



PFS Participant holding keys  
Photo by Mike Spencer Photography

# MASH PAY FOR SUCCESS PROGRAM REPORT

NOVEMBER 2021

Prepared by the **Massachusetts Alliance for Supportive Housing (MASH)**, a collaboration of the Massachusetts Housing and Shelter Alliance (MHSA), United Way of Massachusetts Bay and Merrimack Valley (UWMB) and the Corporation for Supportive Housing (CSH). MASH administers the Pay for Success program.



# FIRST OF ALL, --- THANK YOU --- TO ALL OUR PARTNERS

Back in 2003, when I started working at the Massachusetts Housing and Shelter Alliance (MHSA), I often wondered which entities would step up and bring leadership and innovation to the public issue of long-term, medically complex homelessness. I would not have wagered then that it would be the Commonwealth of Massachusetts with leadership from the Secretariat of Administration and Finance (A&F). But in fact, it has been A&F, with additional partnership from the Executive Office of Health & Human Services (EOHHS) and the Department of Housing & Community Development (DHCD), who made the critical contribution of support for Pay for Success as an experiment in the delivery of permanent supportive housing at its greatest scale. Joining these government agencies were our private partners, who stepped forward to raise resources, lend expertise, and help to administer the MASH Pay for Success model - namely United Way of Massachusetts Bay and Merrimack Valley (UWMB) and the Corporation for Supportive Housing (CSH). Of course, most critical to the partnership were those on the front lines implementing the model: the statewide network of housing and service providers who helped MASH Pay for Success participants secure and sustain housing that ended their homelessness.

Begun during Governor Deval Patrick's administration and implemented by Governor Charlie Baker's administration, MASH Pay for Success housed over 1,000 persons experiencing homelessness, expanded Medicaid support for successful tenancies of medically complex persons, and demonstrated the critical role intermediaries play in the implementation of outcome-based programming to meet public objectives. Without the help of all of our extraordinary partners, this success would not have been possible.



**Joe Finn**

President & Executive Director, MHSA

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# IN 2015, A NEW COLLABORATIVE APPROACH TO SUPPORTIVE HOUSING WAS LAUNCHED...

**... AND IN 2021,  
WE REFLECT ON ITS  
SUCCESS.**

MASH Pay for Success combined innovation with creative use of existing resources. This approach helped to house 1,055 individuals across Massachusetts.

The Massachusetts Alliance for Supportive Housing (MASH), along with the Executive Office for Administration and Finance (A&F) and many other partners, knew that low-threshold permanent supportive housing (PSH), which allows people to access housing without compliance expectations, would be just one part of a larger solution to homelessness. The organizations that make up MASH--the Massachusetts Housing and Shelter Alliance (MHSA), United Way of Massachusetts Bay and Merrimack Valley (UWMB), and the Corporation for Supportive Housing (CSH)--were committed to a new approach to a complex problem.

MASH imagined a solution that extended across sectors and between state agencies. This collaboration would help redefine what is possible when strong partnerships and evidence-based strategies combine to end homelessness among people with serious disabling conditions. Thanks to the hard work of many organizations, agencies, and individuals, the MASH Pay for Success pilot program was launched in 2015 and has, six years later, shown how we can bring a comprehensive solution to scale.

# WHAT IS MASH PAY FOR SUCCESS?

## IT IS HOUSING FIRST, MADE TO LAST

MASH Pay for Success (PFS) was designed to house individuals experiencing long-term homelessness complicated by disabling conditions. As the United States' first housing-specific Social Innovation Financing (SIF) project, MASH PFS used an initial investment of flexible private dollars as seed capital. Once provider agencies assisted a target number of individuals in securing housing and successful tenancies were validated, investors were eligible for state reimbursement.

MASH PFS used this structure to expand access to services and engineer successful partnerships between the Massachusetts state government, private funders, nonprofit organizations, and service providers. What makes MASH PFS unique is the combination of private dollars and three key factors designed to end homelessness for good: expanded eligibility, Medicaid tenancy supports, and low-threshold rental assistance.



