



**Housing-related Community Support Services  
Business Plan  
“Sample Agency”  
123 Anytown Street, Fresno, CA 93725**

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Insert summary sentence about the service agency and its typical services and target population. This business plan was developed for the purpose of outlining the feasibility and process for braiding a new funding source into agency operations. Through contracted services reimbursed by Medi-Cal Managed Care Plans (insert names), Sample Agency seeks to provide housing navigation and then tenancy support services to ten newly referred clients. This new partnership supplements existing agency funding and enables Sample Agency to hire an additional case manager who will have a lower caseload and fill current program gaps in order to ensure high quality, evidence-based Housing First services to individuals authorized by MCPs to receive medically appropriate housing-related Community Supports.

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**EXECUTIVE SUMMARY**

“Sample Agency” (“SAMPLE AGENCY”) is a nonprofit organization founded in 1991 in response to the growing number of unhoused individuals and families in “City” and throughout the state of “Sample State”. Since its inception, “SAMPLE AGENCY” has been committed to providing only the most innovative and effective interventions specifically designed to help unhoused individuals and families reach beyond the cycle of homelessness to lead healthy and successful lives. “SAMPLE AGENCY” is located at 122 Market Street in “City”, “Sample State”. This business plan was developed for the purpose of establishing a pilot project to provider supportive housing to 10 individuals who are unhoused and are the most frequent users of public services, including emergency rooms, hospitals, jails, and ambulances. The total amount needed to start Project 10 is \$16,800. The ongoing costs to support Project 10 is \$600 per client per month or \$6,000 per month.

Project 10 is a pilot project that will improve client health, end homelessness, and create health system savings. Projected system cost savings will begin Year 2 of the pilot project and are estimated to reach \$188,000 in Year 3, after covering the start-up and ongoing costs of providing supportive housing. Our first

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year of housing and services for 10 unhoused individuals who are frequent users is projected to be cost neutral by month 12 and produce cost avoidance (savings) after one year in housing (month 18). The pilot project will last 3 years.

“SAMPLE AGENCY”'s keys to success include: service quality, growth potential, implementing an effective new program budget, achieving efficiency, running our services professionally, and maintaining a serious commitment to evidence-based, client-centered, cost-effective programming.

Supportive housing services, as shown in our plan, have a strong evidence-base for improving health outcomes and reducing health system costs, while ending homelessness. Our competitive edge, along with new substance use disorder services and quality supportive housing, put “SAMPLE AGENCY” in the forefront of supportive housing services in “Sample State”. We are living in an age where health system integration is expected and data sharing to improve health outcomes and reduce costs is becoming the norm. Project 10 will be successful in meeting these outcomes because of “SAMPLE AGENCY”'s 25 year commitment to providing quality housing and care coordination to meet the needs of individuals who are frequent users of crisis systems.

### **Objectives**

Our objectives are to:

- Identify 10 chronically unhoused and/or unhoused households in “Sample State” who are among those placing the heaviest burden on public services and resources such as emergency room visits and hospital stays. Ideally these individuals and households would be in the top percentile (top 5%) of Medicaid costs per person per year, as identified by the Supportive Housing Medicaid Business Case.
  - Provide these 10 households with supportive housing and services that meet the dimensions of quality supportive housing, including harm reduction services for individuals with substance use disorders
  - Partner with “Sample MCP” to track the differences the program makes in the participants’ use of emergency department and crisis services
  - Partner with “Sample MCP” to track the differences the program makes in the participants’ use of primary and behavioral health services.
  - Partner with “Sample MCP” to track the differences the program makes in overall Medicaid expenditures per person per year, using pre- housing data as the baseline.

### **Mission**

“SAMPLE AGENCY”'s mission is to provide safe, affordable housing and social services to individuals and families who are experiencing homelessness or at risk of becoming homeless, enabling them to gain self-sufficiency and respect.

### **Keys to Success**

“SAMPLE AGENCY”'s keys to success include: service quality, growth potential, retaining a diverse, qualified staff who are supported by equitable policies and procedures, implementing an effective new

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program budget, achieving efficiency in operations, running our services professionally, and maintaining a serious commitment to evidence-based, client-centered, cost-effective programming.

### **COMPANY SUMMARY**

“Sample Agency's” unique combination of quality, affordable housing and services has been recognized both statewide and nationally as one of the most effective ways to end homelessness. Remaining on the forefront of research and innovation in homeless services, the “Sample Agency” model supports unhoused individuals and families in achieving their goals to lead healthy, happy and whole lives. At “SAMPLE AGENCY”, we provide not only the time and place to recover from the trauma of homelessness, but also the support to help participants overcome the root causes of their homelessness. Clinical staff provide a wide range of programs and services to help participants develop the successful tools that lead to economic and emotional independence and self-sufficiency.

