

# Foundational Community Supports (FCS)

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## Housing subsidies

Engrossed Substitute Senate Bill 5187; Section 215(38); Chapter 475; Laws of 2023

December 1, 2023

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## Acknowledgments

Amerigroup provided the data for this report. Many thanks to all Foundational Community Supports team members at the Health Care Authority (HCA), Amerigroup, and the vast network of FCS providers working to assist individuals as they travel their respective paths to achieve housing and job stability.

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# Table of contents

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Executive summary.....	4
FCS Transition Assistance Program (TAP).....	5
Background.....	5
A flexible, short-term funding resource .....	5
Eligibility criteria.....	6
Duration of funding assistance.....	6
Allowable expenditures.....	7
Implementation across the FCS network.....	7
Findings .....	8
Number of individuals served .....	8
Age.....	8
Gender.....	9
Race and ethnicity.....	10
Treatment need.....	11
Service regions .....	12
Expenditures.....	13
Conclusion .....	15

## Executive summary

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During the 2021 legislative session, the Washington State Legislature appropriated \$3,109,000 of the general fund for fiscal year 2022 and \$3,109,000 for fiscal year 2023 via Senate Bill (SB) 5092. This funding aims to supply short-term rental subsidies for individuals enrolled in the Foundational Community Supports (FCS) program.

This funding—known as the FCS Transition Assistance Program (TAP)—aims to link the following individuals with safe, quality, and affordable housing:

- FCS enrollees awaiting longer-term rental support resources
- FCS-eligible individuals transitioning out of behavioral health treatment facilities or local jails

Individuals who would otherwise be eligible for the FCS program but do not qualify because of their citizenship status may also participate.

As a flexible, short-term subsidy, TAP may be used to bridge individuals exiting certain inpatient treatment facilities as they await longer-term rental resources.

This report reviews program expenditures and performance for state fiscal years 2022 – 2023 (SFY '22 – '23) and includes an overview of implementation successes and challenges and recommendations for program improvement. Additionally, this report presents data for the number of individuals served, and expenditures broken out by service region, treatment need, and demographics of individuals served. The data includes but is not limited to age, country of origin within racial/ethnic categories, gender, and immigration status.

Across SFY '22 – '23, 2,946 Foundational Community Supports (FCS) supportive housing enrollees accessed TAP funding via 86 FCS supportive housing service providers to lower and remove financial barriers to affordable housing.

# FCS Transition Assistance Program (TAP)

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## Background

Unemployment and job insecurity, homelessness, and unstable housing contribute to poor health. Homelessness is traumatic and cyclical, putting people at greater risk for developing physical and mental health conditions, including substance use disorders.

FCS launched in January 2018 to address these issues by offering supportive housing and supported employment services through targeted Washington Apple Health (Medicaid) benefits. These benefits assist vulnerable people, including individuals with complex care needs, by assisting eligible individuals to find and maintain housing and employment, ultimately helping build a healthier Washington.

FCS comprises a network of service providers in contract with a third-party administrator (TPA) – Amerigroup. Since its inception, over 35,000 individuals have enrolled in FCS services. TAP launched on May 2, 2022. Until TAP, FCS supportive housing did not have unique resources to assist FCS enrollees with lowering or removing financial barriers to housing stability.

## A flexible, short-term funding resource

As a flexible, short-term subsidy, TAP may be used to bridge individuals exiting certain inpatient treatment facilities as they await longer-term rental resources and more. TAP also broadly serves the FCS supportive housing network by covering various housing-related costs that are often obstacles to achieving housing stability.

TAP can cover housing-related costs, including:

- Washington State Identicards and other fees for identification documentation
- Application fees
- Certain transitional housing fees, including initial fees and interim rent coverage
- Certain moving expenses
- Move-in costs like first and last month's rent, deposits, and non-refundable fees
- Other housing-related costs to bolster long-term tenancies

TAP's flexibility helps address many unique and multifaceted barriers that may arise when seeking to establish or maintain housing stability.