### EXPANDED ELIGIBILITY

Participants were selected based on criteria like past use of acute care services and medical diagnoses. Expanded eligibility allowed providers to house the individuals who would most benefit from PFS housing and supportive services. *This data-driven approach can increase cost savings and is different from the use of strict definitions like "chronically homeless."*



### MEDICAID TENANCY SUPPORTS

Individuals experiencing homelessness often turn to acute and emergency care, which raises Medicaid (MassHealth) costs. Using Medicaid dollars to support "high utilizers" in housing reduces overall health-care costs. *MASH PFS has led to the expansion of Medicaid-funded tenancy supports for eligible individuals.*



### LOW-THRESHOLD RENTAL ASSISTANCE

Rental assistance is often necessary to keep people stabilized in housing, but many vouchers and other forms of assistance require individuals to meet strict eligibility requirements. *Low-threshold rental assistance removes compliance-based barriers and helps to house people who might not be able to access other sources of assistance.*

## WHAT IS MASH?

The Massachusetts Alliance for Supportive Housing (MASH) manages the MASH PFS program while leading advocacy efforts to secure and preserve resources for low-threshold permanent supportive housing (PSH). As the program's financial intermediary, MASH ensures that housing and service providers face no financial risk while participating in MASH PFS. MASH's board is comprised of members from key partner agencies who work together to submit regular data reports to the Commonwealth of Massachusetts and provide ongoing program oversight.



## WHO IS MASH

# PAY FOR SUCCESS?

Homelessness is a complicated problem; knowledge and resources from all sectors are key to building a solution. As a Social Innovation Financing (SIF) initiative, MASH PFS required funding from private donors and a financial intermediary to manage the program. However, it also required intensive advocacy, data analysis, and wide-reaching education on the principles of Housing First.



### MASSACHUSETTS HOUSING AND SHELTER ALLIANCE (MHA)

MHA provided leadership to MASH and helped to implement MASH PFS by advocating for major systems change.



### UNITED WAY OF MASSACHUSETTS BAY AND MERRIMACK VALLEY (UWMB)

UWMB helped to identify, procure, and manage private funding for the MASH PFS program.



### CORPORATION FOR SUPPORTIVE HOUSING (CSH)

CSH helped to educate all MASH PFS partners on strategies for running an effective and impactful Housing First SIF program.



### MASSACHUSETTS STATE GOVERNMENT

The Commonwealth's executive offices (A&F, HHS) and HED/DHCD<sup>1</sup>, contributed public resources and helped secure critical systems change.



### ROOT CAUSE

As a third-party evaluator, Root Cause reviewed MASH PFS program data and validated program performance.



### SERVICE PROVIDERS

Perhaps most critical to the success of MASH PFS, providers housed individuals with disabling conditions and worked tirelessly to keep them in stable housing.

## PRIVATE INVESTMENT & PHILANTHROPY

As a SIF initiative, MASH Pay for Success utilized an initial investment of flexible private dollars to support the work of providers across the Commonwealth. **In total, MASH PFS received over \$3 million in both investment capital and philanthropic contributions from UWMB, CSH, and Santander Bank, N.A.** As a result of the program's success, investors are eligible for reimbursement along with interest based on the program's success rate.



<sup>1</sup> The Executive Office of Administration and Finance (A&F), the Executive Office of Health and Human Services (HHS), the Executive Office of Housing and Economic Development (HED), the Department of Housing and Community Development (DHCD)

# MASH PFS ACROSS MASSACHUSETTS

**18**  
SERVICE PROVIDERS

Providers leveraged both new and existing resources to triage, house, and support PFS tenants in housing units across Massachusetts.

A special state allocation of 145 vouchers from the Massachusetts Rental Voucher Program (SIF MRVPs) helped MASH PFS achieve positive housing outcomes.

