the authors and should not be attributed to the Urban Institute, its trustees, or its funders. Funders do not determine research findings or the insights and recommendations of Urban experts. Further information on the Urban Institute's funding principles is available at [www.urban.org/support](http://www.urban.org/support).

We would like to thank the numerous stakeholders who contributed their knowledge for this case study. Within Urban, we would like to thank Lisa Dubay for her careful review and questions on drafts, and Laudan Aron for her support and insights. We are indebted to sade adeeyo for research assistance and Jillian West for her editorial skills.



2100 M Street NW  
Washington, DC 20037  
[www.urban.org](http://www.urban.org)

## ABOUT THE URBAN INSTITUTE

The nonprofit Urban Institute is dedicated to elevating the debate on social and economic policy. For nearly five decades, Urban scholars have conducted research and offered evidence-based solutions that improve lives and strengthen communities across a rapidly urbanizing world. Their objective research helps expand opportunities for all, reduce hardship among the most vulnerable, and strengthen the effectiveness of the public sector.

Copyright © July 2017. Urban Institute. Permission is granted for reproduction of this file, with attribution to the Urban Institute.