## Eligibility criteria

Individuals are eligible to access TAP funding so long as they:

- Are receiving FCS-eligible Medicaid
- Are authorized for FCS supportive housing services
- Identify as having a behavioral health treatment need

TAP can be accessed by FCS supportive housing enrollees across the state seeking to transition into their chosen housing. Individuals are eligible for TAP if they are actively receiving FCS-eligible Medicaid and are authorized to receive FCS supportive housing services. According to ProviderOne, they are eligible for TAP.

## Citizenship and Medicaid eligibility

Only individuals enrolled in federally funded Medicaid and who meet other health-related and risk factor eligibility criteria for FCS services can enroll in FCS. Lawfully present qualified immigrants who have not met the 5-year barring requirement, lawfully present non-qualified immigrants/nonimmigrants, and undocumented individuals are not eligible for federal Medicaid. Therefore, like FCS services, TAP may only be accessed by individuals enrolled in federal Medicaid.<sup>1</sup>

FCS has coordinated with Housing and Recovery through Peer Supports (HARPS) providers to ensure individuals not qualifying for FCS due to their immigration status can access housing support services, regardless of citizenship or immigration status. All HARPS providers are authorized to provide FCS supportive housing services across the state.

## Duration of funding assistance

TAP offers FCS supportive housing enrollees a rolling cap of up to \$5,000 in funding for one year on approved housing-related expenditures. Implementing TAP with a rolling cap of this amount supports the program's aim to meet people where they are at any given time during their enrollment in FCS supportive housing. With a rolling cap, an enrollee can spend up to \$5,000 on approved housing-related costs. Once an amount is spent for an enrollee, that amount is deducted from \$5,000, with the remainder being the balance they may spend on housing-related costs during the following 12 months. Exactly one year after any amount is spent, that cost no longer counts toward the amount spent by the enrollee per year.

While TAP does not provide ongoing rental assistance, the program can cover interim rent costs on an as-needed basis by offering month-to-month rent support for transitional and permanent housing for up to three months. Certain housing-related costs can be covered multiple times, such as the cost of an ID, while move-in costs and others can only be accessed once every 12 months.

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<sup>1</sup> For more information about citizen and immigration status standards in relation to Medicaid coverage, please visit:

[https://www.hca.wa.gov/assets/free-or-low-cost/citizenship\\_alien\\_status\\_guide.pdf](https://www.hca.wa.gov/assets/free-or-low-cost/citizenship_alien_status_guide.pdf)

## Allowable expenditures

TAP allows providers to automatically cover costs according to established categories in the [FCS TAP Quick Reference Guide](#). Common financial barriers to affordable housing, such as costs for IDs and other documentation, application fees, credit check fees, and move-in expenses like first/last month's rent (if one month of rent is under 120 percent of Fair Market Rent value for the area), deposits, and non-refundable fees can be covered by TAP. While TAP cannot pay ongoing rent, it may cover several months of rent costs to assist enrollees as they generate employment income or identify longer-term rental resources to help with housing costs.

Enrollees can request an exception to policies (ETP) to cover certain housing-related costs related to stabilizing a home (e.g., home modifications, essential home goods, cleaning supplies, and more). Arrearages and other housing-related expenses also require an ETP request.

## Implementation across the FCS network

FCS short-term housing subsidies were allocated during the '21-'22 biennium. TAP launched in May of SFY '22 – almost one year after the initial allocation arrived at HCA. Since TAP was implemented nearly one year later, the total biennial allocation – \$6 million – was delivered to Amerigroup to serve the FCS supportive housing network, which consists of over 11,000 service enrollees.

## Successes

The number of providers accessing TAP grew steadily over SFY '22 – '23, with 86 FCS supportive housing providers accessing the fund by the end of SFY '23.

In April '23, Amerigroup launched an online TAP request platform to modernize and streamline the process. Before the launch of this platform, providers were directed to submit requests for processing only on certain days of each week. Upon the launch of the online platform, providers could offer TAP reimbursement requests any day of the week.

## Challenges

Some FCS providers expressed that FCS service claims reimbursement challenges hinder their use of TAP. More specifically, provider experiences with service disenrollments and resulting payment recoupment was a concern. In response, HCA's TAP program manager raised awareness among FCS providers about TAP's funding source – general-state funding – and its lack of relation to Medicaid. Additionally, TAP's program manager raised awareness about the need for providers to review an enrollee's FCS supportive housing service enrollment before spending any TAP funding to ensure a person is eligible to use the fund and the provider can be paid for the related FCS supportive housing service for connecting the individual with TAP funding.