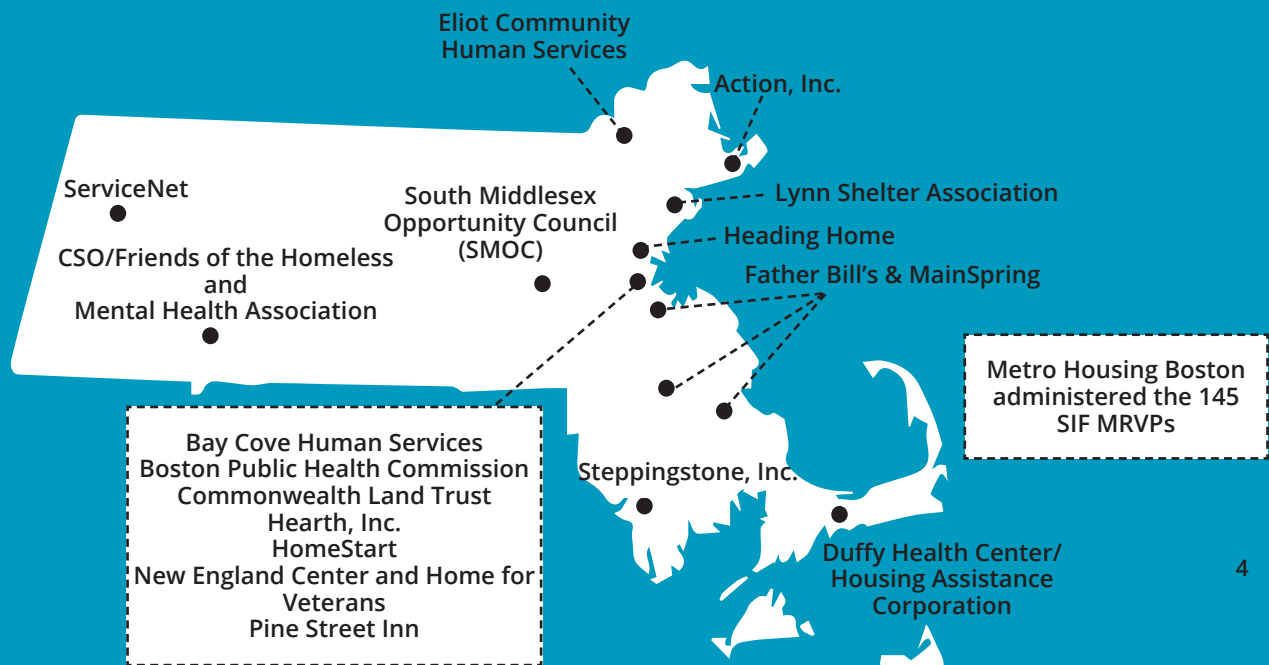
INDIVIDUALS HOUSED  
**1,055**

The triage tool used to assess PFS tenants is effective at prioritizing "high utilizers" for housing and services. All PFS tenants have experienced disabling medical and/or behavioral health issues.

**85%**  
SUCCESS RATE

Success was defined by housing retention or a positive program exit. 85% of PFS participants were still in housing at the end of the program or had a positive exit.

Providers across the Commonwealth made MASH PFS possible. Together, they provided housing placement and supportive services to meet the needs of 1,055 individuals over six years.







## CHANGING HEALTH-CARE UTILIZATION

### START WITH HOUSING ...

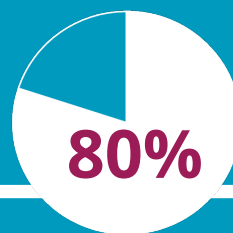
Stable housing is key to ending homelessness. It can also improve access to medical and behavioral health treatment, which is critical for individuals living with disabling conditions.

The **Blue Cross Blue Shield of Massachusetts Foundation** sponsored a study that used MASH PFS and MassHealth data to analyze the health-care spending for thousands of PSH participants<sup>1</sup>. Individuals in PSH had, on average, \$5,267 less in total health-care costs per year than the comparison group identified as homeless, even while accessing “significantly more” outpatient mental health services once housed.

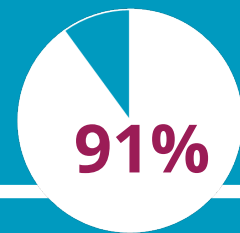
### ACCORDING TO MASSHEALTH CLAIMS DATA

On average, study participants tend to have multiple medical comorbidities,

which can dramatically increase risk of mortality and the complexity of care needs.



of study participants have a diagnosis of **substance use disorder**



of study participants have a diagnosis of **mental illness**

**“The study suggests that the preventative effect of PSH may lead to a reduction in overall health care utilization and costs.”**

Health care is critical for preserving a high quality of life, but emergency and acute care services are rarely the best solution for individuals with disabling conditions. PSH can help lower utilization of acute care and emergency services, while increasing utilization of more appropriate outpatient health-care services.

