



NATIONAL COALITION *for* HOMELESS VETERANS

“Estimating Cost Savings Associated With HUD-VASH Placement”

Byrne, T., Roberts, C. B., Culhane, D. P., & Kane, V. / [Full Report](#)

Quick Takeaways:

- In comparison to other VA housing programs, for veterans housed through HUD-VASH there is an average net savings of \$5,758 per veteran over a two-year period.
- For veterans 55 and older housed through HUD-VASH, the average total net savings is \$15,125 over a two year period.
- Veterans housed through HUD-VASH show significant decreases in health costs, with most of the savings coming in the first year.

Study:

Researchers analyzed data from VA electronic medical records and the VA’s Homeless Operations Management and Evaluation System (HOMES). They compared three groups of veterans: those housed through HUD-VASH, those in other VA homeless programs (i.e. Grant and Per Diem, Healthcare for Homeless Veterans Emergency Shelter, and Domiciliary Care for Homeless Veterans), and a control group of veterans who qualified for Medicaid but were not homeless. This control group allowed researchers to compare veterans who were low-income but housed to veterans who were homeless. Researchers analyzed these three groups as a whole and also analyzed the groups using only veterans aged 55 and older. They examined the health costs of veterans before entering a program, and then the costs at the first and second year.

Researchers used propensity score matching to control for a number of factors such as race, gender, mental illness, and substance abuse.

Findings:

In comparison to other VA housing programs (Grant and Per Diem, Healthcare for Homeless Veterans Emergency Shelter, and Domiciliary Care for Homeless Veterans), the average net cost savings for veterans housed through HUD-VASH was \$5,758 and \$15,125 for veterans 55 and older, over a two year period. The bulk of reduced costs came in the first year, as veterans reduced their use of expensive inpatient services in favor of outpatient services and a reduced need for utilization. Cost savings continued into the second year of the study, but researchers found that in the first year that health costs could reduce by as much as two thirds.

Conclusion:

The reduction in health costs and other costs for HUD-VASH far outweighed the cost of housing and administration, and the amount of savings was even more pronounced for veterans ages 55 and older.

Byrne, T., Roberts, C. B., Culhane, D. P., & Kane, V. (2014). Estimating Cost Savings Associated with HUD-VASH Placement. *Research Brief, National Center on Homelessness among Veterans*, 1-7.