Providers not contracted to access TAP expressed that some enrollees are requesting to change to providers to access TAP funding. HCA plans to work with Amerigroup in the coming SFY to review how to address this challenge.

## Findings

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FCS supportive housing enrollees are encouraged to submit funding requests as they travel along their unique path to housing stability. Enrollees may access the fund more than once to address sequences of housing obstacles as they arise.

Data is presented based on the total number of FCS enrollees accessing TAP via their supportive housing providers. Demographic information is gathered upon each TAP request. The total unduplicated count of FCS supportive housing enrollees served by TAP was 2,946. Demographic categories outlined below may include duplicated client counts due to individuals meeting more than one category at the time of a request.

### Number of individuals served

Across SFY '22 – '23, TAP actively served 2,946 distinct enrollees via a network of 86 FCS supportive housing providers. The total amount of TAP funding spent during the '22 – '23 biennium was \$5,403,133.60.

### Age

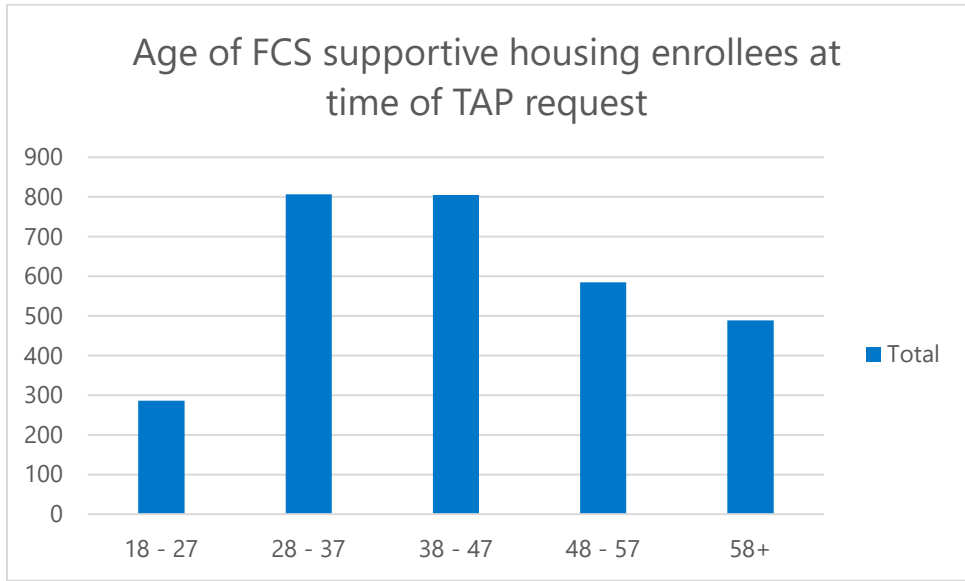
TAP served individuals aged 28 – 37 and those aged 38 – 47 more than other age groups.

**Table 1: Age of FCS supportive housing enrollees at the time of TAP request**

Age	# of FCS supportive housing enrollees accessing TAP
18 – 27	286
28 – 37	807
38 – 47	805
48 – 57	585
58+	489