#### **Agency Name Board of Directors**

Agency Name is overseen by a knowledgeable and talented board of directors with diverse backgrounds and experiences, including \_\_\_ number of board members with lived experiences of homelessness. The following lists includes our Board of Directors Chairperson, Vice Chairperson, Treasurer and Secretary. For a complete list of our Board Members, see our website.

Insert Agency Name – Board of Directors

#### **First and Last Name, Role on Board**

External role, occupation, title

BOD Member Since: insert Year

#### **First and Last Name, Role on Board**

External role, occupation, title

BOD Member Since: insert Year

#### **First and Last Name, Role on Board**

External role, occupation, title

BOD Member Since: insert Year

#### **Agency Location and Facilities**

Agency Name is located at \_\_\_\_\_

#### **Business Operations**

The process of the “SAMPLE AGENCY” business operations for supportive housing services are as follows:

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- Home and community visits hours are 8:00 A.M. until 7:00 P.M., Monday through Friday with flexible staff serving clients through on call services and support throughout the weekend and in evening hours, as needed.
- On call services provided 24/7 through a rotation of service staff
- Clients are welcome to come for onsite services for health clinic and substance use disorder treatment with our partner agencies. The majority (85%) of housing-related services occur in the community (street outreach, in public community settings and in client homes, living areas).
- During year 1: the contracted MCP will identify 10 of its members who are also being served by our CoC’s outreach team- using shared data from HMIS reports, who are eligible for housing navigation or housing and tenancy sustaining services, based on housing status and need. The individuals may be single adults or heads of households.
- The MCP will refer these members to the Agency for an assessment that will be submitted for authorization of services.
- This assessment can be completed in community settings using a wifi enabled tablet, smart phone, or paper assessments that are then scanned and uploaded to the client record system.
- The MCP will then notify the Agency if the client is authorized to receive housing-related Community Supports. This authorization triggers the beginning of reimbursable services from the MCP, that cover time to develop an individualized services plan.
- The Agency case manager works with the client to develop an individualized services plan, based on the services available through housing-related Community Supports and the needs, goals and strengths of the client.
- “Sample MCP” will pay a per member per month case rate of \$600 for each of the individuals authorized for housing-related community supports.

### Start-up Summary

Our total start-up costs are \$16,800, which are primarily for monitoring and evaluation planning, as well as for administrative costs associated with contract development, hiring and training additional staff. “SAMPLE AGENCY” seeks funding from “Sample MCP” at a case rate of \$600 per person, per month needed to provide quality supportive housing services as well as start-up funding for one-time costs for \$1,800. The “Sample CoC”, under the umbrella of “SAMPLE AGENCY”, will also seek additional grant funding for \$15,000 for technical support with contracting and Quality Improvement Plan & Evaluation costs, as well as to explore CSH Certification for Quality Supportive Housing. Additionally, “SAMPLE AGENCY” will find funding for 10 rental units. The assumptions are shown in the following table.

### Start Up Expenses

Contracting TA	Grant funded	\$ 3,000
Quality Improvement Plan design with frontline staff	Grant funded	\$ 12,000
Other Start-up costs	“Sample MCP” start up	\$ 1,800
TOTAL Start Up		\$16,800

## **SERVICES**

Services offered include pre-tenancy and tenancy support services, client education, training, and counseling to empower and implement a change in individual’s health behavior and thinking, and care coordination with other community providers.

“SAMPLE AGENCY” will also provide the following services to individuals and families:

- Outreach and pre-tenancy support services
- Home and Community Visits
- Assisting tenant with lease up and understanding tenant rights and responsibilities
- Supportive Housing services including tenancy support services and housing case management
- Conflict Resolutions
- Skill development in instrumental Activities of Daily Living
- Care coordination to ensure that tenants are connected to their community and community providers for primary and behavioral healthcare, and Enhanced Care Management

## **MARKET ANALYSIS SUMMARY**

“SAMPLE AGENCY” will be focusing on providing supportive housing services to 10 households who are experiencing homelessness (chronic or episodic) and who are frequent users of health systems and crisis services.

- In 2020, 9 individuals in the top 2% of Medicaid expenditures cost an average of \$78,138.80 per person, among those who were chronically homeless. Among the top 1% of those who were homeless (non-chronic) and high utilizers the average Medicaid expenditure for these 13 individuals was \$61,086.31 per person for 2020. It is predicted that supportive housing services, paid for by “Sample MCP”, will result in a 261% return on investment for 10 individuals from these two groups, or \$188,000 in total savings (\$94,000 in state savings) for 10 individuals.
- Among individuals who were homeless (non-chronic) in 2020, 32% of the highest utilizers in the top decile had a primary diagnosis of substance use disorder and 47% had co-occurring disorders of mental illness and substance use. As a substance abuse treatment provider and housing provider, “SAMPLE AGENCY” is particularly equipped to serve these individuals.
- Among individuals who were chronically homeless and in the top decile in 2020, 54% had co-occurring disorders of mental illness and substance use, and 15% had a primary diagnosis of substance use disorder. As a substance abuse treatment provider and housing provider, “SAMPLE AGENCY” is also particularly equipped to serve these individuals.

