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Social Investment Initiative

There is a widespread need for stable, affordable housing in the United States. Nearly one-third of US families are burdened by housing costs, paying more than 30 percent of their total household income on housing. Housing instability is a major driver of poor health outcomes and skyrocketing health costs. For instance, individuals struggling with unaffordable housing or experiencing foreclosure report increased depression or anxiety. The toll on children can be especially great, characterized by developmental delays and chronic conditions, such as asthma.

Health care organizations are increasingly aware that addressing housing and other social determinants of health is critical to improving population health. Some health plans, especially those serving Medicaid and Medicare populations, recognize that better health outcomes—and lower health care costs—result when essential needs are met. With this knowledge, health plans have made investments in affordable housing as a strategy for reducing health care costs and improving health outcomes among their members and/or are choosing to invest in debt and equity more broadly in ways that may not directly address their members' health but instead address social determinants of health for the community at-large.

United Healthcare Community and State partnered with Chicanos Por La Causa (CPLC) to help Phoenix, Arizona area low- and moderate-income residents access quality affordable housing with wraparound services. United provided CPLC a \$20 million below-market interest loan to purchase 500 housing units, 80 percent of which are rented at the market rate and 20 percent are available to low-income people with complex health and social needs. This investment, paired with the services and supports residents received, resulted in a 58 percent reduction in total health care spending, on average, in the first year for United members placed in housing.

Through the *Social Investment Initiative*, Community Catalyst is promoting health plan investments in the creation of affordable housing and community development projects that will have a positive social and financial return. As part of this initiative, Community Catalyst is examining regulatory considerations associated with these types of investments, researching relevant models, and working with state-based healthcare and housing advocates in Massachusetts and North Carolina to promote local health plan investments.

The Social Investment Initiative is a partnership among Community Catalyst with expert support from Boston Medical Center, the Conservation Law Foundation and Nancy Turnbull, Senior Lecturer, Health Policy, Harvard T.H. Chan School of Public Health.

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