



Legislation Text

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Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 3/28/22

Requesting Agency: HOST
Division:

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Item Title & Description:

(Do not delete the following instructions)

*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

A resolution approving a proposed Agreement between the City and County of Denver and Denver SIPPRA, LLC, a limited liability company controlled by the Corporation for Supportive Housing to support the Denver Housing to Health (H2H) Pay for Success Project, funded by Social Impact Partnerships to Pay for Results Act (SIPPRA).

Approves a contract with Corporation for Supportive Housing for \$5,512,000 and through 12-31-30 to support Medicaid reimbursement savings for the Denver Housing to Health (H2H) Pay for Success Project, funded by Social Impact Partnerships to Pay for Results Act (SIPPRA) (HOST-202262618). The last regularly scheduled Council meeting within the 30-day review period is on 7-11-22. The Committee approved filing this item at its meeting on 4-6-22.

Affected Council District(s) or citywide? Citywide

Contract Control Number: HOST-202262618

Vendor/Contractor Name (including any "DBA"): Corporation for Supportive Housing

Type and Scope of services to be performed:

The United States Department of Treasury will provide Social Impact Partnerships to Pay for Results Act (SIPPRA) funds to the Department of Housing Stability that will provide funding to for an Intermediary (project lead) for the Denver Housing to Health (H2H) Pay for Success project. This agreement will provide funding for the Denver Housing to Health (H2H) Pay for Success Project, specifically Medicaid reimbursement savings.

The long-term outcomes of this intervention are:

- Improved health (decreased severity of illness, improved mental and physical health)
- Increased access to health services (resulting in decreased visits to detoxification centers and decreased avoidable emergency room and hospital visits)
- Decreased criminal justice involvement (fewer arrests and jail days).

Background

The Social Impact Partnerships to Pay for Results Act (SIPPRA) grant from the U.S. Department of Treasury provides grants to states and localities with the intention of improving the effectiveness of certain social services by utilizing a form of Pay For Results model. Ultimately facilitating the creation of public-private partnerships that bundle philanthropic or other private resources with existing public spending to scale up effective social interventions already being implemented by private organizations, nonprofits, charitable organizations, and State and local governments across the country. With the goal of improving the impact and effectiveness of vital social services programs while redirecting inefficient or duplicative spending.

These SIPPRA funds will be utilized to support The Denver Housing to Health (H2H) Pay for Success project. This project will leverage the infrastructure and partnership established for Denver's pay-for-success Social Impact Bond (SIB), which seeks to break the community-to-jail cycle by increasing housing stability and decreasing jail time among individuals who are high users of the city's resources and experiencing homelessness. Launched in 2016, the five-year Denver SIB is one of the first supportive housing programs funded through the financing mechanism of a social impact bond. To date, the SIB is demonstrating exceptional results for the clients, the investors and the city. The SIB's service partners-Mental Health Center of Denver (MHCD) and Colorado Coalition for the Homeless (CCH), who are also the partners for the proposed project-provide a combination of permanent supportive housing with wraparound services, such as mental health counseling, to help people improve their stability. The Urban Institute serves as the SIB's external evaluator and is conducting a randomized controlled trial (RCT) to measure participants' housing stability and their days spent in jail compared with people who receive services as usual in the community.

Three years into the five-year project, 85% of the 285 participants remain in housing. After one year in housing, 44% of participants did not return to jail, meaning they had a significantly lower number of jail days than members of the target population had before their referral to the program. Though a large share of individuals in the project still have gone to jail, averaging 34 days per year, the number is significantly lower than the estimated 77 average jail days for this target population in the absence of housing, based on data prior to the SIB. To date, the City has paid a total of \$1,025,968 to its eight private investors based on the program's outcomes (those investors contributed \$8.6 million to the program). Based on these results, the City of Denver committed an additional \$2.4 million in funding to expand the program from serving 250 people to 325 in 2018. The program also uses \$2.7 million in federal Low-Income Housing Tax Credits (\$27 million over 10 years) and over \$3.2 million in gap financing provided by the City and State to fund the newly constructed SIB-designated buildings. Denver expects to save between \$3 million and \$15 million by alleviating the homelessness-jail cycle.

Using this same infrastructure that was built for the Denver SIB, H2H will serve a new target population-homeless individuals who have a record of at least eight arrests over the past three years in Denver County, were experiencing homelessness at the time of their last arrest, and are at high risk for avoidable and high-cost health services paid through Medicaid, including services received at Denver Health and Hospital Authority (Denver Health). H2H's theory of change is that net Medicaid and Medicare expenditures will be reduced by providing this population with supportive housing with a modified assertive community treatment (ACT) model with wraparound support. The intermediate outcome goals of this intervention are:

- Increased housing stability (reduction in homelessness)
- Decreased police contacts (reduced alcohol and drug use, trespassing, panhandling)
- Increased access to health services (mental and physical health care, substance abuse treatment, and preventive, office-based care).

The long-term outcomes of this intervention are:

- Improved health (decreased severity of illness, improved mental and physical health)
- Increased access to health services (resulting in decreased visits to detoxification centers and decreased avoidable emergency room and hospital visits)
- Decreased criminal justice involvement (fewer arrests and jail days).

These goals will lead to the intended program SIPPRA payment outcome of reducing net federal health care expenditures. The Colorado Department of Health Care Policy and Financing, which manages Medicaid for the state, has agreed to partner with this project's applicant, the Denver Department of Finance (DOF), by providing access to the data needed to determine whether this outcome is met (see its attached letter of commitment). H2H's other intended outcomes include decreased arrests and fewer jail days, but payments associated with those outcomes will be covered by the City and County of Denver, similar to the existing SIB.

Location (if applicable):

WBE/MBE/DBE goals that were applied, if applicable (construction, design, Airport concession contracts): N/A

Are WBE/MBE/DBE goals met (if applicable)?

Is the contract new/a renewal/extension or amendment? New

Was this contractor selected by competitive process or sole source? Identified in the SIPPRA application

For New contracts

Term of initial contract: April 29, 2022 - December 31, 2030

Options for Renewal:

How many renewals (i.e. up to 2 renewals)?

Term of any renewals (i.e. 1 year each):

Cost of initial contract term: \$5,512,000

Cost of any renewals:

Total contract value council is approving if all renewals exercised:

For Amendments/Renewals Extensions:

Is this a change to cost/pricing; length of term; terms unrelated to time or price (List all that apply)?

If length changing

What was the length of the term of the original contract?

What is the length of the extension/renewal?

What is the revised total term of the contract?

If cost changing

What was the original value of the entire contract prior to this proposed change?

What is the value of the proposed change?

What is the new/revised total value including change?

If terms changing

Describe the change and the reason for it (i.e. compliance with state law, different way of doing business etc.)