Benjamin Carson Sr., MD  
Secretary  
U.S. Department of Housing and Urban Development  
457 Seventh Street S.W.  
Washington, D.C. 20410

Ref: DR-6124-P-01 Housing and Community Development Act of 1980: Verification of Eligible Status

Dear Secretary Carson:

Thank you for the opportunity to comment on the above-captioned proposed rule. America’s Essential Hospitals is concerned that the proposed changes to eligibility requirements in federal housing assistance programs will result in families losing access to safe, affordable housing and have negative downstream effects on health care access and outcomes.

America’s Essential Hospitals is the leading champion for hospitals and health systems dedicated to providing high-quality care to all. While our members represent just 6 percent of hospitals nationally, they provide 23 percent of all charity care nationwide, or about $5.5 billion, and 17.4 percent of all uncompensated care, or about $6.7 billion. Charity and uncompensated care are provided at reduced rates or no cost for low-income patients without insurance or the means to cover their cost sharing responsibilities. The high cost of providing care to low-income and uninsured patients leaves essential hospitals with limited financial resources. Even with their limited means, our more than 300 member hospitals demonstrate an ongoing commitment to serving vulnerable patients. Essential hospitals provide specialized services that their communities otherwise would lack (e.g., trauma centers, emergency psychiatric facilities, burn care); expand access with extensive networks of on-campus and community-based clinics; furnish culturally and linguistically appropriate care; train health care professionals; supplement social support services; and offer public health programs.

Essential hospitals continually are called to meet the complex clinical and social needs of the patients that come through their doors. Our members provide comprehensive ambulatory care through networks of hospital-based clinics that include onsite features—radiology, laboratory, and pharmacy services, for example—not typically

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offered by freestanding physician offices. Their ambulatory networks also offer behavioral health services, interpreters, and patient advocates who can help patients with complex needs access support programs.

Essential hospitals’ commitment to caring for all people has made them providers of choice for patients, including the vulnerable. Racial and ethnic minorities made up 53 percent of member discharges in 2017. Further, in 2017, three-quarters of essential hospitals’ patients were uninsured or covered by Medicaid or Medicare. Our members work tirelessly to improve individual and population health by reducing disparities and promoting equitable, efficient care delivery.

Essential hospitals are uniquely positioned to tackle complex clinical and social needs. Our members are engrained in their communities as trusted and central resources. They reach outside their walls and into the community to address factors beyond clinical care that influence a person’s health, including their social, economic, and environmental circumstances. More specifically, these factors are referred to as social determinants of health (SDOH) and can include housing instability, food insecurity, lack of access to transportation, and interpersonal violence. Given the important connection between stable housing and positive health outcomes, we submit the following comments to the Department of Housing and Urban Development (HUD).

1. **HUD should not finalize changes to eligibility requirements for federal housing programs that will decrease access to housing, and ultimately worsen health outcomes.**

Under current regulations, families with mixed immigration status can receive federal housing assistance through Section 214 of the Housing and Community Development Act of 1980, prorated to the number of family members with verified eligible immigration status. The proposed rule affects both public housing and Section 8 housing assistance programs. HUD proposes changes that specifically affect mixed-status families. First, the agency proposes requiring verification of immigration status for all recipients of assistance under age 62 through the Systematic Alien Verification for Entitlement (SAVE), administered through the Department of Homeland Security (DHS). Under prior rulemaking, individuals could opt not to contend to have an eligible immigration status and not submit documentation for verification. As proposed, HUD would now prohibit long-term prorated housing assistance for mixed-status households with individuals who lack verified status. As a result, only households in which each member (including those over age 62) is of verified eligible status would be eligible for assistance. Further, the agency now would stipulate that individuals without a verified, eligible immigration status may not serve as the head of a household or spouse, thus making them ineligible to be the holder of the lease.

America’s Essential Hospitals is concerned about the impact of these changes on access to safe, affordable housing for already vulnerable families and communities, as well as the ultimate health effects on mixed-status families. In its own regulatory impact analysis, HUD recognizes that “fear of the family being separated would lead to prompt

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2 Ibid.
evacuation by most mixed households, whether that fear is justified,” meaning up to 108,000 individuals in mixed-status families are at risk of losing housing due to the proposal. These displaced households are estimated to incur costs totaling $9.5 million to $13 million in upfront costs associated with moving to new homes. While some HUD programs would allow these families to stay in their current apartments, they would be expected to forgo any federal financial assistance and instead pay market-rate rents. In other cases, the changes would result in eviction. In either case, these costs will be untenable for many families, who required federal housing assistance to make ends meet. Non-citizen families are more likely to face housing cost burdens, compared with U.S. citizens, in part because immigrants disproportionally live in states with high housing costs.3

The ultimate effect of this change is a nearly impossible choice for many families: split up by having ineligible family members leave the household and maintain the remaining family members’ eligibility, or forgo housing assistance and risk housing instability and homelessness. Seventy percent of mixed-status households consist of eligible children and ineligible parents, making this separation unrealistic for most families.

