



# HOW HOUSING MATTERS 2016 CONFERENCE



## Investing in Affordable Housing to Promote Community Health

A profile on the UnitedHealthcare Community & State partnership  
with Chicanos Por La Causa

**BY JANET VIVEIROS** National Housing Conference

**The MacArthur Foundation's How Housing Matters to Families and Communities initiative explores the notion that affordable housing may be an essential "platform" that promotes a wide array of positive human outcomes in education, employment, and physical and mental health, among other areas. The National Housing Conference is the host of the 2016 How Housing Matters Conference and produced this and other case studies that will form the basis of discussion at that event.**

## PARTNERS

**UnitedHealth Group** is a highly diversified health and wellbeing company that serves the markets for health benefits through UnitedHealthcare and the growing markets for health services through Optum. The UnitedHealthcare and Optum businesses provide medical benefits to people residing in all 50 states in the United States. UnitedHealthcare Community & State, one of UnitedHealth Group's four health benefits companies, is dedicated to providing diversified solutions to states that care for the economically disadvantaged, the medically underserved and those without benefit of employer-funded health care coverage.

UnitedHealthcare Community & State participates in programs in 24 states plus Washington D.C. serving more than 5.8 million beneficiaries of acute and long-term care Medicaid plans, the Children's Health Insurance Program (CHIP), Special Needs Plans and other federal and state health care programs.

**Chicanos Por La Causa (CPLC)** is a community development corporation (CDC) and supportive service provider operating throughout the Southwest and is the largest CDC in Arizona. CPLC has particular expertise in serving the Latino community, though it offers services to all low- and moderate-income people. Its services are holistic and include economic development, education, health and human services, and housing development and services.

Housing is one of several important social determinants (social and economic factors) that have a significant impact on a person's health. Health care reform has shifted the health care landscape from focusing only on treating illness and injury to also promoting health and wellness, as well as looking at the larger environment that impacts health through such factors as housing. This is leading health care providers and payers (e.g., insurance companies) to consider how to broaden their approach to providing and paying for interventions that address social determinants of health. This profile assesses a Medicaid managed care organization's \$20 million investment in an affordable housing development in Phoenix, Arizona to tackle the severe affordable housing needs of their low-income members and the community.

## Improving Health through Investment in Affordable Housing and Services

UnitedHealth Group has increasingly recognized the important role that social determinants of health play regarding the health of their members and the health of the communities in which they live. This evolution of understanding has come at a time when the entire health sector is reconsidering its role in the context of health care reform with the Affordable Care Act and Medicaid expansion. In response to growing recognition of the importance of social determinants of health, UnitedHealth Group began exploring how the connection between

housing, social services, and health should inform its investment strategies in order to extend its impact.

Over the last 10 years, UnitedHealth Group has invested over \$300 million in Low-Income Housing Tax Credits (LIHTC) with assistance from organizations like Enterprise Community Partners. In the last 5 years, the company has decided to aim its LIHTC investments toward the development of affordable supportive housing for the most vulnerable individuals who are often homeless or at-risk.





More recently, as UnitedHealth Group continually assesses its investment strategy, it has seen the need to use more flexible approaches to investing in affordable housing and community development in order to achieve a greater impact than is typically possible with LIHTCs. UnitedHealth Group's UnitedHealthcare Community & State health benefits company, which administers Medicaid managed care plans, found that most of their plan members earn 35 percent or less of the area median income. Many affordable housing developments, particularly those financed with LIHTCs, are not able to effectively target households at this income level without additional subsidies which currently are significantly underfunded. UnitedHealthcare Community & State members have a spectrum of health care needs which require varying degrees of health and social services. Aligning investment in affordable housing development to impact the supply of affordable housing for members may substantially impact health care service needs and reduce costs, especially when housing is paired with services.

As a result, UnitedHealth Group has begun to explore a new approach by providing access to capital to assist Chicanos Por La Causa in creating an affordable, multifamily housing complex and delivering supportive services to residents. This work is part of UnitedHealthcare's myConnections program to address economic and social factors that affect individuals' and families' ability to maintain good health. According to Jenny Ismert, Vice President of Health Policy at UnitedHealthcare Community & State, "the myConnections program evolved out of recognition that the company must address social determinants of health more directly in order to have a major impact on health outcomes and has expanded its investment



strategy to more closely align with member needs." The goal of the pilot program is to enable UnitedHealth Group to make an impact on the social determinants that influence the health of their members and the communities they live in, and to accomplish this by investing in supportive and social services, increasing the affordable housing stock, and upgrading IT infrastructure to facilitate data sharing.

According to the National Alliance of Community Economic Development Associations, the first myConnections project to get underway was a partnership with CPLC. In 1980, CPLC began offering workforce development services in the low-income Maryvale neighborhood of Phoenix, Arizona. Over the years it expanded service offerings in the community and began to develop and manage affordable housing with its for-profit development subsidiary. In 2010, CPLC received funds from a federal Neighborhood Stabilization Grant for creating a community center to centralize its services in Maryvale, with space for a medical and dental center run by local providers.

