

2005 PROGRAM REPORT

January 1 – December 31, 2005

<u>Contents</u>	<u>Page</u>
I. <u>Introduction</u>	2
II. <u>Demographics of Persons Served</u> <i>• Age • gender • race • marital status • parenting status • psychiatric diagnosis • substance abuse • employment • income • length of stay • new residents • discharges</i>	3
III. <u>Program Evaluation Components</u>	
A. <u>Service Performance Indicators</u> <i>• Referrals • waiting list • medication compliance • service plan goals achieved • resident council • peer community • SHIP information and outcomes • community living • outcomes assessment • quality assurance • physical & • dental examinations • resident comments from QA reviews</i>	8
B. <u>Housing Performance Indicators</u> <i>• Rent and Fees • residents in arrears • capacity • number of people served • vacancy rate • vacancy rate over time</i>	15
C. <u>Management and Other Performance Indicators</u> <i>• Critical incidents • unplanned hospital visits • staff involvement in hospital visits • medical and psychiatric visits over time • percent of residents psychiatrically hospitalized over time • other critical incidents • contacts from neighbors regarding properties • resident satisfaction • resident comments from satisfaction surveys • financial stability of the agency • monthly operating costs per resident • percentage of expenses on services and programs • percentage of expenses on services and programs comparison • source and use of funds • annual deficits or surpluses • annual expenses • net assets • long-term debt • revenue to number of employees • volunteers • employees • achievement of strategic plan goals • accreditation and monitoring</i>	17
IV. <u>Summary and Objectives for Improvement</u>	30

I. Introduction

Each year, Housing Options produces a program report to help understand who we serve, with what services we serve them, who is in need of services, to improve our efficiency and effectiveness, and to help us plan for the future. It provides detailed information about the residents and service- and program-related activities as well as the overall operating performance of the agency. The program report is shared with staff, volunteers, residents, supporters, and anyone who is interested in the work of Housing Options.

Some things about Housing Options to keep in mind as you read the report include:

- The agency provides permanent and transitional supportive housing to adults with severe and persistent mental illnesses like schizophrenia and bipolar disorder – 100% of residents have a chronic mental illness.
- Over one-half of the residents are formerly homeless and all have low incomes.
- The agency owned five buildings in 2005 (purchased a sixth in January 2006) and leased an additional 20 apartments scattered throughout Evanston. The agency owned or leased property in each ward in Evanston.
- On January 1, 2005, the agency ended its 13 year practice of contracting with other social service agencies to provide social work and mental health services to its residents and began doing it directly.
- In the fall of 2005, Housing Options opened the Pathways Plus program, which serves eight formerly homeless adults who have severe and persistent mental illnesses.
- The agency received a single private donation of \$1,000,000 and acquired a sixth building in January 2006. The building will be renovated and is scheduled to open in the late of 2006. The building will provide homes to 18 adults with severe and persistent mental illnesses.
- Housing Options is led by a professional staff and over 60 volunteers who serve on the board of directors, advisory council, and on various committees.

If you have questions or suggestions, or are interested in being a part of Housing Options, please feel free to contact me at any time.

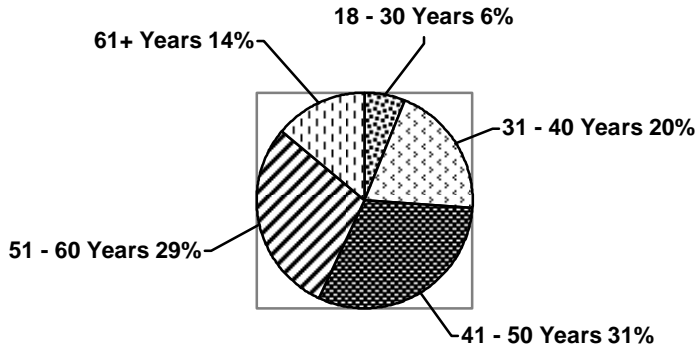
Sincerely,

Alexander S. Brown, PhD, LCSW
Executive Director
847.866.6144 x11
abrown@housingopt.org

II. Demographics of Persons Served

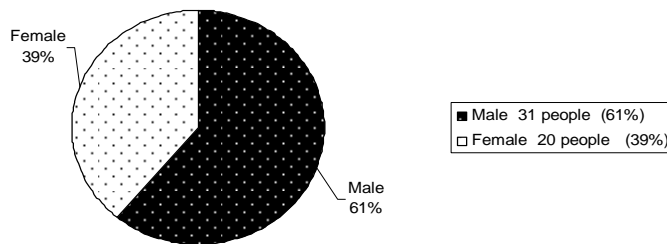
Housing Options served fifty-one residents during the calendar year 2005. We examine our demographic data for several reasons: to help insure that our clients are reflective of the general population in Evanston in terms of race and ethnicity; to compare individuals' participation in and response to services in the context of population subgroups; to suggest where there may be issues particular to persons of different subgroups; and to recognize the diversity of the program community because of the opportunities for sharing, growth and development it provides.

Age of Residents



Approximately 50% of residents were in their 30s and 40s and 40% were over age 50. Only 6%, or 3 residents, were age 30 or younger. The youngest resident was 22. Residents in their 30s and 40s were more likely to be working or in school than their older counterparts. Older residents were more likely to be volunteering or involved in structured day program rehabilitation and recovery services provided by other agencies, or involved in the social program at Housing Options. Older residents were slightly more likely to have experienced significant psychiatric difficulties last year and much more likely to have had major physical health problems. Overall, these trends fit with life stage activities and experiences considered normal among the general population.

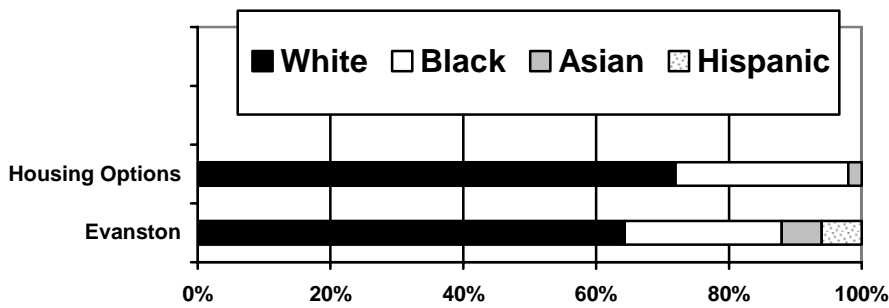
Gender



Approximately 60% residents were male and 40% female. This reflects nationwide statistics which show that men are diagnosed with severe and persistent mental illnesses at a slightly higher rate than women.

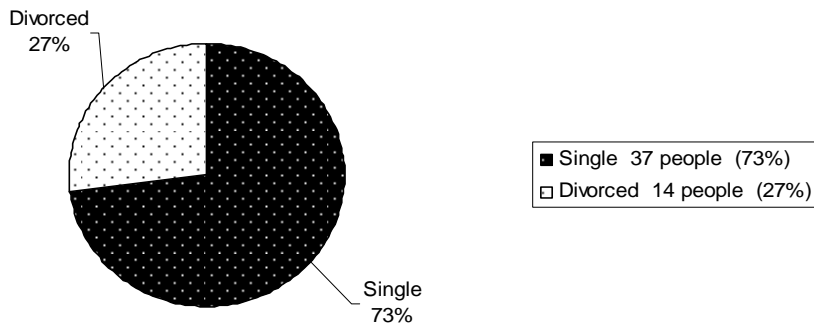
Race

<u>Race</u>	<u>Housing Options</u>	<u>Evanston</u>
White	72%	65%
African American	26%	24%
Asian	2%	6%
Hispanic	0%	6%



The ethnicity of Housing Options’ residents was roughly equivalent to that of the surrounding Evanston community, except that Housing Options served a slightly higher black population and no Hispanic individuals.

Marital Status

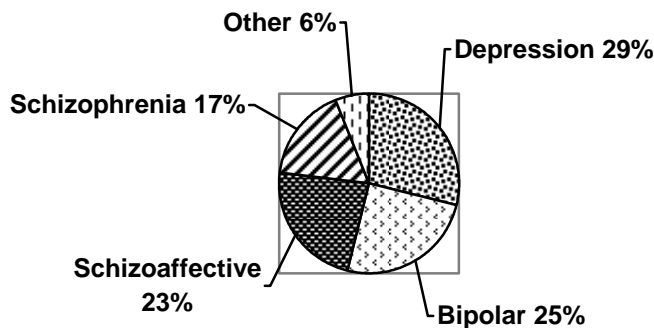


No residents in 2005 were married, although almost a third had been married at some time in the past. A married couple would be eligible to apply for services form Housing Options but both would need to be eligible (i.e. both have a mental illness and in need of supportive housing).

Parenting Status

Almost a third (31%) of residents were parents, mostly of grown children, some with grandchildren. Four residents (8%) had children who were minors, although none had custody of those children. Housing Options does not provide housing or services to children and residents may not have children living with them.

Psychiatric Diagnosis



All residents were coping with severe and persistent mental illnesses. Over 50% of residents had a primary diagnosis consisting of a mood disorder (bipolar disorder or chronic depression) and 40% a psychotic disorder (schizoffective or schizophrenia). Many residents have been diagnosed with secondary psychiatric diagnoses as well. Good psychiatric care, psychosocial support and mental health treatment, decent housing, professional

care, peer support, and a sense of community are all key ingredients for most people as they move toward recovery. The information on mental illness below is from NAMI (the National Alliance on Mental Illness). Further information is available on the internet at www.nami.org

What is bipolar disorder?

Bipolar disorder, or manic depression, is a serious brain disorder that causes extreme shifts in mood, energy, and functioning. It affects 2.3 million adult Americans, which is about 1.2 percent of the population, and can run in families. The disorder affects men and women equally. Bipolar disorder is characterized by episodes of mania and depression that can last from days to months. Bipolar disorder is a chronic and generally life-long condition with recurring episodes that often begin in adolescence or early adulthood, and occasionally even in children. It generally requires lifelong treatment, and recovery between episodes is often poor. Generally, those who suffer from bipolar disorder have symptoms of both mania and depression (sometimes at the same time).