## **Target Market Segment Strategy**

Why does “SAMPLE AGENCY” want to embark on this now? “SAMPLE AGENCY” knows we cannot survive without innovation and the implementation of new evidence-based practices. We are expanding our focus on the highest needs individuals and families who but for services would not be able to maintain

housing, and but for housing would not be engaged in health services that provide the right care at the right time. Focusing on system integration and health partnerships is the key to our future. Therefore, we will focus our services on vulnerable households who have the greatest need for care coordination and supportive housing.

### **Frequent Users of Publics Systems**

In 20xx, the “Sample CoC” released a report entitled “The Personal and Financial Costs of Insufficient Housing: Case Studies of High Frequency Service Users in Sample Location.” The report documented the experiences of individuals suffering from homelessness and chronic health challenges and found that without a stable place to live, these individuals placed significant strain on the system of social services in “Sample State” often seeking assistance from multiple service providers within many systems of care. An analysis of the expenses associated with their fragmented care ranged from almost \$14,000 to over \$235,000 per client. Not only does the fragmentation of services increase the overall costs of treatment, but it can also cause significant harm through delayed, inappropriate, or incomplete treatment. Preventing further strain on our social service system and providing effective, lasting solutions for those who are most vulnerable calls for a reconfiguration of the delivery system – an adjustment that systematically coordinates care across a multi-disciplinary team of service providers who can work together to collectively address the needs of the “whole person.” Supportive housing providers are uniquely situated to ensure high quality care coordination designed specifically to ensure that tenants with the greatest needs receive comprehensive and integrated care.

### **Population:**

- In 2020, thirty-three percent of unhoused individuals in “Sample State” had patterns of chronic homelessness. This is ten percent higher than the national average. (The 2020 Annual Homeless Assessment Report to Congress, November 2020)
- According to the 2020 Annual Homeless Assessment Report data for “Sample State”, nearly one third (32.3%) of households experiencing homelessness in 2020 included at least one child. “SAMPLE AGENCY” staff members are skilled at providing supportive housing for households with children.
- We aim to hire and sustain a workforce of dedicated staff who reflect the demographics and experiences of the people we serve. Furthermore, we know that it is important that clients feel heard, understood, and represented in decision making, so we also prioritize hiring staff with lived experiences of homelessness and including clients served in focus groups, decision making forums and surveys. Our staff demographics are as follows:

\_\_\_\_\_ . We are working to continue to hire more staff from within the communities we serve, and have recently taken these steps to be more inclusive in our hiring and promoting practices. According to X report, and the most recent Annual Point in Time Count for X County,

- \_\_\_% of people experiencing homelessness in X County identify as Black/African American
- \_\_\_% of people experiencing homelessness in X County identify as Hispanic/Latino
- \_\_\_% of people experiencing homelessness in X County identify as Asian

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- \_\_\_% of people experiencing homelessness in X County identify American Indian/Alaska Native
- \_\_\_% of people experiencing homelessness in X County identify as white
- \_\_\_% of people experiencing homelessness in X County identify as multi-racial

## STRATEGY & IMPLEMENTATION SUMMARY

### Price of Service

Supportive housing services will cost “SAMPLE AGENCY” an estimated \$600 per member per month to provide. This includes staff salaries, staff supervision, necessary technology and program oversight. “SAMPLE AGENCY” anticipates an additional \$1,800 needed for staff training and start-up costs for hiring a new master’s level case manager.

### Financial Forecast

We expect the provision of housing and supportive housing services for 10 “Sample MCP” beneficiaries who are super utilizers of crisis systems and experiencing homelessness to produce \$188,000 in cost savings for health system spending with a 261% return on investment. See “SAMPLE AGENCY” Supportive Housing Services Benefit Cost Avoidance Projections Table on page 6.

### Personnel Plan

The following table summarizes our personnel expenditures for the first three years. We believe this plan is a compromise between fairness and expedience and meets the commitment of our mission statement. In order to achieve the highest health outcomes for participants, “SAMPLE AGENCY” has adopted the best practice model of supportive housing with a caseload of 10-15 participants per case manager. For the financial model below, “SAMPLE AGENCY” has assumed 1:10 ratio for the purpose of this pilot model, but is open to expanding this to 1:15 in Year 2. A fair salary for experienced supportive housing case managers in “City”, “Sample State” is \$49,000 per year, not including fringe benefits, professional development and administrative costs. Below is the estimated personnel costs associated with this new position over the three year pilot project.

