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**Penobscot Community
Health Care**

February 23, 2024

Senator Rotundo, Representative Sachs and Honorable Members of the Joint Standing Committees on Appropriations and Financial Affairs *and* Housing:

My name is Lori Dwyer, President & CEO of Penobscot Community Health Care, a federally qualified health center headquartered in Bangor, Maine. I am testifying in support of funding to support emergency housing, specifically funding for low barrier emergency shelters.

PCHC employs 900 staff and serves nearly 60,000 people spanning 3 counties in Maine. Among our services is the Hope House Health and Living Center, which provides food, shelter, medical, mental health, and substance use disorder treatment services to thousands each year. The shelter itself serves about 350 unique individuals each year.

I am here to share with you the existential threat to low barrier shelters,¹ and how a relatively small investment can shore this low-cost solution. The collective annual deficit the low barrier shelters in Maine face is nearly \$4 million. At Hope House, our 2024 projected deficit is about \$800,000. The low barrier shelters have requested a total of \$2.5 million from the State, which would cover about 62% of that cumulative deficit. Our goal is to cover the remaining funding gap through opioid settlement funds and other private sources. We are not looking to the state budget for the entire solution, but we do need your immediate support for the request before you.

Some important context first:

- Maine has seen a steep increase – a quadrupling - in the number of people experiencing homelessness in just the past 2 years (from 1,097 in 2021 to 4,248 in 2023).²
- The number in Maine is nearly double that of New Mexico (a comparably sized, rural state), and more than double that of other rural states (Idaho, Montana, Utah).
- The number of people experiencing homelessness in Maine is significantly higher than all other New England states except Massachusetts.³
- Maine's *rate* of homelessness is higher than all New England states except Vermont, and on par with states like California, Oregon, and Washington.⁴

¹ A "Low Barrier Shelter" is defined under the Homeless Solutions Rule as "an Emergency Shelter that does not require any of the following for a client to stay at the shelter: (i) criminal background checks, (ii) credit checks or income verification, (iii) program participation, (iv) sobriety, or (v) identification." 99-346 MAINE STATE HOUSING AUTHORITY, Chapter 19, Sec. 1(T). <https://www.mainehousing.org/docs/default-source/msha-rules/19--homeless-solutions-rule.pdf>. Low barrier shelters serve the most vulnerable within this already vulnerable population. In practical terms, this means we meet people where they are, and require no adherence to treatment plans, engagement with services, abstinence or any other imposed rules or criteria (except safety), and thus are faced with challenging and nuanced interactions with guests who come to the shelter having experienced significant trauma and estrangement from their natural social supports.

² Maine State Housing Authority 2023 Point in Time Count. [https://www.mainehousing.org/docs/default-source/housing-reports/2023-point-in-time.pdf?sfvrsn=e1c28015_5#:~:text=HUD%20requires%20the%20counts%20occur,Management%20Information%20System%20\(HMIS\)](https://www.mainehousing.org/docs/default-source/housing-reports/2023-point-in-time.pdf?sfvrsn=e1c28015_5#:~:text=HUD%20requires%20the%20counts%20occur,Management%20Information%20System%20(HMIS))

³ 2023 Annual Homelessness Assessment Report (AHAP) to Congress, accessed at <https://www.hud.gov/portal/sites/default/files/pdf/2023-AHAR-Part-1.pdf> 2/23/24, p. 16



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- 33.3% of the people served at Hope House in 2023 were considered chronically homeless according to the state definition. In 2018 – just 5 years ago - that number was only 8.5%.
- A high percentage of our guests at Hope House and in all low barrier shelters suffer from multiple disabling conditions (often called “tri-morbidities”), making their care costlier and their needs more intensive than those in high barrier shelters. Among Hope House guests in 2023
 - 83% reported a mental health condition
 - 57% report substance use disorder
 - 46.4% reported a physical disability
 - 42.2% reported chronic health conditions⁵
 - 21.6% reported developmental disabilities
 - 40.5% have a history of domestic violence.

In recent years, the escalating crisis of people experiencing co-occurring disorders in an aging demographic combined with an extreme shortage of affordable housing has led to steep increase in number of chronically homeless individuals, rising costs to care for this population, and rising rates of unsheltered homelessness.⁶ (See Table 3 (attached) for Hope House data compared with availability of affordable housing statewide.)

Those accessing access low barrier shelter services have higher and higher needs, face major barriers to finding and maintaining permanent housing, remain unhoused longer, and require intensive resources in order to attain positive outcomes over time.

At the same time the population has become more complex and the need for highly trained professional staff has grown in low barrier shelters, funding has remained relatively flat, and increases have not kept pace with inflation. In fact, there is currently no mechanism in State law to adjust shelter funding for inflation, as there is in healthcare and other sectors, making it impossible to keep up with inflation.

Increasing shelter funding now is both a moral imperative and a good economic investment.

Without low barrier shelters, Maine will see a steep rise in unsheltered homelessness. If Hope House closes, 56 or more people will be without shelter overnight. The visibility of the crisis will exacerbate, impacting tourism, economic development, and livability in our communities. People will die at higher rates, experience higher rates of trauma and chronic conditions, and utilize more costly parts of our public and private infrastructure at much higher rates - emergency rooms, jails, courts, police, libraries, and other social service organizations. The additional trauma for these vulnerable Mainers will reverberate across the system for decades to come. The outcome is predictable.

⁵ This is likely an undercount. Most shelter guests have not accessed healthcare to receive a diagnosis in years, and thus would not know to report a chronic disease upon intake. Because it is self-reported, it relies on individual awareness or willingness to share, which is hampered by stigma and the lack of access to healthcare. Our observation and experience are that most guests have one or more chronic diseases, as well as mental health conditions and some form of substance use disorder. (See Table 1 (attached) for more information and year-over-year comparisons.)

⁶ **Chronically Homeless Individual** is defined as “an individual with a disability who has been continuously homeless for one year or more or has experienced at least four episodes of homelessness in the last three years where the combined length of time homeless on those occasions is at least 12 months. 2022 Annual Homeless Assessment Report to Congress, U.S. Department of Housing & Urban Development, December 2022, p. 4. , accessed at <https://www.huduser.gov/portal/datasets/ahar/2022-ahar-part-1-pit-estimates-of-homelessness> 12/4/23.



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Indeed, as one example, a hospital system in Denver, CO saw 7,259 unique patients who were homeless in 2022, totaling 29,525 hospital visits.⁷ Some of these patients were stuck inpatient far beyond the necessary time because they could not safely be discharged to homelessness. *One patient lingered in the hospital for 1,558 days.* Maine hospitals have the same stories to tell. Based on the average cost of one night in the hospital, that *one* person cost the system over \$4.3 million.

Funding to ensure strong shelters will help avoid costs such as these. A decision against funding will ensure Maine spends exponentially more money on this problem without any real solution on the horizon.

Hope House shelter will close this year without an increase in funding. My colleagues running the other low barrier shelters in the State are not far behind, given their comparable deficits. Moreover, one-time funding, while helpful in the short term, will not keep Hope House open. The organization needs an ongoing, reliable funding stream to justify the year over year organizational commitment to shelter services and avoid risking the viability of the entire organization.

You have the opportunity to make a significant difference for Maine people *and* save money by making this small investment in low barrier shelters. I urge you to support Maine's five low barrier shelters on the frontlines doing heroic work every day.

Thank you, again, for considering this funding request, and for your time.

Sincerely,

A handwritten signature in black ink, appearing to read "Lorelle Dwyer", with a stylized, cursive flourish at the end.

Lorelle Dwyer
President and CEO, Penobscot Community Health Center