What are the causes of bipolar disorder?

While the exact cause of bipolar disorder is not known, most researchers believe it is the result of a chemical imbalance in certain parts of the brain. Other evidence suggests that the disorder results from impairments of the function of intracellular signaling pathways (the "machinery" inside nerve cells) within specific areas of the brain. Scientists have found evidence of a genetic predisposition to the illness. An active area of research involves trying to understand what those genes are that lend susceptibility to developing the disorder. Bipolar disorder tends to run in families, and close relatives of someone with bipolar disorder are more likely to be affected by the disorder. Sometimes serious life events such as a serious loss, chronic illness, illicit or prescription drug use or financial problems, can trigger an episode in some individuals with a predisposition to the disorder. There are other possible "triggers" of bipolar episodes: the treatment of depression with an antidepressant medication may trigger a switch into mania, sleep deprivation may trigger mania, or hypothyroidism may produce depression or mood instability. It is important to note that bipolar episodes can and often do occur without any obvious trigger.

What is schizophrenia?

Schizophrenia is a devastating brain disorder that affects approximately 2.2 million American adults, or 1.1 percent of the population age 18 and older. Schizophrenia interferes with a person's ability to think clearly, to distinguish reality from fantasy, to manage emotions, make decisions, and relate to others. The first signs of schizophrenia typically emerge in the teenage years or early twenties. Most people with schizophrenia suffer chronically or episodically throughout their lives, and are often stigmatized by lack of public understanding about the disease. Schizophrenia is not caused by bad parenting or personal weakness. A person with schizophrenia does not have a "split personality," and almost all people with schizophrenia are not dangerous or violent towards others when they are receiving treatment. The World Health Organization has identified schizophrenia as one of the ten most debilitating diseases affecting human beings.

What are the causes of schizophrenia?

Scientists still do not know the specific causes of schizophrenia, but research has shown that the brains of people with schizophrenia are different, as a group, from the brains of people without the illness. Like many other medical illnesses such as cancer or diabetes, schizophrenia seems to be caused by a combination of problems including genetic vulnerability and environmental factors that occur during a person's development. Recent research has identified the first genes that appear to increase risk for schizophrenia. Like cancer and diabetes, the genes only increase the chances of becoming ill, and do not cause the illness all by themselves.

What is major depression?

Major depression is a serious medical illness affecting 9.9 million American adults, or approximately 5 percent of the adult population in a given year. Unlike normal emotional experiences of sadness, loss, or passing mood states, major depression is persistent and can significantly interfere with an individual's thoughts, behavior, mood, activity, and physical health. Among all medical illnesses, major depression is the leading cause of disability in the U.S. and many other developed countries. More than twice as many women (6.7 million) as men (3.2 million) suffer from major depressive disorder each year. Major depression can occur at any age including childhood, the teenage years and adulthood. All ethnic, racial and socioeconomic groups suffer from depression. About three-fourths of those who experience a first episode of depression will have at least one other episode in their lives. Some individuals may have several episodes in the course of a year. If untreated, episodes commonly last anywhere from six months to a year. Left untreated, depression can lead to suicide.

Major depression, also known as clinical depression or unipolar depression, is only one type of depressive disorder. Other depressive disorders include dysthymia (chronic, less severe depression) and bipolar depression (the depressed phase of bipolar disorder or manic depression). People who have bipolar disorder experience both depression and mania. Mania involves abnormally and persistently elevated mood or irritability, elevated self-esteem, and excessive energy, thoughts, and talking.

What is Schizoaffective disorder?

Schizoaffective disorder is one of the more common, chronic, and disabling mental illnesses. As the name implies, it is characterized by a combination of symptoms of schizophrenia and an affective (mood) disorder. There has been a controversy about whether schizoaffective disorder is a type of schizophrenia or a type of mood disorder. Today, most clinicians and researchers agree that it is primarily a form of schizophrenia. Although its exact prevalence is not clear, it may range from two to five in a thousand people (- i.e., 0.2% to 0.5%). Schizoaffective disorder may account for one-fourth or even one-third of all persons with schizophrenia.

To diagnose schizoaffective disorder, a person needs to have primary symptoms of schizophrenia (such as delusions, hallucinations, disorganized speech, disorganized behavior) along with a period of time when he or she also has symptoms of major depression or a manic episode.

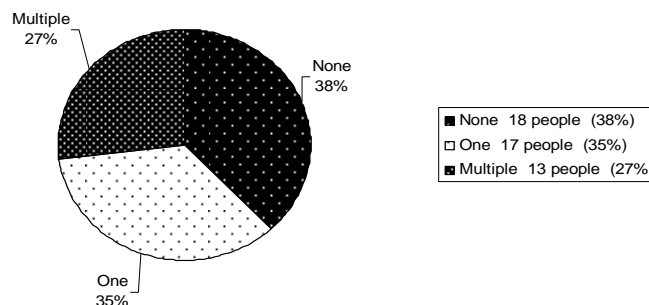
The information on mental illness above is from NAMI (the National Alliance on Mental Illness). Further information is available on the internet at www.nami.org

Substance Abuse

- Receives current treatment: 8%
- History of past abuse, but currently in remission: 19%
- No history or current abuse: 73%

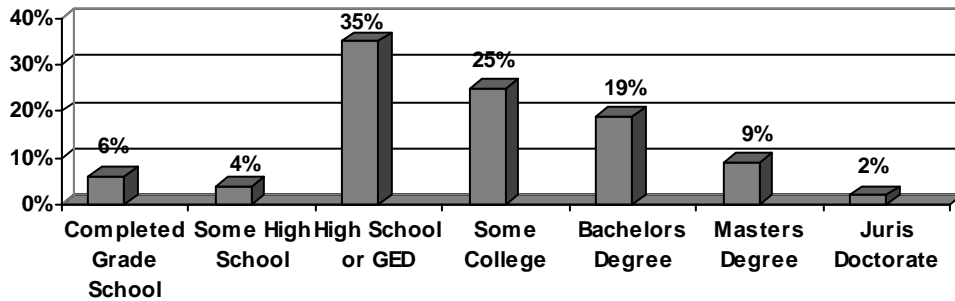
In 2005, the program services team developed a new assessment tool to gather information about substance use issues along with mental health information in a more integrated way. The assessment is administered at intake and is used to generate a comprehensive care plan before services begin. The team's addictions specialist, who is a certified addictions counselor (CADC), oversees the assessment and care of affected individuals. Only one resident in 2005 was known to have used substances in a problematic way, and that individual received intensive treatment and stabilized.

Physical Health Problems



Over 60% of all residents had significant physical health problems. In particular, 18% had diabetes, including 2 who were insulin-dependent. The program nurse, who oversees the physical health care needs of all residents, gave special care to this group, providing education and support with diabetes care both individually and in the context of a diabetes support group. Obesity, cellulitis, sleep apnea and COPD (chronic obstructive lung disease including emphysema) were some other problems affecting residents with greater frequency. Twenty-four percent of residents smoked tobacco. Staff helped residents access health care services, including smoking cessation services, and provided support and education around meal planning, shopping and cooking.

Highest Level of Education



Ninety percent of residents had at least a high school degree or equivalent, 29% at least a Bachelors degree. Also, in 2005, ten residents continued their studies: three in pursuit of Bachelors degrees; two striving for two-year college degrees; two worked on GEDs; one took classes in English as a second language and two took classes at large.

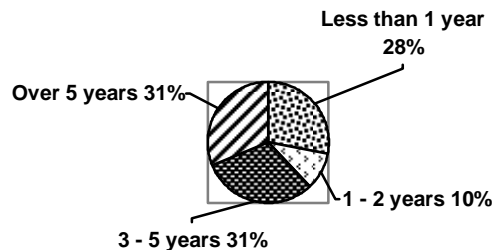
Employment

Thirty percent of the residents were engaged in some type of employment, either full or part time at some point in 2005. Some of the places they worked included grocery, drug and other retail stores, as well as the naval base cafeteria, city parks, and a law office. Several others volunteered their time and skills at various organizations within the community.

Income

The 2005 median household income of Housing Options residents was \$9,855 annually, compared to \$56,000 for Evanston households in 2000. Only 8% of Housing Options' residents had incomes above \$15,000, compared to 87% of Evanston households. Eighty-six percent of residents receive social security or social security disability income and for 72% of the residents, this is their only source of income.

Length of Time in Program



One-third of residents had been in the program for at least five years and another third for 3-5 years. Nine residents have been in program over 10 years.

Of the housing provided, 80% is permanent - residents may remain in the program as long as they are in compliance with its requirements and expectations – and 20% is transitional: a person is expected to graduate from the program to independent living in two - four years. The goal of the rehabilitative work performed by the Program Services team on behalf of *all residents* is for individuals to become as independent as possible, up to and including leaving the program to live on their own in the community, if they so choose.

New Residents

There were 4 new residents in 2005, and all were the result of new programs or beds. In the fall, Housing Options opened the Pathways Plus program, which will provide permanent supportive housing to 8 individuals with mental illnesses who are also homeless. Three new residents had moved into scattered-site apartments by the end of the year. These individuals had been residing in homeless shelters prior to joining Housing Options. The other new resident was in the full-pay program, in which the family pays 100% of the costs of housing and services.

Discharges – Residents Who Left the Program

Only one resident left the program in 2005. This discharge was due to the resident requiring more support than could be provided long-term by Housing Options. After having been in the program for several years, a significant exacerbation of mental illness occurred which remained unimproved for some time, despite intensive intervention by staff. The lack of functioning and near-total isolating in the apartment resulted in her being asked to leave the program in late 2005.

III. Program Evaluation Components

A. SERVICE PERFORMANCE INDICATORS

The program services team uses a modified assertive community treatment approach to serve the residents of Housing Options. In this model, services are provided at home or in the community, the frequency and intensity of services is varied according to need and a team approach is used. Each resident receives as much support as he or she requires at the time. Services include counseling, referral and case coordination, help with obtaining & managing entitlements, psychiatric services, nursing care, medication training, money management, socialization activities, and independent living skills development.