**Graph 1: age of FCS supportive housing enrollees at the time of TAP request**



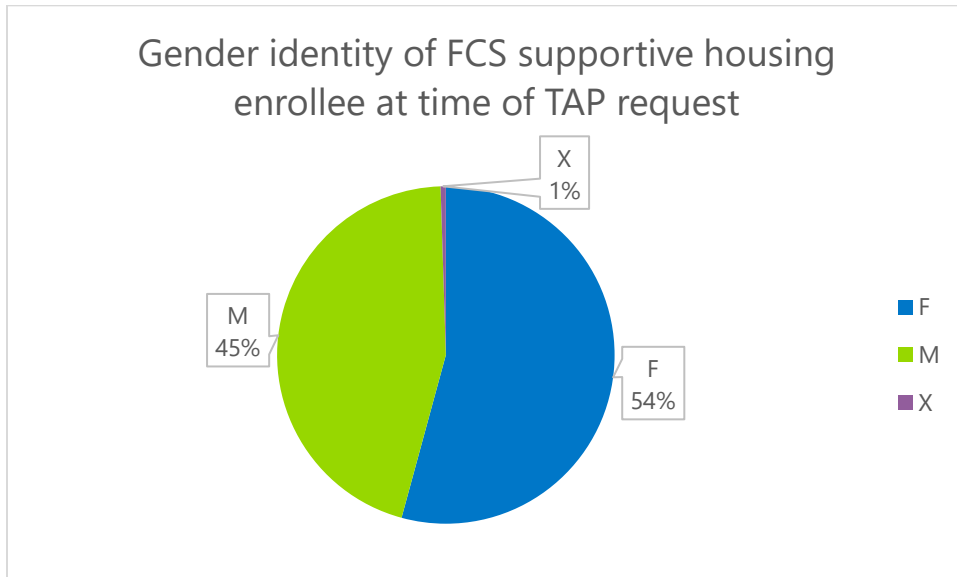
## Gender

Funding requests from female-identified individuals represent 54 percent of individuals accessing TAP during SFY '22 – '23.

**Table 2: Gender identity of FCS supportive housing enrollee at the time of TAP request**

Gender	# of FCS supportive housing enrollees accessing TAP
Male	1,359
Female	1,628
X (non-binary, intersex, and gender nonconforming)	15

**Graph 2: gender identity of FCS supportive housing enrollee at the time of TAP request**



### Race and ethnicity

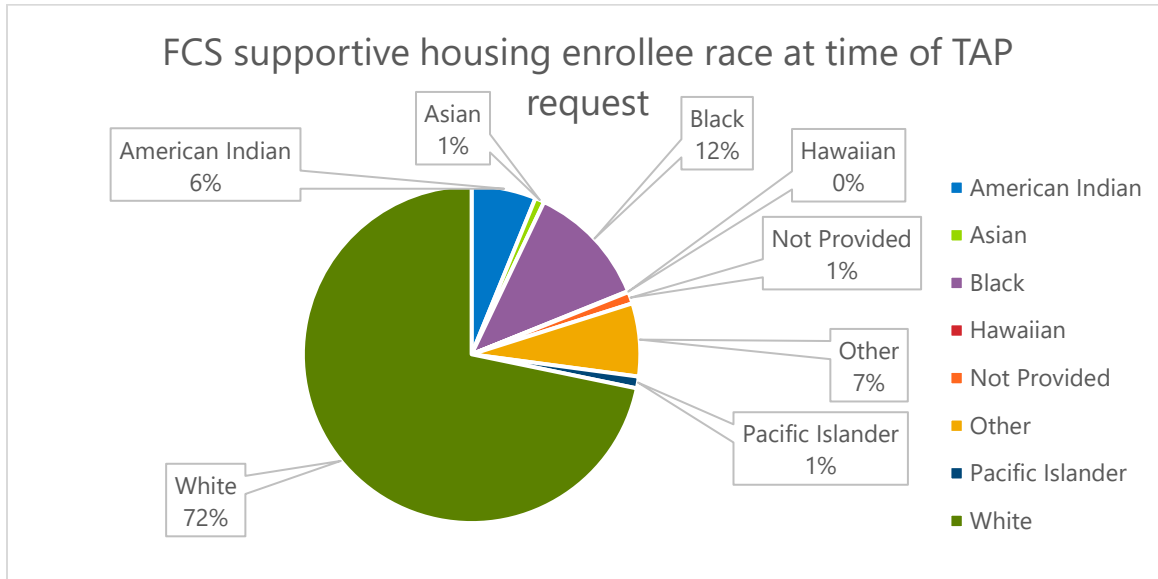
Data concerning race and ethnicity is acquired administratively via ProviderOne (our state’s Medicaid database); TAP does not require enrollees to share this information with providers during the TAP eligibility check or the FCS supportive housing assessment processes. Although using ProviderOne restricts HCA’s ability to disaggregate race and ethnicity data by country of origin fully, it allows providers to serve individuals without asking for details about race or ethnicity.

Non-Hispanic white individuals accessed TAP more than any other race or ethnicity during SFY ‘22 – ‘23.

