



## Introduction

- "...enormous sums of money are already being spent on the chronically homeless, and...The kind of money it would take to solve the homeless problem could well be less than the kind of money it [would take] to ignore it."
  - Malcolm Gladwell, Author of "Tipping Point" New Yorker, January 2006
- While living on the streets the chronically homeless use the most expensive city services.
  - Detox treatment and emergency rooms are among the most costly.
- ✓ ***Housing and treatment programs are cost-effective.***
  - Among the 82 Denver CARES detox clients who participated in treatment for one full year, **admissions dropped by 76%**. {Admissions fell from 3,701 to 899 after clients completed one year in the program.} Based on the average cost per admission **this represents a savings of over a half million dollars** (\$510,566) that would have otherwise been expended on detox services.
  - A recent two-year study by the Colorado Coalition for the Homeless showed **Denver has a net savings of \$4,745 per person per year by moving chronically homeless people into housing and treatment.** That means the city is likely to save over \$1.5 million a year. (This number represents the cost savings realized by a reduced use of emergency services plus the cost of providing housing.)
- ✓ ***Costs savings must be reinvested.***
  - Cost savings demonstrate Denver's Road Home is working, **yet we have a long way to go before homelessness is ended in Denver.** Last year, Denver still had over 3,900 homeless men, women and children.
  - **Cost savings must continue to be reinvested into housing and treatment services if the number of homeless in Denver is to continue dropping.** {Two years into Denver's Road Home, overall homelessness fell by 11% and chronic homelessness dropped by 36%.}

## Denver CARES

Denver CARES is Denver Health's addiction rehab and detox facility that provides treatment and services to public inebriates. The information below is from Denver CARES 2007 3<sup>rd</sup> Quarter Report, published December 2007, and reflects outcomes of CHaRT, a substance abuse treatment program managed by Arapahoe House.

- Treatment: 25 homeless people who were the highest users of Denver CARES logged a cumulative total of 2,657 admissions, an average of over 100 nights.
- One year prior to enrollment in a Denver CARES treatment program, admission for 124 program clients totaled 4,613. After one-year of treatment, admissions for these clients were 1,113. This translates to a 3,500 difference in admissions; a 74% reduction in detox use.

- The daily cost of admissions to Denver CARES is approximately \$200. The combined impact of these treatment programs is a reduction of 3,500 admissions for individuals receiving treatment for one year. This is a \$700,000 reduction in previous detox services.
- After one year in housing, there was a 79.6% reduction in admissions to a cumulative total of 541 admissions in a year.
- 9 of 11 clients (91%) who were in the Housing phase of the program at the end of the second quarter remain in Housing at the end of the third quarter.
- Average Daily census for Denver CARES detox is down to 64.7 persons in 2007 from a daily average census of 71.3 in 2005, the first year of Denver's Road Home. This has resulted in a 9.2% reduction in two years.

### **County Jail**

#### *Cost Estimates provided by Denver's Budget Office*

- Bookings and subsequent incarcerations of homeless persons in the County Jail declined 22% in 2.5 years.
- The average cost of booking an individual into jail is \$101.85
- The number of bookings of homeless individuals declined 786 bookings representing a 22% reduction.
- The cost savings of reduced bookings is just under \$175,000 a year. Assuming these reduced bookings reduces subsequent jail time, the jail savings is \$1.8 million annually.

### **Denver Housing First Collaborative**

In December 2006, The Colorado Coalition for the Homeless finished a two year study that tracked people who entered the city's Housing First program. Under the program, the most hard-core homeless people were placed in housing and immediately steered into treatment for mental illness and substance abuse. Most of those tracked for the study had lived on the streets for years. The study showed:

- **Cost Savings from Reduced Use of Emergency Services:** Those who entered the program experienced dramatic declines in visits to hospitals, detox facilities and jail. The homeless people surveyed had run up an average tab of \$43,239 in costs for emergency services in the two years before entering the program. That number dropped to \$11,694 after they were housed. That is an average savings of \$31,545 per participant.
- **The Costs of Housing and Services:** It costs an average of \$26,800 per person per year to provide housing and services under Housing First. (When living on the streets, participants had a \$0 cost of housing.)
- **Net Savings:** Added together (the -\$31,545 in cost savings and the \$26,800 in housing and services), Denver has a net savings of \$4,745 per person per year when chronically homeless people are moved into housing and treatment. This will likely save the city more than \$1.5 million a year.

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