Referrals

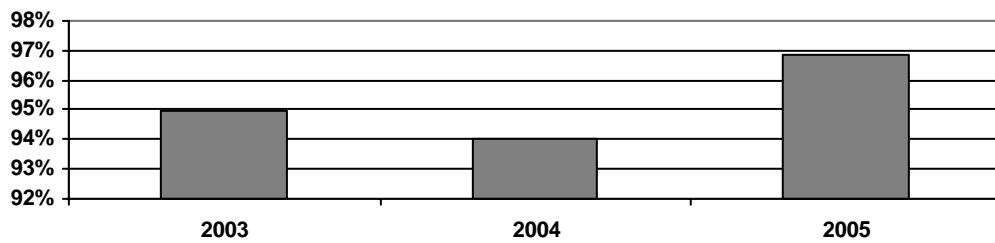
Housing Options received over 100 new requests for services in 2005 from individuals who appeared to meet basic eligibility requirements (i.e., diagnosis of severe and persistent mental illness and in need of supportive housing). Approximately one-third of these people were homeless and 20% had strong ties to Evanston. Approximately 60% were men and 40% women.

Waiting List

Housing Options maintains a waiting list of individuals who have been pre-screened and provisionally accepted into the program. This is in addition to the referrals outlined in the section above. As openings arise, staff refer to the waiting list. Placement on the waiting list is not a guarantee of housing nor of being selected in the order that one is on the list. Staff consider the people on the list in order (i.e., 1, 2, 3, etc.) but also give consideration to gender, compatibility with others living in the apartment, and Evanston connection. Housing Options gives preference to Evanston residents and those with strong ties to Evanston. There were 22 people on the waiting list for Housing Options in 2005. One person had been on the waiting list for over 4 years and 16 people for 2 to 3 years. Only two were homeless; typically if someone is homeless she or he needs housing immediately and cannot afford to go on a waiting list. Twelve people had strong ties to Evanston.

Medication Compliance

Compliance with prescribed psychotropic medications is extremely important in managing mental illnesses and is one of the prime foci of the service team. In 2005, 96.85% of residents were compliant with their medications.



Service Plan Goals Achieved

A service plan is developed for each resident in a collaborative process between the staff and the resident. Input from other providers and family as appropriate is also gathered as part of the assessment phase that proceeds and informs the development of each new plan. A new plan is required at a minimum of one time per year, and plans are reviewed (and revised if needed) at least every six months. The plan includes overall goals supported by smaller objectives. Typically, a plan has goals in the areas of mental health, physical health, socialization, vocation/education, finances, and home environment. Some objectives support maintenance of established self-care activities like seeing health care providers regularly and taking medications as prescribed. Most residents are very committed to their mental and physical health and follow-through with little or no assistance. Other objectives involve new skills and accomplishments, such as finding employment, following a budget, and building a greater social support network. Each resident has on average 14 objectives. The following is a summary of how many objectives were achieved as of the 6 month reviews in 2005.

- 72% of service plan objectives were achieved
- 19% of service plan objectives were partially achieved
- 10% of service plan objectives were not achieved

The objectives not achieved typically involve areas which the resident chose to no longer seek advancement. For example, a resident may choose to attend a specific educational or recreational program and later decide that he or she no longer has the interest.

Resident Council

The Resident Council is made up of representatives from each building and scattered-site program and serves as part of the leadership structure of the agency. In 2005, the council met monthly with the Director of Program Services to learn about program developments and processes, to identify service needs and community issues, and to provide feedback about the performance of the program and the agency from the perspective of residents. The council helped orient new residents to Housing Options; they helped interview prospective staff for open positions; they gave decisive input on several agency policies; they helped plan the annual camping trip; and they participated in a joint effort with another mental health agency to host a series of trainings for consumers.

Peer Community at Housing Options

Community Dinners and Meetings

In 2005, the program held 3 community dinners each month in the Home First community room. The dinners offered a way for residents to get to know one another and improve interpersonal and functional skills. All residents and former residents were welcomed to attend for an average turnout of 15-25 people. A community meeting followed each meal and provided a key opportunity for information sharing. Staff and Resident Council members gave reports on program changes and events, and residents provided valuable feedback.

The Saturday Lunch Activity: Residents Only

The program has offered a Saturday lunch activity for some time. Several years ago staff led the activity and accompanied the residents. As residents abilities have improved, staff involvement has changed. Staff now provide the money and facilitate the planning of the activities with residents, who then attend them together, including getting to and from the meeting place and managing the cash and receipts. An average of 7 residents attended each lunch in 2005.

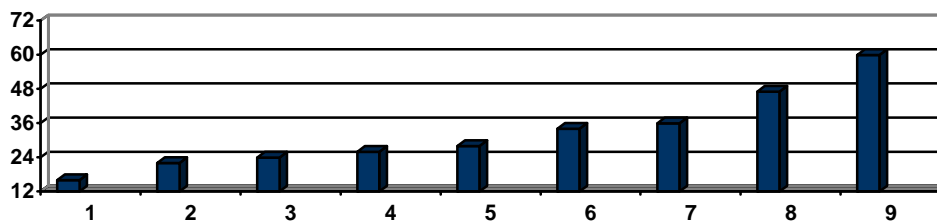
Holiday Parties

Housing Options hosts parties for residents for most major holidays (e.g., Thanksgiving, Independence Day, etc.). Staff plan and organize these events and coordinate transportation for residents. In addition, staff plan two large parties for residents each year in December and summer. These larger parties are open to all residents, staff, leadership, and residents' family and friends. These serve as an opportunity for all involved with the agency to socialize.

SHIP Program Information and Outcomes

SHIP is the agency's transitional living program. Residents accepted into this program are expected to be able to be able to live independently in two to four years.

- Diagnoses
 - Schizoaffective disorder (5)
 - Schizophrenia (3)
 - Bipolar disorder (1)
- Highest level of education
 - Masters degree (3)
 - Bachelors degree (1)
 - High School diploma (1)
 - Less than High School diploma (4)
- Income
 - \$565 (4)
 - \$959 (2)
 - \$1075 (2)
 - \$1540 (1)
- Employment
 - Regular part-time (3)
 - Periodic part-time (1)
 - None (5)
- Length of time in program (in months)

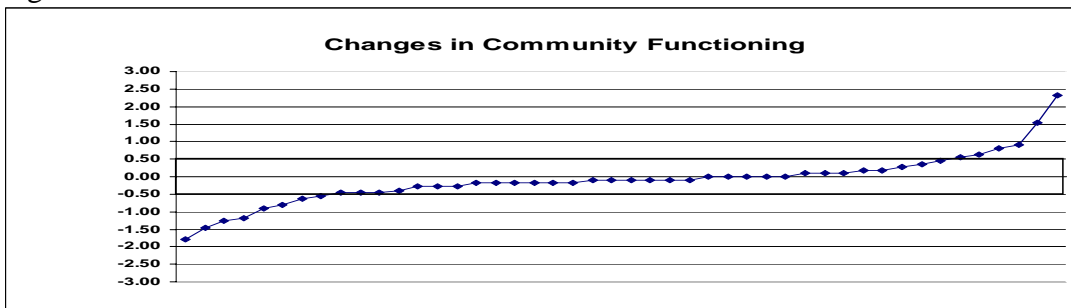


The goal of the program is for each resident to “graduate” and move on to independent living in between 36 and 48 months. The average length of stay for SHIP residents in 2005 was 32.5 months. The only resident who moved out in early 2006 was a SHIP resident who unfortunately required a higher, not lower, level of support and assistance.

Two SHIP residents are expected to graduate to independent living in 2006 and three others when subsidized housing is found (merely affordable housing is insufficient for these people because their incomes are so low). In the case of the other 3 residents, the service team felt they would continue to need the type of services provided by Housing Options into the future and therefore they should be moved to a permanent slot either at Housing Options or in a similar agency.

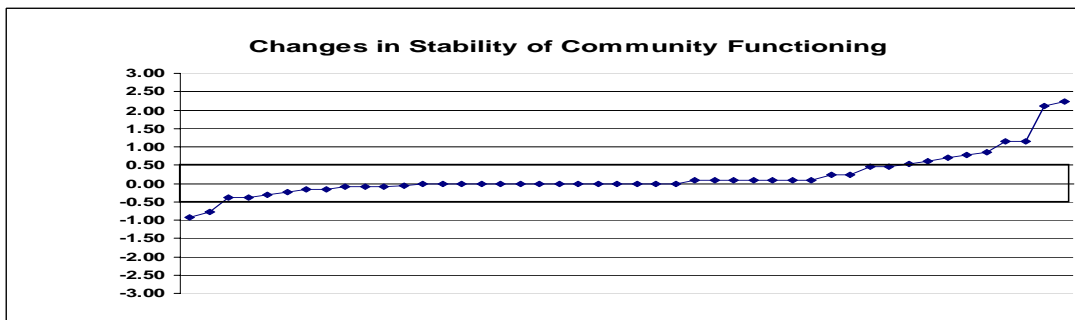
Community Living Outcomes Assessment

Housing Options monitors the aggregate progress of residents through the Community Living Outcomes Assessment (CLOA), which is completed for each resident twice per year. Three areas of resident functioning are assessed: Community Functioning, Stability of Community Functioning, and Self-Management of Illness. A skill is assessed by staff who decide which of six written descriptions of skill functioning best describe the resident. For example, a resident’s level of cooking ability could be described as “does not prepare any meals”, or “makes simple, easily prepared meals such as a TV dinner” or “can follow a multi-step recipe independently.” Minor fluctuations in scores (less than a 0.5 change) are typical. A difference of greater than 0.5 suggests that there has been a change in functioning. The unshaded areas of the charts indicate the significant changes.



Fourteen percent of residents showed a decrease and fourteen percent showed an increase in their ability to function in the community. Community functioning describes those skills that a resident needs to live independently in the community. Meal preparation, budgeting, grooming and use of leisure time are examples of these skills. Only CLOA scores that show change of over 0.5% are considered significant. Changes less than 0.5% (shown in the highlighted section above) indicate stability. As all Housing Options residents have chronic mental illnesses, the achievement of stability is generally a better goal than improvement.