**Table 3: Race of FCS supportive housing enrollee at the time of TAP request**

Race	# of FCS supportive housing enrollees accessing TAP
White	2,173
Black	358
Asian	27
Native Hawaiian or Other Pacific Islander	37
American Indian/Alaska Native (AI/AN)	187
Other	212
Not provided	34

**Graph 3: race of FCS supportive housing enrollee at the time of TAP request**



**Table 4: Ethnicity of FCS supportive housing enrollee at the time of TAP request**

Ethnicity	# of FCS supportive housing enrollees accessing TAP
Hispanic	387
Not Hispanic	2,541
Not provided or doesn't know	92

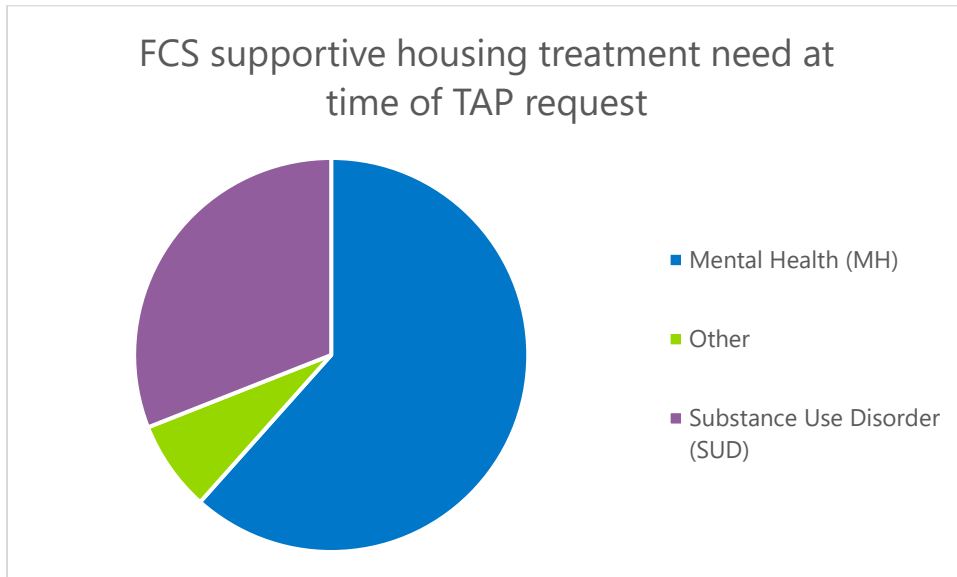
## Treatment need

TAP serves all individuals enrolled in FCS supportive housing, many experiencing behavioral health treatment needs. Nearly 2,000 TAP requests came from individuals experiencing mental health treatment needs at the time of their request.

**Table 5: Treatment need of FCS supportive housing enrollee at the time of TAP request**

Treatment need	# of FCS supportive housing enrollees accessing TAP
Mental Health (MH)	1,932
Substance Use Disorder (SUD)	972
Other	233