In 2011, CPLC approached UnitedHealthcare Community & State, knowing it served many Maryvale residents, to explore the idea of creating a partnership that could expand the supportive services offered at the Maryvale community center. UnitedHealthcare saw the value of connecting with CPLC to offer its Medicaid members and others comprehensive support and health services. The initial partnership agenda consisted of UnitedHealthcare creating an IT system to coordinate and track data from the many services offered at the Maryvale community center, and facilitate referrals to external service providers. A subsequent pilot nutrition program for a group of UnitedHealthcare members with diabetes was found to be effective in reducing blood sugar levels and emergency room visits, and thus the partnership expanded.

In 2015, UnitedHealthcare launched the myConnections pilot project in partnership with CPLC which provided funding for staffing at the Maryvale Community Center, including a housing navigator, an employment navigator, and community health workers to help clients access services. The myConnections project aims to create places with comprehensive services that address community members' full social and health needs, with assistance from other local service providers. As the partnership between CPLC and UnitedHealthcare developed and deepened, CPLC approached UnitedHealthcare again with another opportunity to partner on the redevelopment of a 500-unit apartment building in Maryvale. UnitedHealthcare decided to directly extend \$20 million of low-interest financing to CPLC for the project. The complex, when complete, will include a mix of affordable units and market-rate apartments, with the affordable units being reserved for very low-income myConnections clients.

## CONTACT

**Jenny Ismert**, Vice President  
Health Policy, UnitedHealthcare  
Community & State

**Tom McGlinch**, Vice President,  
Treasury Investment Management,  
UnitedHealth Group

**Steven Henry**, Director,  
Treasury Investment Management,  
UnitedHealth Group  
[www.unitedhealthgroup.com](http://www.unitedhealthgroup.com)

### SOURCE

Duffrin, Elizabeth. "Playing Matchmaker for UnitedHealthcare and an Arizona Neighborhood," *People & Places Blog*. September 30, 2016. National Alliance of Community Economic Development Associations. Retrieved from: [https://naceda.memberclicks.net/index.php?option=com\\_dailyplanetblog&view=entry&year=2016&month=09&day=29&id=57%3Aplaying-matchmaker-for-unitedhealthcare-and-an-arizona-neighborhood&Itemid=171](https://naceda.memberclicks.net/index.php?option=com_dailyplanetblog&view=entry&year=2016&month=09&day=29&id=57%3Aplaying-matchmaker-for-unitedhealthcare-and-an-arizona-neighborhood&Itemid=171).

Photos: iStock



1900 M Street, NW  
Suite 200  
Washington, DC 20036  
p 202 466 2121 | f 202 466 2122  
[info@nhc.org](mailto:info@nhc.org)  
[www.nhc.org](http://www.nhc.org)

## Overcoming Challenges

### Navigating different systems.

UnitedHealth Community & State saw an opportunity to partner with CPLC and invest in CPLC's affordable, multifamily housing development and efforts to deliver supportive services to residents. The partnership and approach to financing was new and each organization had to quickly learn and adjust to ensure the success of the partnership. UnitedHealth Group and CPLC have had to be creative and flexible in their partnership in order to accommodate differences in processes and priorities. These include the different timelines that each organization relies on for financial investments and development projects; the different financial structures typically employed for deals; and the different legal structures used for creating partnerships. There was also the need to obtain approval from insurance regulators. Navigating all this "took patience and consistent leadership from both organizations," according to Tom McGlinch, Vice President of Treasury at UnitedHealth Group, in order to obtain support for a new kind of deal. In addition, the two organizations managed risk differently and they had to develop compromises to address both sets of concerns.

**Learning a new system.** Another challenge UnitedHealth Group encountered was learning how, as a large national company, to partner with a local/regional group. Both organizations had to dedicate time to learning the other's "language," as there were disparities both with the focus and the scale of their work. Not only did CPLC and UnitedHealth Group encounter unfamiliar terms in each other's dialogue and documentation, they also had to learn the fundamentals of each other's work to understand the priorities and challenges each faced in

creating the strategies that overcame barriers. It is critical for affordable housing developers, community developers, and service providers interested in partnering with insurers and other health organizations to identify the priorities of state Medicaid and insurer organizations and to "develop their value stories," according to Ismert. This will allow them to help the health organizations understand how a partnership could be mutually beneficial. CPLC's value story encompassed its long history of effectively serving the community in which many UnitedHealth Community & State members with complex health and social needs lived, and its ability to offer social services that could improve the health outcomes of those members.

**Measuring impact.** This collaboration and investment is an early stage concept for UnitedHealth Group and the project is still in a developmental phase. However, UnitedHealth Group is thinking creatively about how it will measure and evaluate both the short- and long-term impact of this kind of investment. UnitedHealth Group wants to think beyond health care utilization measures to holistically evaluate health, wellbeing, and improvements in other areas of members' lives. This knowledge will also inform UnitedHealth Group's policy engagement around health care reform and the kinds of services that could be covered by state Medicaid programs wishing to have a greater impact on member health and wellbeing.

## MacArthur Foundation

This brief was prepared by the **National Housing Conference** with funding from the **John D. and Catherine T. MacArthur Foundation**. Any opinions or conclusions expressed are those of the author alone.