Goal: 15% or fewer residents will have a decrease in changes in community functioning in 2006.



Four and one-half percent of residents showed a decrease and eighteen percent showed an increase in their stability of community functioning. The level of community functioning of the residents as a whole was generally stable, with some individuals appear to do better, and some others showing more difficulty. Stability of community functioning measures the length of time that a resident has functioned at a particular level. For example, a resident who has good meal preparation skills might have had these skills for six weeks, six months, or six years. Only CLOA scores that show change of over 0.5% are considered significant. Changes less than

0.5% (shown in the highlighted section above) indicate stability. As all Housing Options residents have chronic mental illnesses, the achievement of stability is generally a better goal than improvement.

Goal: 15% or fewer residents will have a decrease in changes in stability of community functioning in 2006.



Twenty-four percent of residents showed a decrease and sixteen percent showed an increase in their stability of community functioning. The high percentage of residents whose scores decreased does not fit with the observations of the program services team, nor with the low incidence of hospitalization and psychiatric crises experienced by residents in 2005. Self-management of illness assesses the skills that help a resident remain stable. Examples of self-management of illness skills are identifying symptoms, accuracy of beliefs about medications, and quality of relationships with treatment providers. Only CLOA scores that show change of over 0.5% are considered significant.

Goal: 15% or fewer residents will have a decrease in changes in stability of community functioning in 2006.

Goal: 15% or fewer residents will have a decrease in changes across all three measures (i.e., average of all three measures) in 2006.

Summary of CLOA Results

As a whole, the residents were generally stable in 2005. A comparison of average scores for 2002, 2003, 2004 and 2005 shows that there was an increase in average scores between 2002 and 2003, a decrease in scores in 2004, and an increase in scores in 2005. There is no pattern to the significant changes in terms of demographics or placement in the program (i.e., a particular building or scattered site location).

Multi-year data further indicate that as a group the residents served by Housing Options are relatively stable. Below is a table with the mean CLOA scores from the last four years.

	2002	2003	2004	2005
Community Functioning	4.2	4.6	4.2	4.7
Stability of Community Functioning	4.8	5.1	4.9	5.4
Self Management of Illness	4.5	4.9	4.6	4.9

Note: Only changes of 0.5% or greater are statistically significant.

Quality Assurance

The quality of services provided to residents is assured in several ways, including the supervision of staff, oversight by the Service Delivery Committee, and the periodic review of files. As part of the QA process, files are reviewed by staff and volunteer clinicians from the Service Delivery Committee and staff. The files are reviewed for the overall quality and comprehensiveness.

The services and progress of a representative sample of residents (18 residents, 38%) were examined in 2005 as part of the agency's Quality Assurance process. The QA process involves an in-depth review of all aspects of a resident's life, mental illness, activities, and the services he or she is receiving. Residents were chosen for review by random selection from each part of the program and were interviewed prior to the review by an administrative staff member who did not provide any direct service. Results of the QA are used to inform the service team about the progress of the individual resident and to illuminate the overall quality of program services, as will be described below. The demographics of the individuals who underwent QA are reflective of the overall population at HO, and as they represent 35% of all residents, their data are considered representative.

Physical, Dental and Vision Exams In 2005

- 50% of residents had a physical examination
- 25 % of residents had a dental examination
- 100% of residents had healthcare services or consultation provided by the program nurse.

Sample of Resident Comments from the QA Reviews

Physical Health/Healthcare

- Pretty good – it's good to have a doctor's services.
- Best I've ever had.
- All is well – I use ENH.
- Right now I like them. I have no real problems. I just need to do a better job myself of keeping up with doctor appointments.
- I see doctors at St. Francis. I'm pretty satisfied with them. The team suggested I see a dietitian about my weight and they are right. Also, I am starting to get insulin this month.
- I go to St. Francis and have a blood test every two weeks. It's difficult. I have been going for four years now. It's good to have a foot doctor.

Mental Health/Medications

- My psychiatrist is fantastic. My medications are so-so. I stay in a state of depression—I'm not sure if I have the right combination. Maybe some activity might help my depression, but I'm not sure.
- I have a very good doctor. I'm on the right medications.
- Medications are good—they help me stay on track. I have no opinion about my psychiatrist, but I guess it's ok to have his services.
- Everything is fine with my medications and psychiatrist.
- My medication and my psychiatrist are good.
- I have a good psychiatrist. He does the best he can to help me. We have been working together to solve the problem with my medication.
- I'm not sure about being on these medications, but my doctor says it's good to stay on them.
- My medications help me sleep since [my doctor] upped the dosages four months ago, but sometimes I am sleepy in the morning like today. I was late for work. I got dressed then laid down again and fell back asleep.

Social Life

- I am satisfied with my social life.
- Yes, I am satisfied. I go to weekend activities. I have friends, and we go to places.
- I am sort of satisfied. I get what I put into it. If I get more active, I will get more active feedback. If I stay stagnant and stuck, it doesn't work. I have no problem mixing with people. I have the gift of gab.
- My social life is ok. It's not flamboyant—it's ok.
- I don't have a social life. It's been a difficult three and a half year period. I have lost friends.

- I kind of am satisfied with my social life. I would like to get out more, but I get nervous and then I don't enjoy it. I am more peaceful when I keep to myself.
- Yes, I am pretty much satisfied with my social life. I got out regularly with other residents to lunch or a movie or shopping.
- No, I am not satisfied with my social life. I think I have a fear of people and I stutter which makes it hard to talk to people too.

Progress Towards Independence

- I have become more independent.
- I've always been independent. I am more independent since I have been working.
- My level of independence has not changed.
- I'm less independent.
- I'm less independent because I have no car, and I have to depend on others if I want a ride.
- I am more independent. I choose what I want to do and when I want to do it.

Activities of Daily Living

- I do pretty good with chores.
- I clean every day. I don't cook that much.
- I am doing very well with these activities. I'm trying to learn to cook better.
- I'm doing ok with chores.
- I'm doing about 75% well with these activities. I will be 100% soon.
- I'm ok with cooking and shopping. I could be better at cleaning.
- As far as keeping things in order, it could be better. As far as cooking, my roommate and I share meals frequently. We shop, cook, and eat together.
- I have no difficulty managing my chores.
- I'm pretty good with chores. If I can go somewhere by myself, I feel good. When I need help, I ask.
- I can do my daily activities without a problem.
- I am a little slow on cleaning. I tend to let my room go. When we have inspections, I always clean up. We take turns washing dishes. I usually cook and sometimes my roommate does.
- I usually make a list and that helps. Last week, I didn't make a list and when I went shopping, I forgot something.

Financial Stability

- I'm just working toward getting some kind of something to make some money.
- Yes, I am concerned about finances. I have to get my link card re-activated. I didn't use it, and it lapsed the last week of the month. I am hurting for groceries. I have to not buy junk.
- Yes, I am concerned about finances because social security withheld a check in May, but gave me a substitute check and told me that there would be no check in June.
- I get two checks per month. I just have to get out of these book clubs. I'm trying not to order anymore so I can do other things with my money. I would like to pursue a part-time job.
- Yes, I am concerned about my finances. I spend too much money on transportation, so I'm getting an RTA reduced fare permit. That will take about a month.
- I can handle my finances. I was upset about my rent increase, but I understand that Evanston apartments are expensive. I would have preferred a gradual increase.
- I have no concern about finances.

Strengths and Weaknesses of Housing Options Program

- This is the best program I've ever been in. The case managers put everything they have into it. They genuinely care.

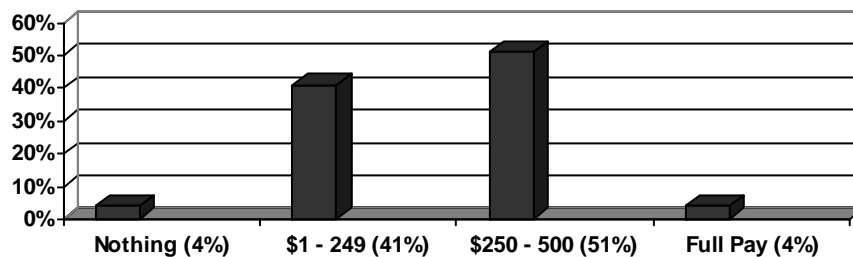
- Weekly visits from the case managers really helps.
- I have been in the program nine years. I like the treatment I receive. It's a good mental health program and I am glad to be a part of it.
- The fact that Housing Options was created at all means that there were people who cared. All the little extras they provide – artwork, color choices, utensils. Housing Options always goes for the crème de le crème within the budget. I always give kudos when I talk about it. It's evident in the before and after – the way people look one year after being in the program – they are functioning, getting out, attending the dinners, camping. We get so many “freebies” that are welcome. I would like to have an opportunity to meet and welcome all new residents once they are all in. Sometimes we don't get to meet them – maybe they are afraid to come to a dinner – we want to show love, warmth and assurance to them.
- Great team – they treat me with respect. I have good communication with them.
- Pretty good environment.
- I've been successful at living independently for a year. I feel good.
- The agency provides adequate housing for people in the program. There is too much involvement of case managers with residents. I would like the cost of housing to go down and the quality to go up.
- I appreciate your helping me. I hope to be getting better and getting closer to the team. Your program helps make me stronger.

B. HOUSING INFORMATION AND PERFORMANCE INDICATORS

Rent and Fees

Most residents pay approximately 40% of their income; no one is denied housing or services due to an inability to pay. Residents pay 30% of their monthly income for rent and 15% of the remainder for services.

Residents pay on average \$309 per month. At the end of 2005, 4% of residents were not paying rent or fees and an additional 4% were full-pay residents, who receive no subsidies from the agency's fundraising efforts. All residents receive a fully furnished apartment, including all utilities, and all social work and mental health services.

