

# Medicaid Transformation: Foundational Community Supports (FCS)

## Connecting our most vulnerable populations with targeted Medicaid benefits for supportive housing and supported employment

*Washington State and the Centers for Medicare and Medicaid Services (CMS) have finalized an agreement for a five-year Medicaid transformation demonstration that will strengthen state efforts to improve health care for Washington families and control costs.*

The research is clear: unemployment and job insecurity, along with homelessness and unstable housing, contribute to poor health. Homelessness is traumatic and cyclical—and it puts people at risk for physical and mental health conditions, and substance use disorders. There is also substantial evidence linking unemployment to poor physical and mental health outcomes, even in the absence of pre-existing conditions.

Through the Medicaid demonstration, FCS, also known as Initiative 3, seeks to address these factors by creating targeted benefits for supportive housing and supported employment. The goal is to enhance the availability of these services for those who are the most vulnerable and have complex care needs.

### Foundational Community Supports

#### What it is

Targeted Medicaid benefits that help eligible clients with complex health needs obtain and maintain housing and employment stability

- Supportive housing services
- Supported employment services

#### What it isn't

- Ongoing payments for housing, rent, or room and board costs
- Wages or wage enhancements for clients
- An entitlement

### Supportive housing services

FCS will create a benefit of targeted, supportive housing services for eligible Medicaid beneficiaries. These housing-related services do **not** include payment for room and board. Rather, the demonstration will pay for services that will help Medicaid beneficiaries get and keep housing. The supportive housing service package includes services that identify and assist individuals in obtaining appropriate housing and provide tenant support to maintain housing, and one-time supports necessary for individuals avoid institutional settings and to transition into an apartment or home. The supportive housing benefit will not supplant existing services currently available to eligible populations.

FCS seeks to demonstrate the impact supportive housing services have on populations with the greatest and most immediate needs, including:

- Individuals experiencing chronic homelessness
- Those dependent on costly institutional care
- Those dependent on more restrictive adult residential care/treatment settings

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- In-home care recipients with complex needs
  - Those at highest risk for expensive care and negative outcomes

In order to be eligible for these services individuals must be Medicaid eligible, complete a needs assessment and fall into at least one of the groups described above.

### **Supported employment services**

FCS will help people who are eligible for Medicaid and have physical, behavioral, or long-term service needs that make it difficult for them to get and keep a job. It will provide the ongoing services and supports these individuals need, including individualized job coaching and training, employer relations, and assistance with job placement.

These services have proven especially effective for certain populations with complex needs. These include:

- Individuals with disabling conditions struggling to remain engaged in labor market
- Those experiencing significant mental illness, substance use disorder, or co-occurring conditions
- Long-term care recipients with complex needs
- Vulnerable youth and young adults

Like the supportive housing benefit, referral to these services must be the result of a needs assessment.

### **How will providers be reimbursed for these services?**

Supportive housing and supported employment services under FCS will be provided as targeted benefits administered by a single statewide Third-Party Administrator (TPA), contracted by HCA. Providers will contract with the TPA to deliver supportive housing and/or supported employment services and be reimbursed on a fee for service basis. Implementation details are being developed through negotiations with CMS; see the [Medicaid Transformation FCS web page](#) for updates.

### **Stay informed**

- Visit the [Medicaid Transformation](#) page.
- Join the Healthier Washington Feedback Network and receive regular updates and announcements of upcoming webinars—sign up on the How to Participate page at [hca.wa.gov/hw](https://hca.wa.gov/hw).
- Send questions and comments to [medicaidtransformation@hca.wa.gov](mailto:medicaidtransformation@hca.wa.gov).

*These investments are not funded by a grant. The state must demonstrate that it will not spend more federal dollars on its Medicaid program with this demonstration project than it would have without it.*

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