**... SAVE ON HEALTH CARE**





# MASH PAY FOR SUCCESS PARTICIPANTS

## Race

American Indian or Alaska Native	11	1%
Asian	7	<1%
Black or African American	256	24%
White	713	68%
Multi-Racial	30	3%
Native Hawaiian or Other Pacific Islander	8	<1%
No Data	30	3%

## Ethnicity

Hispanic/Latinx	205	19%
Non-Hispanic/Latinx	847	80%
No Data	3	<1%

## Gender

Female	347	33%
Male	702	67%
Transgender	6	<1%

## Age

18-45	362	34%
46-62	630	60%
>63	63	6%

Most MASH PFS participants identify as white, while 24% identify as Black. We know that, since the 1980s, **Black people have been “overrepresented among the United States homeless population” due to many systemic factors.**<sup>1</sup>

**Black individuals experiencing homelessness are more likely to interact with the justice system,**<sup>2</sup> which can make it challenging for them to meet the criteria for “chronically homeless.”

**Expanding eligibility for housing and services beyond individuals who are “chronically homeless” can help address these serious equity issues.**

## In the 6 Months Prior to Being Housed:

MASH PFS participants reported that, in total, they utilized...

78,260 Nights in emergency shelter

4,713 Days in the hospital

1,881 ER visits

1,395 Nights in detox

880 Ambulance calls

## After Entering MASH PFS:

Individuals in MASH PFS accessed health care more appropriate for their needs, using significantly less acute and emergency care than individuals identified as homeless.<sup>3</sup>

**On average, this change in health-care utilization tends to decrease overall health-care costs.**

<sup>1</sup> “Does Race Matter in Addressing Homelessness? A Review of the Literature”, Jones 2016

<sup>2</sup> “Five Charts That Explain the Homelessness-Jail Cycle -- and How to Break It”, Urban Institute 2020

<sup>3</sup> Based on conclusions in BCBS of Massachusetts Foundation-sponsored study (December, 2020) on MASH Pay for Success (see previous page for link to study)

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# MASH PAY FOR SUCCESS IS MORE THAN A PROGRAM

Partnerships between the public and private sectors allowed for groundbreaking systems change.

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## EXPANSION OF MEDICAID TENANCY SUPPORTS

One result of the advocacy done to create and maintain MASH PFS is the expansion of tenancy supports funded through Medicaid (MassHealth). These supports provide a flexible funding stream for service providers to fund staffing and coordinated care. Tenancy supports are now a benefit available to all eligible chronically homeless individuals insured through MassHealth.

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## EXPANDED SERVICE ELIGIBILITY

Strict eligibility requirements like “chronically homeless” can be difficult to meet and may exclude some people who are, in fact, high utilizers of emergency and acute care services. PFS was designed to serve people experiencing long-term homelessness and who struggle with disabling conditions. This expanded eligibility is now being adopted by major state programs serving people experiencing homelessness.

## EXPANSION OF LOW-THRESHOLD RENTAL VOUCHERS

MASH PFS utilized 145 housing vouchers specifically designated as “low-threshold.” This means that the rental vouchers, managed directly by providers, are available to people who may struggle to meet eligibility requirements for traditional rental assistance programs. Thanks to MHSA’s advocacy, all 145 vouchers have been preserved for this population.

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## FLEXIBLE INTERMEDIARIES

MASH PFS has shown that cross-sector collaboration is critical to solving complex problems. Intermediaries like the Massachusetts Alliance for Supportive Housing can bring many different partners to the table and support successful program implementation. MASH continues to advocate for innovative strategies in PSH and is connecting partners to discuss future initiatives.

# THANK YOU TO OUR PARTNERS WHOSE SUPPORT HAS MADE THIS POSSIBLE

Action, Inc.

Bay Cove Human Services

Blue Cross Blue Shield of Massachusetts Foundation

Boston Public Health Commission

CSO/Friends of the Homeless

Commonwealth Land Trust

Corporation for Supportive Housing

Department of Housing and Community Development

Duffy Health Center

Eliot Community Human Services

Executive Office of Administration and Finance

Executive Office of Health and Human Services

Executive Office of Housing and Economic Development

Father Bill's & MainSpring

Harvard Kennedy School

Heading Home

Hearth, Inc.

HomeStart

Housing Assistance Corporation

Lynn Shelter Association

Massachusetts Housing and Shelter Alliance

Mental Health Association

Metro Housing Boston

New England Center & Home for Veterans

Pine Street Inn

Root Cause

Santander Bank, N.A.

ServiceNet

South Middlesex Opportunity Council (SMOC)

Steppingstone, Inc.

United Way of Massachusetts Bay and Merrimack Valley

Weil, Gotshal, & Manges LLP

**We are grateful to all of the people who helped with the creation, adaptation, and implementation of MASH PFS. We especially thank the individuals who participated in the MASH PFS program. We couldn't do it without you!**



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