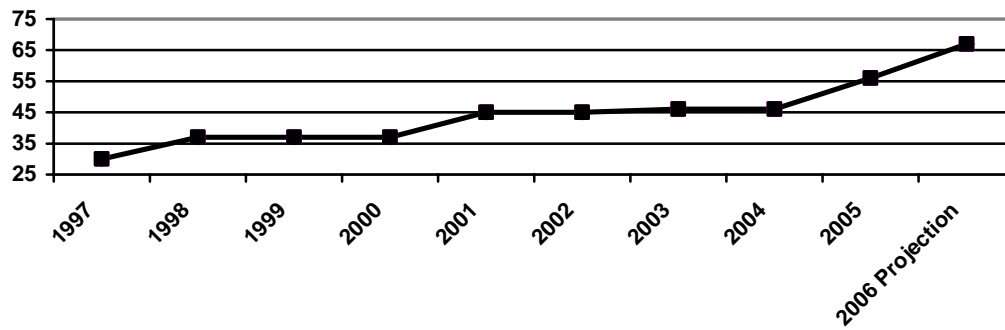


Residents in Arrears

Three residents were in arrears with rent and fees at year-end and combined owed approximately \$1000. Another several thousand dollars was owed the agency, mostly towards security deposits, by various residents who were paying the deposits on a payment plan.

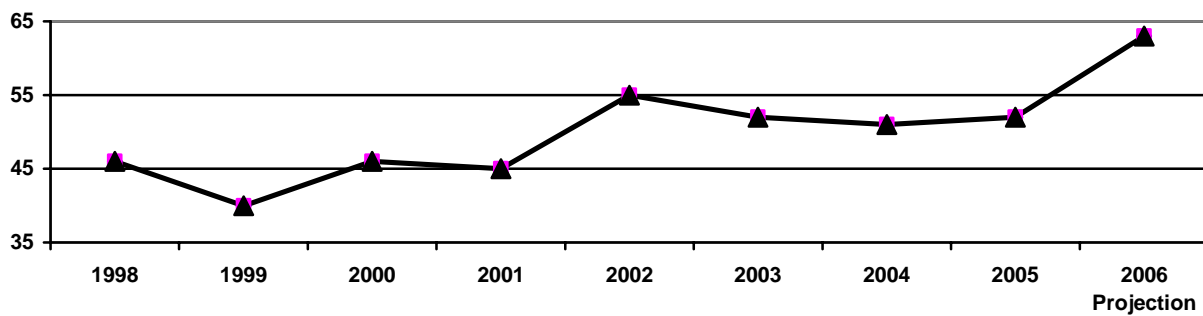
Capacity (number of bedrooms) Available

For the first 10 months of 2005 the agency had the capacity to serve 48 people at any one time. Capacity increased to 56 in November with the addition of the Pathways Plus Program. With the acquisition of a new building in January 2006, capacity is projected to increase to approximately 67 following the completion of rehabilitation work on the building in the fall of 2006.



Number of People Served Each Year Since 1998

The agency served 51 people in 2005. This number has remained relatively stable for the past four years. It will increase significantly in 2006 due to the addition of Pathways Plus (8 beds, only 3 of which were filled in 2006) and the new building which when opened in late 2006 will increase capacity by 12 – 14 more people.



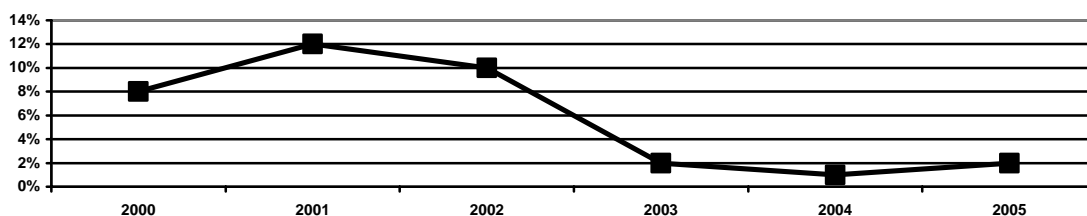
Vacancy Rate

A vacancy is defined as an otherwise available bedroom being unoccupied for 30 days or longer. In 2005 the agency’s vacancy rate was 2%, and this was due entirely to the need to rent all Pathways Plus apartments before the federal government (HUD) would allow the program to open. If not for Pathways Plus, the vacancy rate would have been zero (0%).

While there were many applicants for the Pathways Plus program, all vacancies were due to the agency’s inability to process the applications and transition all eight new residents into the program within the same month that an apartment was leased.

The agency has always and continues to give preference to Evanstonians and those with family or other ties in the community. Through 2001, the agency chose to maintain vacant units until an applicant with a sufficiently strong Evanston connection was identified and accepted into the program. In mid-2002 the agency decided that it was more important to serve people, regardless of where they are from, than to maintain vacant units. As of 2005, approximately 80% of the agency’s residents had very strong Evanston connections (e.g., current or former resident, current or former employee in Evanston, family in Evanston, etc.) before entering the program.

Vacancy Rate Over Time



In 2005, Housing Options' vacancy rate was 2%. By comparison, a study by Arthur Goldner & Associates of Northbrook, Illinois reported a vacancy rate of Evanston's rental apartments of 7.9% in 2002 and 3.8% in 2001.

Goal: Housing Options' goal for 2006 is to achieve an annual vacancy rate of 8% or lower. This higher-than-typical number is due to the expected opening of a new building in the fall of 2005 and the expectation that it will take some time to occupy all the units, as was our experience with Pathways Plus in 2005.

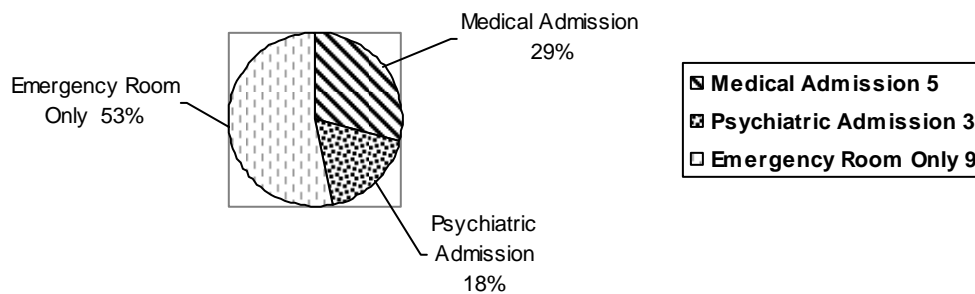
C. MANAGEMENT AND OTHER PERFORMANCE INDICATORS

Critical Incidents

A critical incident is any event that interrupts normal procedure and may result in potential or actual injury, damage to property, involvement by law enforcement or fire prevention, medical treatment or intervention, etc. All incidents are reported to the executive director and/or the director of program services immediately. Additionally, all incidents involving residents are reviewed by the service delivery committee and all others by the executive committee. There were 24 critical incidents in 2005, 17 of them involving an unplanned visit to the hospital (as opposed to scheduled appointments in hospitals).

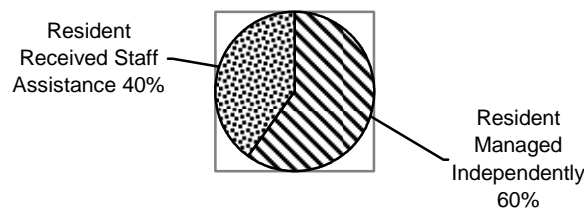
Unplanned Hospital Visits

Twelve residents were treated in hospitals on an unplanned basis. These 12 people went to the hospital a total of 17 times during the year. Nine visits resulted in emergency room treatment only. Three visits resulted in overnight admission for psychiatric problems and five for medical problems.



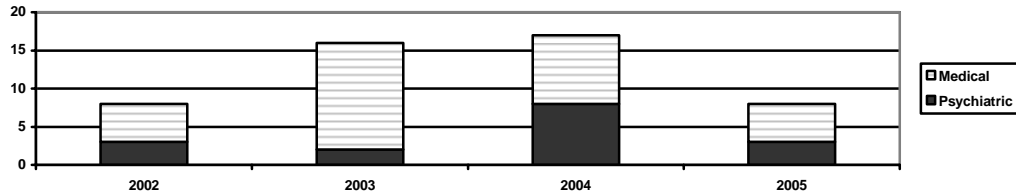
Staff Involvement In Hospital Visits

Part of staff's ongoing support and assistance to all residents includes education regarding how to manage crises and function as independently as possible. Staff were involved in 7 (40%) of the 17 unplanned hospital visits; residents managed the other 60% (10) of the hospital visits independently. A review of each incident indicated that treatment was never delayed due to a lack of staff involvement and that the program is performing very well in facilitating the residents to be as independent as possible.



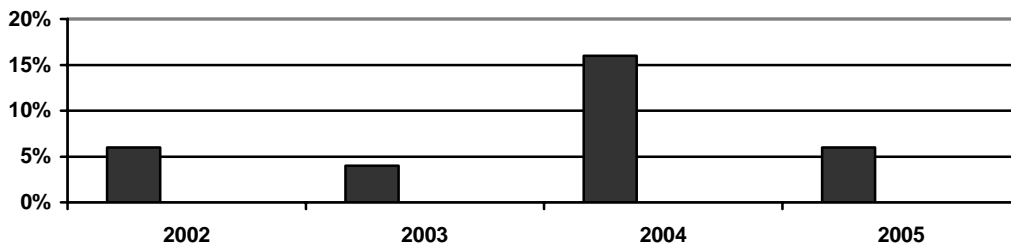
Medical and Psychiatric Hospitalizations Over Time

Residents were hospitalized 3 times for psychiatric problems and 5 times for medical problems in 2005.



Percent of Residents Psychiatrically Hospitalized Over Time

Six percent of the residents were hospitalized due to psychiatric problems in 2005. The National Mental Health Association reports that of the 5.4 million people who sought mental health treatment in 1990, less than 7% required hospitalization. More than half of those who needed inpatient-care had schizophrenia, one of the most severe forms of mental illness.



Goal: To achieve an annual psychiatric hospitalization rate of 8% or lower in 2006.

Other Critical Incidents

The other seven critical incidents included staff that were involved in two minor motor vehicle accidents, neither of which involved injury; two medication errors, one caused by a resident and the other by staff, neither of which caused injury or adverse effects; and one incident where a staff person was accidentally stuck with a needle used for insulin injections.

