

# Cost and Fidelity Analyses of the High-Needs Families Model

A summary of evaluation findings



The Washington Youth and Families Fund High-Needs Families (HNF) model, developed and supported by Building Changes, provided housing, services and intensive case management to families with histories of homelessness and at least two current or recent housing barriers.

Initiated in 2008, the HNF model operated in 20 housing sites throughout the state of Washington, serving a total of 385 families over five years. The HNF model aimed to improve families' housing stability and access to needed services and is a specialized type of Permanent Supportive Housing (PSH), which is generally defined as subsidized housing matched with ongoing supportive services.

Building Changes engaged the services of [Westat](#), a national research and evaluation firm, to conduct a multi-year evaluation of the model to help us better understand the needs and experiences of families in HNF housing. The evaluation compared families in HNF housing with comparable families in emergency shelter and public housing, neither of which received the type of wraparound services available through the HNF model.

Westat analyzed:

- **Service costs to public systems**
- **Service costs to public systems specifically for families that are high-utilizers of those systems**
- **Outcomes by model fidelity**

## Service Costs to Public Systems

To evaluate the cost-effectiveness of the HNF model, Westat analyzed the costs that families incur on various public systems that provide other services to families that are homeless. The services analyzed included:

- **Financial benefits**, including Temporary Assistance for Needy Families (TANF) and basic food assistance
- **Acute health care**, including inpatient admissions and emergency room visits
- **Alcohol and substance abuse**, including inpatient and outpatient treatment, opiate substitution therapy and detoxification (heads of household only)
- **Mental health**, including inpatient and outpatient treatment, and community hospital admissions (heads of household only)
- **Criminal justice**, including costs related to arrests, convictions incarcerations, and juvenile justice detentions, deferrals and diversion
- **Child welfare**, including family-focused services and foster care support

Westat compared service costs incurred by families in HNF housing with those in emergency shelter and public housing. Costs were compared over time—specifically, Westat compared the average cost per family accrued in the 12 months prior to entering the various housing programs with the average in the 12 months following entry.

Westat also analyzed case management costs for families in HNF housing, emergency shelter and public housing.

All cost data were drawn from the state Department of Social and Health Services (DSHS) Integrated Client Database, which contains information from over 30 data systems across and outside of DSHS.

**Key findings are in the following table:**

After entering HNF housing, families accrued higher service costs for:	After entering HNF housing, families accrued lower service costs for:
<ul style="list-style-type: none"> <li>• Financial benefits</li> <li>• Mental health</li> <li>• Case management</li> </ul>	<ul style="list-style-type: none"> <li>• Acute health care</li> <li>• Alcohol and substance abuse</li> <li>• Criminal justice</li> <li>• Child welfare</li> </ul>

The findings also show:

- ***Overall costs to public systems incurred by families in HNF housing were comparable 12 months before and 12 months after entering the program.***
- ***There was a substantial increase in the costs of case management services for families in HNF housing. (This is to be expected since HNF is a service-rich model with low case manager-to-family ratios.)***

Comparisons between families in HNF housing with those in emergency shelter and public housing show:

- ***When case management costs are excluded, costs to public systems over time for families in HNF housing are similar to those for families in emergency shelter and public housing.***
- ***When case management costs are included, total service costs over time increased for families in HNF housing, stayed about the same for families in emergency shelter, and decreased for families in public housing.***

In the 12-month period following entry into HNF housing, families accrued significantly higher costs for financial benefits (TANF, basic food) and mental health services than before entering the program, but significantly lower costs for alcohol and substance abuse services and criminal justice services. Some of these changes reflect the families’ increased access to needed services, such as TANF and mental health outpatient services; others reflect a shift away from costly services, such as inpatient alcohol and substance abuse treatment, to less expensive outpatient services.

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## Service Costs Per Family

Average per family costs, by type of program, for case management and public services in the 12 months before and after program entry.

	HNF Housing	Emergency Shelter	Public Housing
<b>BEFORE</b> (12 months before entering program)			
Case Management	\$657	\$184	\$198
Public Services	\$27,939	\$26,954	\$31,769
Total	\$28,595	\$27,138	\$31,967
<b>AFTER</b> (12 months after entering program)			
Case Management	\$12,298	\$1,414	\$548
Public Services	\$27,769	\$26,109	\$24,504
Total	\$40,697	\$27,523	\$25,052
<b>DIFFERENCE</b>			
Case Management	\$12,271	\$1,230	\$350
Public Services	(\$170)	(\$845)	(\$7,265)
Total	\$12,102	\$385	(\$6,915)

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### Costs for “high-utilizer” families

Westat conducted a separate cost analysis focusing on the 10 percent of families considered the highest users of the public services (listed above). This analysis compared the service costs between high-utilizer families in HNF housing, emergency shelter and public housing.

