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New Study Shows Local Program Reduces Homeless' Public Healthcare Costs by 75%

*ACES initiative faces financial crisis at the same
time analysis proves significant cost-savings*

(Indianapolis) – The positive change in the lives of the homeless and near-homeless persons who have participated in the Action Coalition to Ensure Stability (ACES) project has been nothing short of dramatic. Now, a new study shows that the reduction in those individuals' public healthcare costs is equally as remarkable.

The results of the new analysis of ACES, a Choices, Inc. partnership with Midtown Community Mental Health Center that assists those who are homeless or at risk for homelessness and who have struggled with both mental illness and substance abuse, demonstrate a 75-percent reduction in public healthcare costs when comparing participants' pre- and post-enrollment medical charges.

These charges accounted for a \$9000 per-person reduction for the 49 ACES clients who were studied. When extrapolated to the entire 121 clients disenrolled from the project after Sept. 1, 2004, **the result is an estimated savings of over \$1 million.**

“ACES has already established itself as an effective model of care for these vulnerable folks, getting them off the streets, into housing and back into the community,” said Brent Matthews, program director for ACES. “But today we know that not only is the program helping people get better, it's also reducing costs in our public healthcare system.

“When people are homeless, or on the brink of being homeless, most often they turn to expensive services provided by the public sector, such as inpatient hospitalization and emergency rooms,” Matthews said. “When ACES steps in, and provides a coordinated, individualized system of care, that reliance on public healthcare drops, and so does the funding needed for that healthcare.”

News of ACES' cost-savings to the public comes as the award-winning seven-year-old program faces a financial crisis. While it has been supported by funds from both private and public entities since its inception, **ACES may be forced to cease operations by the end of November** if no new monies are committed to its efforts aimed at addressing housing; mental and emotional stability; sobriety and recovery; employment; education; and, self-sufficiency.

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“ACES is a key component of Indianapolis’ groundbreaking *Blueprint to End Homelessness*, a 10-year plan to address homelessness,” said Dan Shepley, executive director of the Coalition for Homelessness Intervention and Prevention (CHIP), the lead agency for the *Blueprint’s* implementation. “It is making a huge impact on Marion Co.”

“This is one of those rare situations when a social justice issue and fiscal responsibility actually go hand-in-hand,” added Pat Wachtel, CHIP board member. “ACES has already had to cut six people from its staff, and reduce the number of clients it can accept from 200 to 135. We can’t let this get any worse. And in fact, we have to find a way to ensure that this extraordinary project – and others like it – continues on a long-term basis.”

Forty-seven-year-old Indianapolis resident Valerie Blackburn is an example of ACES’ effectiveness. She is among the over 80 percent of the project’s enrollees who are now making a new life for themselves thanks to the supported-housing approach of ACES.

“When you’re dealing with mental illness, addiction and homelessness all at the same time, you’re overwhelmed and you’re not used to using the ‘normal’ assistance programs that are out there. You’re not used to living normally anymore,” Blackburn said. “With ACES, they make a specific plan of action for your situation and coordinate the programs you need. And, if you mess up, they don’t kick you to the curb.”

During today’s announcement of the new cost-savings data, which took place at ACES’ offices near downtown Indianapolis, both CHIP and ACES staff thanked the many private and public organizations that have provided monies for the project.

The list of ACES supporters includes: the Nina Mason Pulliam Charitable Trust; the Indianapolis Foundation, an affiliate of the Central Indiana Community Foundation; Lilly Endowment; Citizens Gas; Jim Irsay; United Way of Central Indiana; Indiana Housing and Community Development Authority; Midtown Community Mental Health Center, a division of Wishard Health Services.

“ACES is simply a better way of doing business,” Matthews concluded. “It’s a comprehensive, coordinated system of care that’s helping people get the housing and support they need for successful living.”

Lilly Endowment, through United Way of Central Indiana, funded the ACES study, which was conducted by the School of Public and Environmental Affairs’ Center for Health Policy at Indiana University-Purdue University Indianapolis. To obtain a summary, go to <http://www.choicesteam.org> or <http://www.chipindy.org>.

Additional cost analysis is currently being conducted on the impact of healthcare, judicial and law enforcement expenses for individuals who remain homeless. This analysis is expected to be completed later this year.

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