Contacts from Neighbors Regarding Properties

Another important measure of the agency's performance, feedback from neighbors of our properties is documented. In 2005, the agency was contacted four times by neighbors regarding our properties.

- 1) A building neighbor apologized for having been opposed to the agency acquiring the property several years prior. Among other things, the individual said "...I fought to keep you out but I want you to know the program has really done well in this community." Staff thanked this person.
- 2) A building neighbor complained there were too many dandelions in the yard and they were invading the yard of an adjacent property.
- 3) A building neighbor called to make sure that the agency was aware that an ambulance had been outside the property the night before.
- 4) A building neighbor complained that garbage cans had been put out on Sunday morning when pick-up was Monday. We apologized and took steps to assure that it would not occur again.

Resident Satisfaction

Housing Options distributed satisfaction surveys to all residents living in the program in December, 2005. The survey asked if the residents agreed or disagreed with twenty-five positive statements about the program. On a scale of one to four, residents could: strongly agree (4), agree (3), disagree (2), or strongly disagree (1). Sixty-six percent of the residents returned completed surveys to Housing Options.

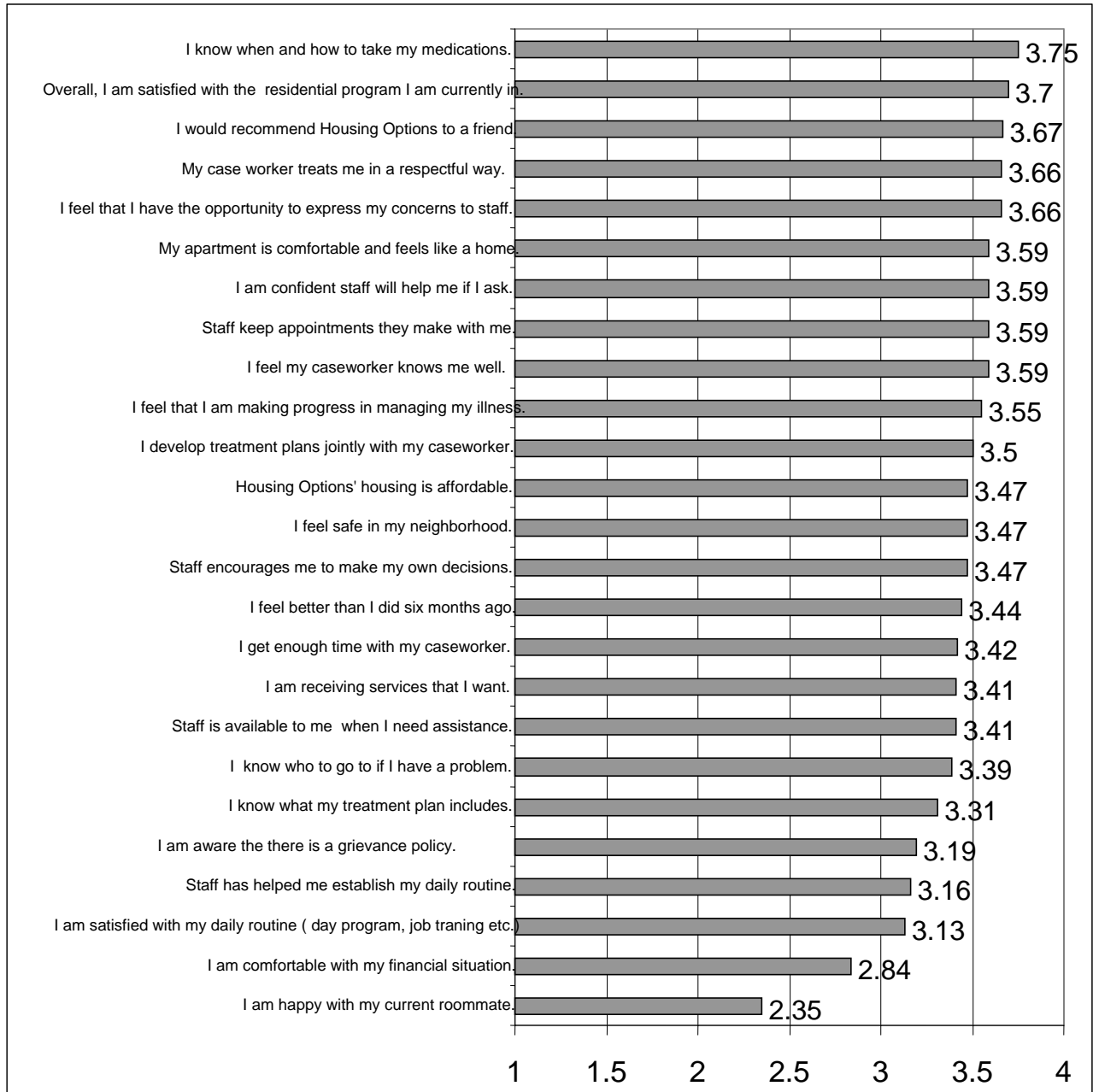
Residents agreed most strongly with five statements:

- I know when and how to take my medications
- Overall, I am satisfied with the residential program I am currently in
- I would recommend Housing Options to a friend
- My case worker treats me in a respectful way
- I feel that I have the opportunity to express my concerns to staff.

Residents disagreed with two statements:

- I am comfortable with my financial situation
- I am happy with my current roommate.

The following lists each statement and the average response.



1 = strongly disagree

2 = disagree

3 = agree

4 = strongly agree

Resident Comments From Satisfaction Surveys

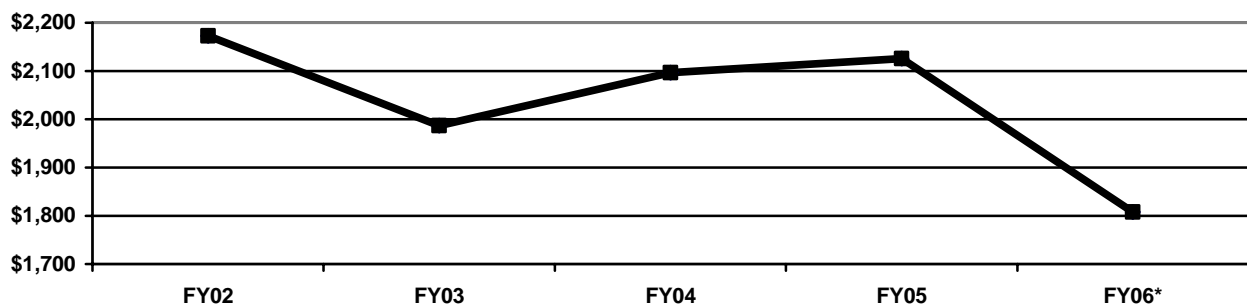
- Housing Options has offered me so many coping skills, support, housing, etc. I am such a better person having Housing Options in my life. I am so very grateful to all associated with Housing Options. You all are my “Heroes”!!
- I feel that I am blessed to be in the Housing Options program!! I don’t know where I would be without the Housing Options program!! Thank you.
- By making what might have been a hasty decision, I brought up a problem to Alexander. It has to do with the possible movements of possessions of mine, when I am away, inside my apartment. If I am mistaken about what I think may be happening, I truly apologize. I know the staff and have grown a true fondness for all of you over the years. But if there is a reason why somebody might be doing this, and I can only see it as something to try to aggravate me, please tell me and I will try to see both sides. Love is the strongest emotion.
- I am very fortunate to have a home in Housing Options. The other alternative might be homelessness. Housing Options does not provide options to move forward into the mainstream, but at this time I count my blessings and know that if this is all there is, then things are pretty good.
- I will like to thank [one of the case managers] who helps with the housekeeping every Monday she is a great help and God Bless her.
- My days and years have rolled by and they got better and better! I have an apartment straight out of Better Homes and Gardens. My claim to fame at Housing Options is my yellow couch that (is the same as the one) Laura and George Bush have in their private residence in the White House.
- Thank you very much for the help.
- I am doing better! Thanks

Financial Stability of the Agency

Note: Most financial measures are reported based on the fiscal year of July – June to coincide with the agency’s audit. Most other data in this report are based in the 2005 calendar year.

Monthly Operating Cost per Resident

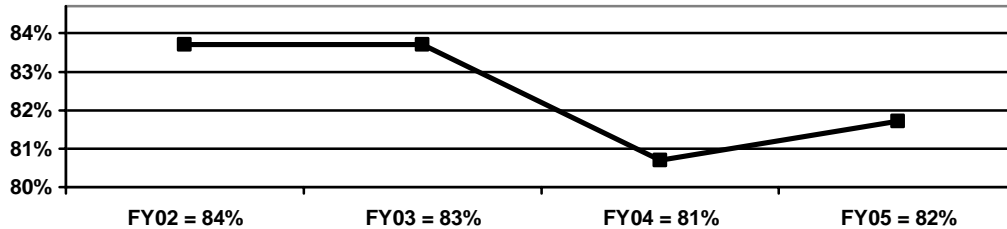
The operating cost per resident (total expenses divided by number of residents served at any one time) increased slightly to \$2,126 in FY05 from \$2,221 per month in the previous year. Over the past five years the agency has **decreased** the cost of serving each resident by 17%. This was accomplished despite higher costs of nearly everything from salaries, insurance, rent, utilities, repairs, technology, etc by increasing efficiency while maintaining superior quality. The transition to bring services in-house occurred in the middle of FY05 and necessitated a number of one-time expenses. The agency is operating much more cost-efficiently following the transition, as shown by a 15% decrease in the monthly operating cost during the first quarter of FY06*.



Goal: Achieve a monthly operating cost of no more than \$2,100 per resident in 2006. While this is higher than the current cost, this will be the first full year that the agency is operating as a direct provider, which brings with it greater uncertainty and will have several one-time operating expenditures related to opening the new building.

Percentage of Expenses on Services and Programs: Housing Options

The percentage of expenses spent directly on programs is a widely accepted measure of a nonprofit organization’s management and fundraising efficiency. The higher this number generally the more effective and efficient is the organization. One caveat is the agency that exhibits an extremely high percentage of expenses going to programs and services because they perform very little or no fundraising and have very limited infrastructure. This puts the organization at risk of operating with inadequate financial and quality controls and in jeopardy of not meeting its administrative and reporting obligations to the government and funders.

