SOAR Cost Savings/Benefits Calculation Guide

When promoting the SOAR program to stakeholders, funders and community leaders it is important to be able to show the impact that your program can make in their particular field of practice.

# Cost Savings to the Community

| **Type** | **Beneficiary** | **Sources** |
| --- | --- | --- |
| Reduced emergency room usage | Hospitals | Atlanta - First Step (Barbara Peters) |
| Reduced recidivism rates | Local and state | Miami - Eleventh Judicial Circuit (Cindy Schwartz)  http://soarworks.prainc.com/article/best-practices-increasing-access-ssissdi-upon-exiting-criminal-justice-settings |
| Reduced jail stay length | Local and state | Local jail |
| Reduced state hospital stay length | State | State hospital |
| Reduced state hospital stays | State | State hospital |
| TANF savings | State and county | State or county agency |
| Reduced shelter stays | Homeless service system (local, state, federal) | HMIS |
| Housing First (ending homelessness) | Individual, homeless service system, housing provider | Chicago Heartland- April 2009; Denver- Dec 2006; JAMA- April 2009; Maine- Sept 2007, Rhode Island- Dec 2008; Utah-2013 |

# Cost Savings to SSA and DDS

| **Type** | **Sources** |
| --- | --- |
| Fewer re-applications | SOAR average approval rate – 64% (2017)  (SOAR Outcomes: https://soarworks.prainc.com/article/soar-outcomes-and-impact)  SSA average approval rate on initial decisions – 32%  (SSA Internal Report, Mike Nolan, Chicago SSA) |
| Fewer appeals | When applications are approved on initial application there is no need for appeal |
| Fewer consultative exams | SSA consultative exam rate: 41% at initial & 13% at reconsideration (SSA Internal Report, Mike Nolan, Chicago, SSA) Maryland SOAR vs. Non-SOAR application consultative exam rate; Caroline Bolas, Behavioral Health Administration CEs for Initial Non-SOAR Claims: 57% had a least one CE CEs for Initial SOAR Claims: 30% had at least one CE[[1]](#footnote-1) |
| Fewer medical records collected | When records are collected by the SOAR practitioner, DDS does not need to request and pay for records |
| Shorter processing time- SSA | SOAR average processing time: 96 days (2017)  SSA average processing time: 114 days  (SSA Internal Report, Mike Nolan, Chicago SSA) |
| Shorter processing time- DDS | When complete and quality applications are submitted DDS can spend less time requesting records, ordering CEs, waiting on evidence and trying to contact the applicant. |

# Increased Income

| **Type** | **Beneficiary** | **Sources** |
| --- | --- | --- |
| SSI/SSDI cash benefit | Individual | Multiply monthly benefit by the number of applicants approved. Multiply by 12 for an annual amount. |
| Medicaid/Medicare reimbursement | Health care providers | State Medicaid agency, health care providers, and hospitals.  Ten states reported $503,932 in Medicaid reimbursement for 85 individuals, or an average of $5,929 per person, as a result of SOAR (2017) |
| General/public assistance reimbursement | States, counties | State or county agency  Seven states reported $217,311 in GA/PA reimbursement for 61 individuals, or an average of $3,562 per person, as a result of SOAR (2017) |
| Rental income | Housing providers | Housing providers, local housing authority or agency |

# Quality of Life

| **Type** | **Beneficiary** | **Sources** |
| --- | --- | --- |
| Improved health outcomes | Individual | SOAR Success Stories issue brief and other qualitative information:  <http://soarworks.prainc.com/files/SuccessStories508.pdf> |
| Engagement with treatment | Individual | Community providers  SOAR local leads |
| Relationship with physicians | Individual | Local SOAR case managers  Health Care for the Homeless Clinics  Local treatment providers |
| Connection with family | Individual | SOAR Success Stories issue brief and other qualitative information |
| Employment goals | Individual | Dartmouth & Robert Drake  Employment participation can be tracked in SOAR OAT |
| Housing stability | Individual | Housing First studies and providers; supportive housing models that use SOAR |
| Quality-Adjusted Life Year (QALY) |  | A QALY measures the change brought on by a health-related intervention in both the number of years an individual can be expected to live and the change in health status over the course of the person’s lifetime. |

# Sample Calculators

Annual SSI income: [# of approvals] \* [SSI federal benefit rate] \* [12]

Nashville’s formula: <http://soarworks.prainc.com/files/NashvilleFormula.pdf>

* The SOAR cost savings calculator was developed by the city of Nashville to monetize the cost effectiveness of the SOAR process. It was designed to show the city that through an expedited benefits process an individual may obtain health treatment, transition into housing, save the city significant money in adverse outcomes and improve the overall quality of life for formerly homeless individuals.
* QALYs (Quality-Adjusted Life Year); a QALY measures the change brought on by a health-related intervention in both the number of years an individual can be expected to live and the change in health status over the course of the person’s lifetime.  An intervention that increases an individual’s longevity by 1 year of perfect health is assigned a QALY of 1.0.  An intervention that increases longevity by 1 year but only at half-perfect health is assigned a QALY of 0.5. To get to an estimate of QALYs, I used a 2005 study from Muennig, Glied & Simon that estimated the value of a year of medical care (Medicaid) increases the health status of low-income patients by .07 QALYs.  I increased the QALY to .16 because people usually enjoy Medicaid for more than one year after receiving SSI.  Some researchers assign a value of $100,000 per QALY.  I used a more conservative $50,000 per QALY value based on something that the Robin Hood Foundation argued.  So, $50,000 multiplied by .16 = $8,000.

# References

## ****Housing First Studies:****

Chicago

* Supportive Housing in Illinois, A Wise Investment
* http://shnny.org/uploads/Supportive\_Housing\_in\_Illinois.pdf

Denver

* Denver housing first collaborative; cost benefit analysis and program outcomes report
* <http://soarworks.prainc.com/sites/soarworks.prainc.com/files/SuccessStories508.pdf>

JAMA

* Health Care and Public Service Use and Costs Before and After Provision of Housing for Chronically Homeless Persons With Severe Alcohol Problems
* <http://jama.jamanetwork.com/article.aspx?articleid=183666>

Maine

* Cost of homelessness Cost Analysis of Permanent Supportive Housing State of Maine - Greater Portland
* <http://shnny.org/uploads/Supportive_Housing_in_Maine.pdf>

Rhode Island

* Rhode Island’s Housing First Program Evaluation
* http://shnny.org/uploads/Supportive\_Housing\_in\_Rhode\_Island.pdf

Utah

* Comprehensive Report on 2013 Utah Homelessness
* http://jobs.utah.gov/housing/scso/documents/homelessness2013.pdf

## ****Investing in Civil Legal Aid:****

Massachusetts

* A Roadmap to Cost-Effective Funding of Civil Legal Aid in Massachusetts
* http://www.bostonbar.org/docs/default-document-library/statewide-task-force-to-expand-civil-legal-aid-in-ma---investing-in-justice.pdf

1. Data is from Maryland DDS for FY2014 (10/1/13-9/30/14). Note: Number of CEs is not per case, but number scheduled. It could be a person has more than one CE scheduled (e.g. 3 total: 2 medical and 1 mental health). This number also includes CEs scheduled where an individual was a no show. [↑](#footnote-ref-1)