Key findings are:

- **High-utilizer families in all three housing categories accrued an average annual cost close to \$100,000 in their use of these public service systems, with acute health services and criminal justice services accounting for more than half of the costs.**
- **Over time, high-utilizer families in HNF housing and public housing experienced decreases in service costs in financial benefits, acute health care, alcohol and substance abuse, and criminal justice. (Families in emergency shelter also experienced decreases, but at a lower level.)**
- **Even with the decreases, the levels of service use continued to be high for high-utilizer families in HNF housing, emergency shelter and public housing, with an average annual cost of almost \$60,000 across the three groups.**

Westat concludes that the decreases in some of the service area costs indicate a natural return for high-utilizer families to more stable levels. These findings suggest that more needs to be done to understand the cost drivers in each service area.

## Outcomes by Model Fidelity

Building Changes developed an HNF model characterized by four features:

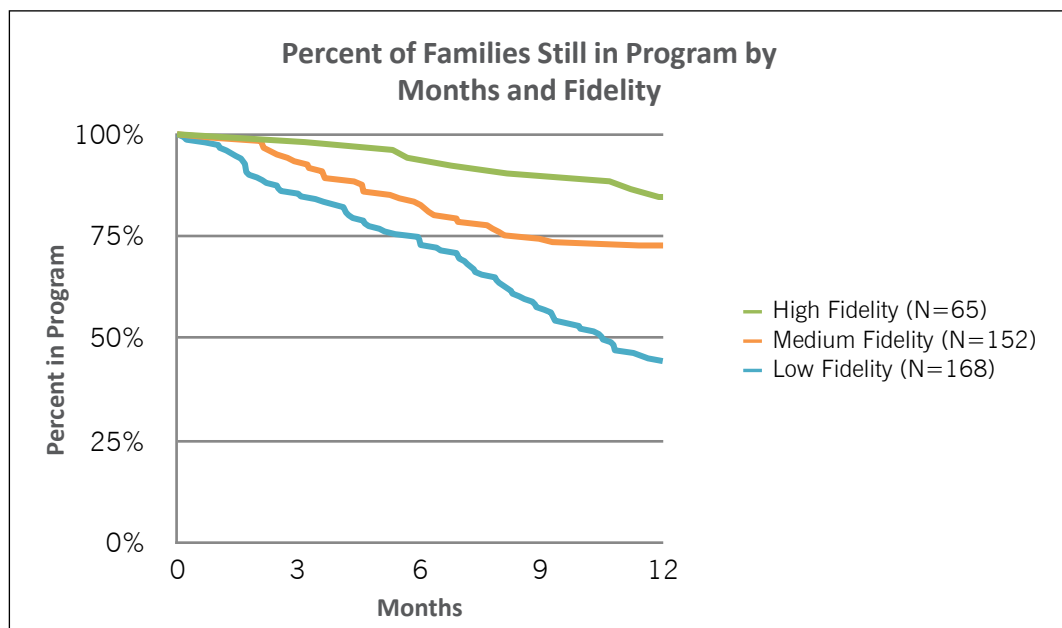
- Operates under a *housing first* approach where families move into housing directly from homelessness, housing is permanent, and services offered through the housing program are optional for the tenant.
- Promotes *harm reduction*, which is intended to reduce the adverse consequences and unsafe behaviors of substance use by emphasizing a practical focus on the harm associated with substance use rather than requiring abstinence.
- Maintains intensive case management, with case managers having 10 or fewer families on their caseloads.
- Offers on-site access to three or more of the following core services: parenting education and support, mental health and substance use support for parents, domestic violence support, and children’s mental health support.

“High-fidelity” models adhered to all four criteria. In practice, five of the 20 sites were high-fidelity, serving 65 families. Nine “medium-fidelity” sites (serving 152 families) met three criteria, and five “low-fidelity” sites (serving 168 families) met two or fewer. One site was not included in the evaluation and therefore not analyzed for model fidelity. Differences in model fidelity occurred because of variations in the capacities and philosophies of the agencies operating the sites, and the availability of services within communities.

Westat evaluated family outcomes among high-, medium- and low-fidelity HNF housing sites.

Key findings are:

- ***The higher the fidelity of the program, the more likely the family stayed longer in HNF housing.***



- ***Heads of households in high-fidelity sites had less emergency room use and criminal justice involvement than families in lower fidelity sites.***
- ***Other outcomes did not vary by fidelity.***

## Conclusion

All communities face challenges in leveraging their scarce housing resources so that more families can emerge out of homelessness and remain stably housed. We hope this cost and fidelity report on the HNF model adds to the conversation as communities decide on directions for future investment.

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