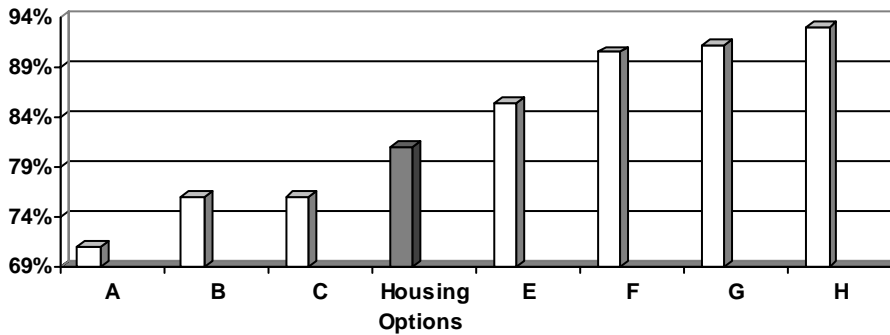


In FY05 Housing Options spent 82% of expenses directly to programs and services so 82 cents of every dollar given to Housing Options went directly to support the residents. This is much higher than the 65% recommended in the Better Business Bureau’s Standards for Charitable Accountability and 60% by both the American Institute for Philanthropy and National Charities Information Bureau.

Goal: Achieve a percentage of expenses spent on services and programs of 75% or higher in 2006. While this is higher than the current amount, this will be the first full year that the agency is operating as a direct provider, which brings with it greater uncertainty.

Percentage of Expenses on Services and Programs Compared to Other Nonprofits

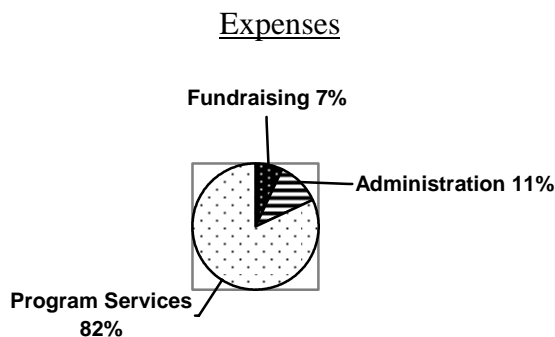
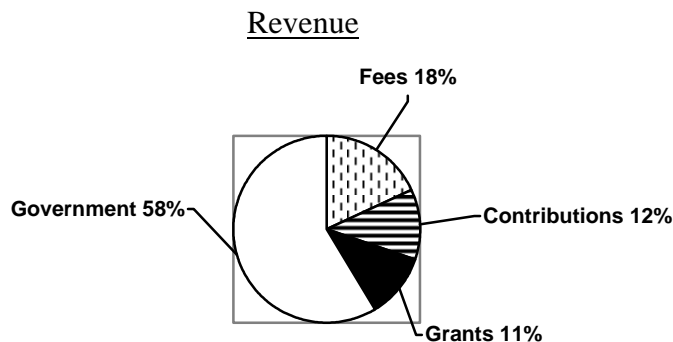
One of the ways Housing Options compares itself to similar organizations is by the amount of money we spend on programs and services as compared to administration and fundraising. Housing Options has chosen eight nonprofit organizations that provide similar services to benchmark itself against. The agency compares itself to seven local (Chicago & northern suburbs) nonprofits that provide similar services to adults with mental illness.



Agency	Annual Budget (millions)	Services	Expenses on Services
A	\$2.4	Supportive housing but mostly therapeutic day programming and outpatient counseling, nearly all to people with mental illnesses.	71%
B	\$1.7	Supportive housing & job training to people who are homeless and have mental illnesses	76%
C	\$1.6	Shelter and supportive housing to people who are homeless and have mental illnesses	76%
D Housing	\$1.2	Supportive housing to people who have mental illnesses	81%

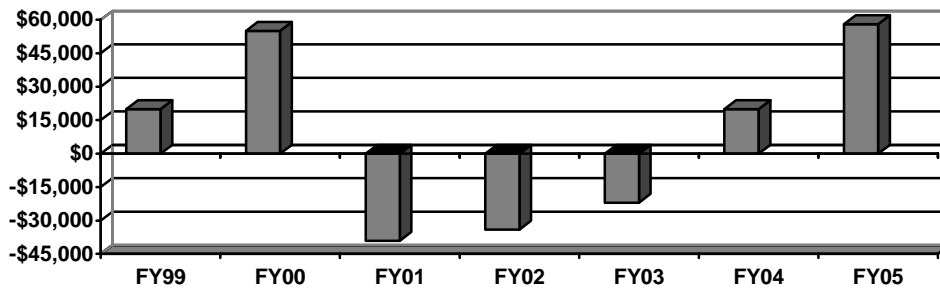
Options			
E	\$5.5	Supportive housing, therapeutic day programming, vocational training, outreach, etc. to people with mental illnesses	85%
F	\$4.9	Supportive housing, therapeutic day programming, case management, job training to people with mental illnesses	90%
G	\$3.1	Shelter and supportive housing to women who are homeless, many of whom have mental illnesses	91%
H	\$2.1	Supportive housing and therapeutic day programming to people with mental illnesses	93%

Source and Use of Funds



Annual Deficits or Surpluses

The difference between the money that Housing Options has raised and what has been spent is another key indicator of financial efficiency. Ideally, most nonprofits aim to earn slightly more than they spend each year, unless there is a special project or need identified.



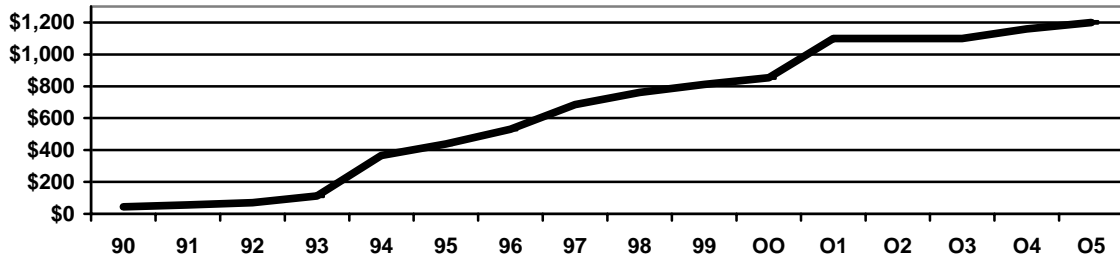
In FY05, the agency raised \$58,000 more than it spent. Over the past six years combined, it raised a total of \$50,000 more than it spent. These surpluses go into savings to assist paying bills during the difficult (i.e., deficit) years.

Goal: End each fiscal having raised as much money as it has spent.

Goal: End each three-year period with a surplus of at least 0.5% of the expenses of the three-year total.

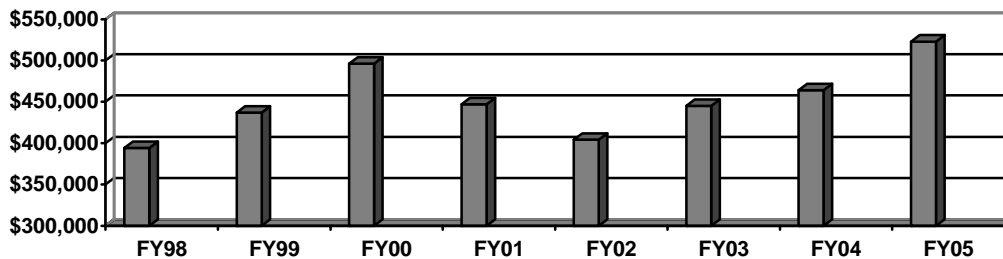
Annual Expenses

The agency was incorporated on April 18, 1988. The annual budget has continued to grow incrementally since financial statements were first produced in 1990. The chart below shows annual expenses, in thousands.

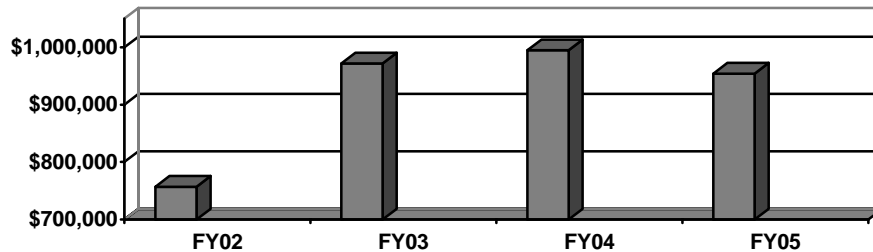


Net Assets

Net assets are similar to residual equity and include the purchase price of property and equipment; cash and investments; and money owed to the agency (receivables) minus depreciation and money owed by the agency (payables). Net assets cannot be thought of as the “value” of Housing Options because it does not take into account the substantial increase in the market value of the buildings that are owned by the agency.



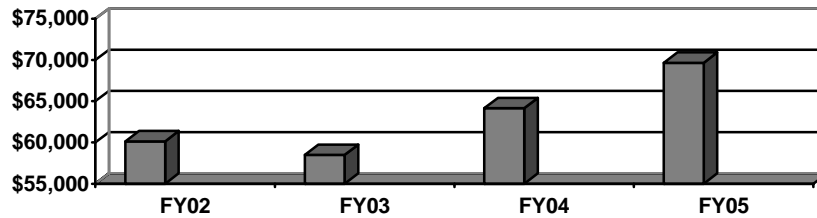
Long-Term Debt



Housing Options has incurred \$995,000 in long-term debt in order to acquire buildings. Over two-thirds of this debt is either forgivable or never requires repayment (unless the properties are sold or used for purposes other than housing adults with low incomes disabled by mental illnesses). The remaining long-term debt is comprised of three mortgages held on three separate buildings.

