Housing Vouchers
Impact on healthcare costs over time

Issue Overview

Policy makers and practitioners are recognizing that housing and neighborhood environments impact health and well-being, but there is limited evidence on the relationship between neighborhood poverty and long-term health care use.

In an experimental program called the Moving to Opportunity for Fair Housing Demonstration Project, the U.S. Department of Housing and Urban Development enrolled 4,604 families living in public housing developments or in high-poverty neighborhoods in five cities (Baltimore, Boston, Chicago, Los Angeles, and New York) from 1994-1998.

Households were randomly selected to 1) receive a housing voucher that needed to be used in a low-poverty neighborhood, 2) receive a housing voucher without neighborhood restrictions or 3) a control group.

Researchers linked households to hospital discharge data and Medicaid data across two decades to evaluate whether housing policies that reduce exposure to high-poverty neighborhoods were associated with differences in long-term hospital use and spending.

Takeaways

As policy makers increasingly consider programs designed to help families rent homes in lower poverty neighborhoods, it is important that they factor in the potential for health care savings in addition to the higher earnings and rates of college attendance demonstrated by prior research.

Health care payers may have an important stake in programs designed to enable housing mobility as well as place-based strategies that lower neighborhood poverty exposure for young children.

Key Findings

Children whose households received a housing voucher during childhood were admitted to the hospital fewer times and incurred lower hospital costs in the subsequent two decades compared to children whose households did not receive housing vouchers.

- Children who were aged 17 or younger when their families received a housing voucher had 15% fewer hospitalizations during long-term follow-up than children who did not receive a voucher.

- Young children - aged 12 or under when their families received a housing voucher - had, on average, $196 lower hospital costs per year. After accounting for households that received a voucher but did not use it, hospital costs were $323 lower per year.

- Yearly hospital costs were $152 lower, on average, for each 10 percentage point reduction in neighborhood poverty to which young children were exposed.

- There were no differences in the rates of hospitalizations or costs among those who were adults when their households received a housing voucher and no differences in emergency department use among adults nor children who received a voucher compared to those who did not receive a voucher.

Papers and Contact Information


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