



Massachusetts Alliance for Supportive Housing (MASH) Pay for Success Final Report: Executive Summary November 2021

The Problem:

People experiencing chronic and long-term homelessness frequently suffer from complex, disabling health conditions. Lack of access to appropriate health care and housing forces them through a revolving door of costly crisis settings such as emergency rooms, inpatient care, detox facilities, psychiatric hospitals, and emergency shelters. For this reason, they are often called “frequent users” or “high utilizers” of public resources.

The Solution:

A growing body of research clearly demonstrates a dramatic improvement in health care utilization, housing stability, and cost to society when individuals experiencing chronic homelessness receive permanent affordable housing coupled with supportive services. MASH Pay for Success (PFS) is the first-in-the-nation social innovation financing initiative to address chronic and long-term homelessness. PFS leverages seed capital from philanthropists and private investors coupled with public resources—which include a special state allocation of 145 low-threshold rental assistance vouchers and MassHealth tenancy supports—to offer permanent affordable housing and essential services in collaboration with a statewide network of housing and service providers. Performance metrics track the number of individuals housed and the rate of housing retention. Once service providers meet predetermined benchmarks, investors are eligible for reimbursement with public funds. PFS utilizes the principles of Housing First—offering stable housing without compliance-based restrictions. Once stably housed, MASH PFS tenants receive support in setting goals, securing wraparound services, and accessing health care appropriate for their disabling conditions.

Who is Involved:

The Massachusetts Alliance for Supportive Housing LLC (MASH) is a collaboration of Massachusetts Housing and Shelter Alliance (MHSA), Corporation for Supportive Housing (CSH), and United Way of Massachusetts Bay and Merrimack Valley (UWMB). MASH administers the PFS program by collecting data, reporting on program outcomes, assisting providers, and advocating for continued investment in permanent supportive housing. MASH works with the Commonwealth of Massachusetts to blend public and private resources to achieve success.

Key Successes:

- **1,055 individuals housed** since PFS began in 2015 **with 85% of tenants still in housing** at the end of the program, or with a “positive exit” to other permanent housing or more appropriate care. The original goal was to house between 500 and 800 individuals.



- \$5,267 average savings in health care costs per tenant per year, and a significant shift from emergency and acute care to more appropriate outpatient health care, according to a study sponsored by Blue Cross Blue Shield of Massachusetts Foundation.
- Medicaid coverage expanded to cover tenant support services for individuals with a history of chronic homelessness to help them sustain permanent housing.

Conclusion:

MASH PFS is a collaboration of state agencies, private funders, and nonprofit organizations. Together, they address a critical social and public health crisis by leveraging social innovation financing to test evidence-based strategies (i.e. Housing First, health-care utilization in permanent supportive housing). The results: a better quality of life, more effective and appropriate health care utilization, and an end to homelessness for the people served.