Issues associated with housing have profound impacts on health. The most dramatic of these is homelessness, but housing instability also includes difficulty paying rent, spending more than 50 percent of household income on housing, frequently moving, living in overcrowded conditions, or staying with friends and relatives. Housing instability and poor health can create a vicious cycle. Homelessness and unstable housing produce significant stress and make it difficult to adhere to medications, a healthy diet, and proper hygiene. The likelihood of each of these scenarios will significantly increase for families that lose access to federal housing benefits due to the proposed policies.

Communities served by essential hospitals include more than 360,000 homeless individuals.4 These individuals are more likely to use the emergency department and be admitted to the hospital for conditions that would have been amenable to primary care.5 Several essential hospitals work to overcome this social risk factor by offering temporary housing or long-term rental assistance, developing new affordable housing capacity, and other approaches. For example, an essential hospital in Maryland developed and operates hundreds of affordable housing units in the neighborhood surrounding the hospital, partnering with local organizations to build the housing facilities and coordinate related services for residents. In Illinois and Vermont, essential hospitals provide temporary housing and case management to meet the needs of homeless patients. But essential hospitals cannot solve this problem alone. Public policies,

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including at the federal level, are a critical component to addressing housing instability and homelessness.

Housing instability also threatens public health. Homelessness increases the risk of communicable disease, including sexually transmitted diseases and tuberculosis. The stability that comes with access to safe, long-term housing allows families to better manage their health. They are more likely to receive regular medical care, case management, mental health care, and even increased employment opportunities. Mixed-status families affected by the proposed policies will suffer not only a loss of housing, but also a loss of opportunity to thrive in their community and live a healthy life. America’s Essential Hospitals urges HUD to recognize the critical link between stable housing and positive health outcomes by not moving forward with this proposal.

2. HUD should not implement changes that will exacerbate challenges of already vulnerable populations.

The proposed rule would compound problems created by previous immigration policy proposals and create additional obstacles for vulnerable patients to access vital services. In 2018, DHS released a proposed rule that would revise the definition of “public charge,” as it is used by immigration officials, to include public benefits such as non-emergency Medicaid benefits and Section 8 housing assistance. America’s Essential Hospitals urged the administration to withdraw its proposal, as it would cause irreversible harm to the efforts of health care providers on the front lines of caring for the nation’s vulnerable patients. Including Medicaid in the public charge definition would deter otherwise-eligible individuals from enrolling in Medicaid and cause many of those currently receiving Medicaid to disenroll from the program. Even before DHS issued the proposed rule, state agencies administering the Special Supplemental Nutrition Program for Women, Infants, and Children reported disenrollment rates up to 20 percent earlier this year. Other research shows that for the first time since 2007, enrollment in the Supplemental Nutrition Assistance Program dropped by 20 percent. Recent research conducted after the publication of the proposed rule has confirmed that individuals otherwise eligible for health benefits are forgoing enrollment due to fear and confusion about the rule. One in five low-income individuals in immigrant families avoided enrolling in public benefit programs, including housing benefits, due to fear of immigration consequences.

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As part of an analysis of the proposed rule, Manatt Health calculated the hospital Medicaid payments at risk for the 13 million beneficiaries likely to experience a chilling effect from this proposal. Based on Medicaid and Children’s Health Insurance Program (CHIP) payment data from 2016, hospitals could lose up to $17 billion annually in payments from these programs. This impact would be especially pronounced for essential hospitals—while essential hospitals constitute only 4 percent of hospitals in the analysis, $4.5 billion in at-risk Medicaid and CHIP payments at essential hospitals make up 26 percent of the total at-risk amount. This disproportionate impact would be unsustainable for essential hospitals, which operate on margins a fraction that of other hospitals and provide significantly more uncompensated care. If the proposal goes into effect, the chilling effect and the associated decline in Medicaid revenues would result in a further increase in uncompensated care.

HUD’s plan would exacerbate the financial strain other proposals, like the public charge changes, have placed on essential hospitals. The public charge proposal already is decreasing Medicaid enrollment in communities served by essential hospitals. On top of that decline, up to 108,000 individuals are likely to face housing instability and homelessness under HUD’s proposal. As discussed in the previous section, lack of safe, affordable housing leads to worse health outcomes and threats to public health. **HUD should not implement these proposed changes, which harm essential hospitals already feeling the financial strain of other recent regulatory changes.****

America’s Essential Hospitals appreciates the opportunity to submit these comments. If you have questions, please contact Senior Director of Policy Erin O’Malley at 202-585-0127 or emalley@essentialhospitals.org.

Sincerely,

Bruce Siegel, MD, MPH
President and CEO