**Graph 4: treatment need of FCS supportive housing enrollee at the time of TAP request**



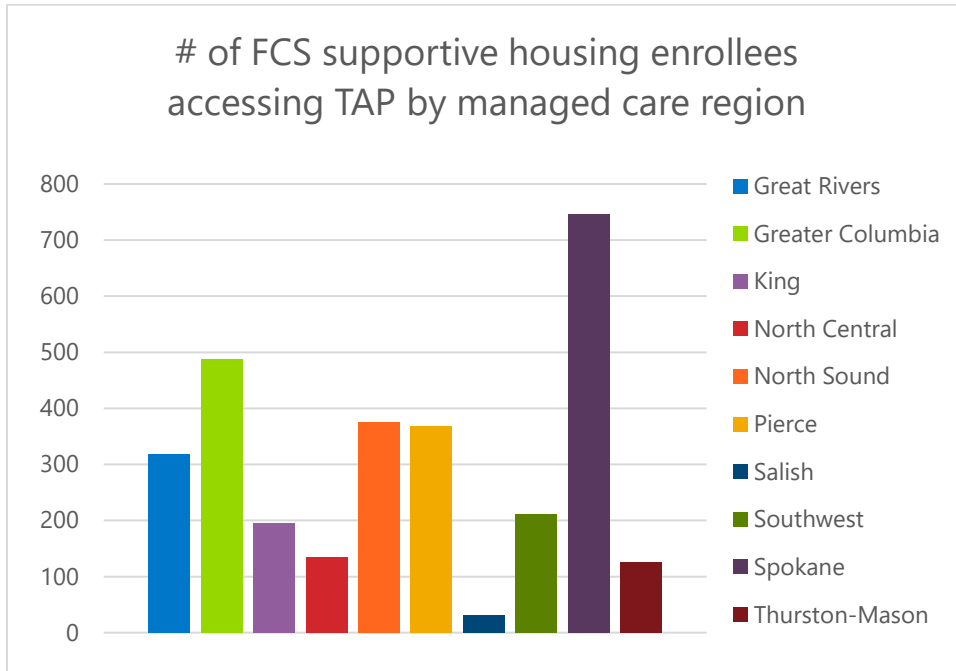
### Service regions

By the close of SFY '23, FCS supportive housing providers in all regions of Washington were accessing TAP, with Spokane County accessing the fund more than any other Managed Care region.

**Table 6: Number of FCS supportive housing enrollees served by TAP by region**

Washington State Managed Care Region	# of FCS supportive housing enrollees accessing TAP
Great Rivers	319
Greater Columbia	488
King	196
North Central	135
North Sound	375
Pierce	369
Salish	32
Southwest	211
Spokane	746
Thurston-Mason	126

**Graph 5: number of FCS supportive housing enrollees served by TAP by region**



## Expenditures

TAP can cover various housing-related costs as FCS supportive housing enrollees take steps to achieve their individual housing goals. TAP aims to cover certain pre-tenancy costs like fees for ID, entering transitional housing, permanent housing applications including background and credit checks, and more.

TAP also covers certain move-in costs and provides funding assistance to individuals as they stabilize in a new home with tenancy support services. TAP may cover home modifications when approved by a property owner and the cost of a reasonably priced mattress, light furnishings, and other housing-related items. These items can help enrollees make their new apartment into a customized home that meets their needs.

TAP aims to lower or remove financial barriers to housing security by covering housing-related costs that may exacerbate housing instability. To spend TAP funding, providers use a [quick reference guide](#) to identify allowable expenditures and the costs that can be paid. Any expenditure requests falling outside the parameters presented in the short reference guide require an ETP request to be submitted to Amerigroup. Commonly approved ETP requests include coverage for past-due rent costs, home essentials and sustainability items, home modifications, and up to several months of interim rent costs.

**Table 7: List of TAP expenditures**

<b>TAP expenditure category</b>	<b>The sum of amounts approved</b>	<b>% of total TAP funds spent</b>
Fees associated with entering transitional housing (i.e., urinalysis)	\$34,058.23	1%
Rental application fees, including background checks and credit checks	\$57,400.29	1%
Move-in fees, including first/last month's rent, deposits, and non-refundable fees	\$2,822,863.44	52%
Identification documents/cards	\$16,601.36	
Moving expense assistance	\$46,984.88	1%
Exceptions to policies (ETPs)	\$2,425,225.40	45%

## Conclusion

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TAP offers timely, flexible funding assistance that enrollees can use to obtain and maintain housing stability along their personalized path. TAP served 2,946 FCS supportive housing enrollees during SFY '22 – '23.

As a short-term funding resource, TAP aims to be combined with longer-term resources when appropriate while covering move-in costs for all individuals actively enrolled in FCS supportive housing. TAP must provide interim funding support to enrollees. HCA continues working with Commerce's Office of Apple Health and Homes and Permanent Supportive Housing to design and implement the benefit of Apple Health and Homes (AHAH).

As a funding resource managed by Amerigroup, TAP offers individuals flexible funding assistance for interim housing opportunities and other housing options. Individuals eligible for the AHAH benefit work with FCS supportive housing providers as they engage program enrollees to obtain housing.

## Next steps

If FCS Housing Subsidies continue to be supported beyond the current biennium, HCA's FCS Housing Subsidy Program manager can continue strengthening the program by pursuing the following goals:

1. Collaborate with FCS supportive housing providers to improve TAP
2. Review data on spending patterns from the first two fiscal years of service
3. Consider establishing a priority population and implement a funding allocation methodology