### Pilot Project Personnel Costs for 1:10 ratio with master’s level case manager

Year 1 Costs (.75 of salary, fringe and insurance) + admin and startup costs	\$ 55,971
Years 2 & 3 (includes one 2.5% cost of living increase in year 3 for salary)	\$ 142,239
<b>Total Pilot Cost</b>	<b>\$ 198,210</b>
“Sample MCP” PMPM	\$ 195,600

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Remaining	\$ 2,610
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**FINANCIAL PLAN**

**Break-even Analysis** The table on the following page depicts our break-even analysis. “SAMPLE AGENCY” is requesting \$1,800 from “Sample MCP” for start-up costs to cover additional administrative costs for hiring, background checks, and three months of start-up while new master’s level case manager is identified, screened, hired and trained. During that time, “SAMPLE AGENCY”’s COO, \_\_\_\_\_, will work with “Sample MCP” to begin identifying 10 member households for the pilot. With approximate fixed cost of \$600 per member per month, beginning in Month 4 with 5 members, increasing in Month 5 with 8 members and reaching capacity with ten members at Month 6. “SAMPLE AGENCY” will break even at Month 18. In Year 3, we plan to give a 2.5% cost of living salary increase, which will mean that “SAMPLE AGENCY” will need we need to raise an additional \$2,610 to break even in Year 3.

**Proposed “Sample MCP” Start Up and PMPM Payments**

	Year 1												
Month	m1	m2	m3	m4	m5	m6	m7	m8	m9	m10	m11	m12	TOTAL Y1
# of clients	0	0	0	5	8	10	10	10	10	10	10	10	
Well Sense Payment	\$1,800	\$0	\$0	\$3,000	\$4,800	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$51,600
\$600	Year 2												
Month	m13	m14	m15	m16	m17	m18	m19	m20	m21	m22	m23	m24	TOTAL Y2
# of clients	10	10	10	10	10	10	10	10	10	10	10	10	
Well Sense Payment	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$72,000
	Year 3												
Month	m25	m26	m27	m28	m29	m30	m31	m32	m33	m34	m35	m36	TOTAL Y3
# of clients	10	10	10	10	10	10	10	10	10	10	10	10	
Well Sense Payment	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$72,000
													TOTAL Pilc
													\$195,600

**Projected System Savings**

Our projected system savings is shown in the following table on page 6. It is modeled after the CSH Business Case for “Sample State”, yet is tailored specifically for this pilot project. By the end of Year 2, “SAMPLE AGENCY” predicts that “Sample MCP” will see a 261% return on investment. Because this pilot project is targeting the top 1 and 2% of high utilizers we have made the assumption that “Sample MCP” can expect a 40% reduction in Medicaid costs after a year in supportive housing. This assumption is in line with supportive housing cost studies that show greater cost avoidance among high utilizers when compared to the general supportive housing target populations. The \$600 case rate per member per month is the



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recommended case rate from the Corporation for Supportive Housing for high utilizers with multiple chronic health conditions and a high level of need for care coordination. A case rate of \$500 per member per month was used in the CSH Business Case, as it targeted the top decile of high utilizers. Targeting the top 1 and 2% of high utilizers will require more intensive care coordination for each member and thus requires a smaller case load and higher case rate for a case manager with more experience in case management.

<b>“SAMPLE AGENCY” Supportive Housing Services Benefit Cost Avoidance Projections</b>		
"Super Users" in this analysis are individuals (many within family households) with Medicaid expenditures in the top 1-2% of claims data among people who were chronically homeless or homeless with substance use disorders or co-occurring disorders in 2020. “SAMPLE AGENCY” will target supportive housing for the household and supportive housing services for the individual within the household.		
Average annual health care costs per individual is \$65,000 based on data from NH DHHS MMIS 2020 claims data for top 2% of chronic homeless super users and top 1% of homeless super users	<b>Estimated Cost per “Sample MCP” Member</b>	<b>10 Members (adult heads of households and single adults)</b>
A. Monthly Medicaid Costs (average annual costs divided by 12)	\$5,417	\$54,167
B. Supportive Housing Cost Reduction Estimate	40%	40%
C. Monthly Medicaid Offsets Projected from Supportive Housing (A*B)	\$2,167	\$21,667
D. Monthly Cost of Supportive Housing Services Bene”Sample Agency” in NH (2)	\$600	\$6,000
E. Net Monthly Savings (C-D)	\$1,567	\$15,667
<b>F. Net Annual Savings (E*12)</b>	<b>\$18,800</b>	<b>\$188,000.00</b>
<b>G. Return on Investment</b>	<b>261%</b>	