Revenue to Number of Employees

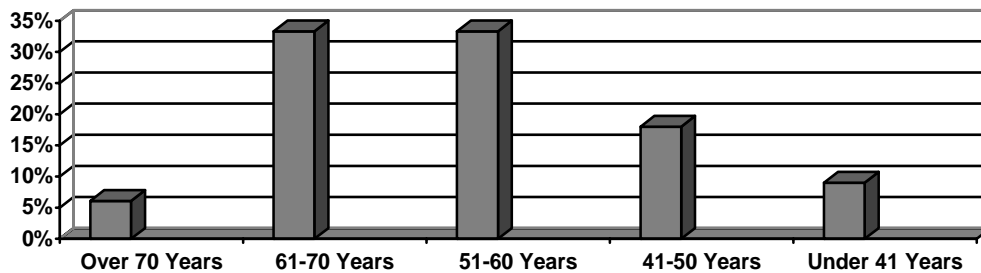
This is a common measure used by accountants to compare nonprofits and monitor them over time. It is essentially how much money is being generated per employee. Generally, the higher the amount the better, as long as quality services are being provided. It includes full-time equivalent employees and independent contractors.



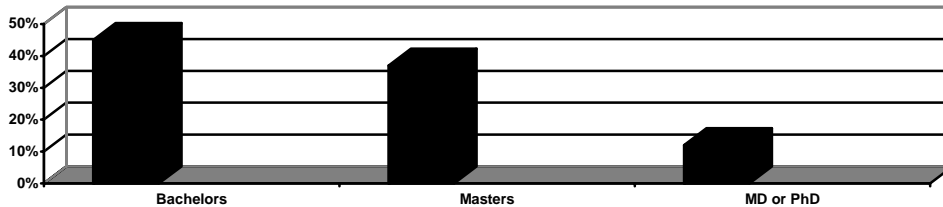
Volunteers

The agency is led by 60 volunteers who serve on the board of directors, advisory council, and on various committees. The agency undertook a survey of its volunteers in January 2005. The goal was to determine characteristics of the agency’s volunteers. Volunteers are predominantly female (66%), white (83%) and older (73% over age 50).

Volunteers are predominantly older.



Volunteers are well educated (94% have at least a college degree). Ninety-four percent of volunteers have been granted at least a college degree. Forty-nine percent of the volunteers have been granted a graduate and 12% a doctoral degree.



Volunteers are strongly tied to the Evanston community. Forty percent are employed in Evanston and 82% own a home. Forty-five percent belong to other organizations in Evanston, particularly mainstream churches, synagogues, and service organizations. Over one-third (36%) have served on city boards or commissions.

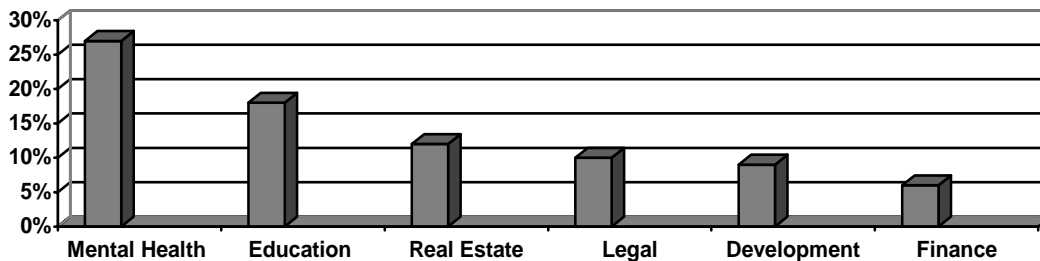


Most volunteers have personal connections to the residents’ primary concerns. The residents’ primary concerns are mental illness, homelessness, or both. Sixty-seven percent report that they have a personal connection (e.g., self, family, friend, colleague, etc.) with mental illness and 27% with homelessness. This contrasts with the

reasons given as the main motivations to volunteer with the agency: work with the homeless (85%), development of affordable housing (67%), and work with the mentally ill (46%).

Volunteers tend to remain loyal to and involved with the agency. Fifty percent have volunteered for at least 6 years and 30% over 9 years. Thirty percent have volunteered at least 4 hours in the past month and 73% at least 2 hours in the past month. Only 25% have volunteered less than 1 hour in the past month.

Volunteers are predominantly working professionals. Eight-five percent are working professionals, mostly in the fields of mental health (27%), education (18%), real estate (12%), legal (10%), community development (9%), finance (6%), and other fields (17%).



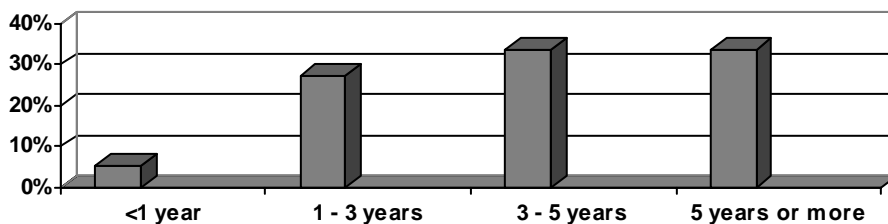
Employees

Number of Staff

The number of employees has remained almost unchanged for the past several years. Including all employees and independent contractors, the agency utilized the services of 18.06 full time equivalent (FTE) staff in FY05, a slight decrease 0.3 FTE (one third of one position) from the prior three years. The decrease came from efficiencies achieved through the transition to bringing services in-house. One-half of the employees formerly worked under contract; this practice ended in January 2005.

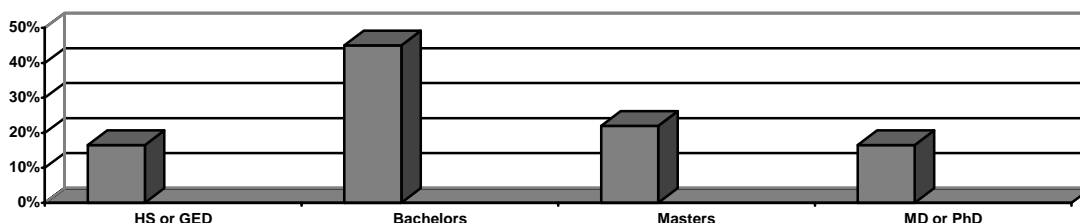
Staff Length Of Stay – Tenure With The Agency

Retaining good staff is a priority of the agency and is one of the main reasons that extremely high quality services are provided to residents.



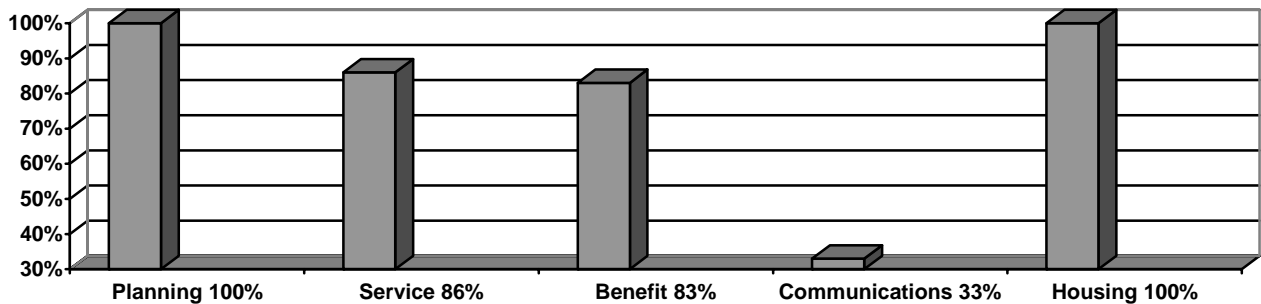
Education of Staff

Maintaining an educated group of staff is also a priority of the agency and is one of the main reasons that extremely high quality services are provided to residents. In January 2006, two new employees were hired, both with masters degrees in divinity and one also with a masters degree in social work.



Achievement of Strategic Plan Goals

The board of directors annually adopts goals for each committee that guides their work for the coming year. The results of these activities serve as a type of “report card” on both the committees and board. The graph below shows how each committee performed: what percentage of goals were met by each committee.



Goal: Eighty-five percent of strategic plan goals will be met in each area (i.e., by the respective committee)

Goal: Eighty-five percent of all goals will be met in 2006. In FY05, 80% of the goals were met.

Accreditation and Outside Monitoring

Housing Options is monitored by many entities, including:

- Evanston’s Mental Health (708) Board
- Evanston’s Division of Property Standards
- Illinois Housing Development Authority (IHDA)
- Illinois Department of Human Services (IDHS)
- Illinois Attorney General’s Office
- Federal Department of Housing and Urban Development (HUD)
- Federal Internal Revenue Service
- United Way of Metropolitan Chicago
- United Way of Evanston
- Commission on Accreditation of Rehabilitation Facilities (CARF)
- Other private funders

Commission on Accreditation of Rehabilitation Facilities (CARF)

In September 2005, Housing Options was granted the highest level of accreditation possible—three years—by the international Commission on Accreditation of Rehabilitation Facilities (CARF). This recognition was given after their surveyors spent two days in the agency’s offices reviewing all aspects of the organization and interviewing staff, volunteers, residents, and colleagues. CARF granted Housing Options accreditation in Case Management /Services Coordination: Mental Health (Adults) through August 2008.

Following is the complete survey summary provided by CARF.

Areas of Strength:

1. The organization’s staff and board have done an excellent job of working to reduce attitudinal barriers in the community that prevent persons served from enjoying their rightful place in society. The organization demonstrates excellent corporate citizenship.
2. The organization is commended for its use of the community living outcomes assessment (CLOA) for tracking the improvement in levels of functioning for person served.
3. The transition of program services employees to Housing Options in January 2005 was perceived as seamless by the persons served, the community, and employees affected by this change.

4. The organization does an outstanding job of presenting its outcomes data in graphical form that makes the data available to all stakeholders.
5. The organization's commitment to provide adequate staffing ensures high quality case management / case coordination services.
6. The organization's committee structure fosters communication and input from employees and members of the community.
7. The active verbal and written participation of the persons served in the quality assurance and utilization review process is exemplary.
8. The organization does a nice job of assessing the information technology abilities of all its staff members.
9. Housing Options has a strong staff pattern.
10. The board demonstrates a tremendous amount of due diligence and thoughtfulness in its financial and strategic deliberations.

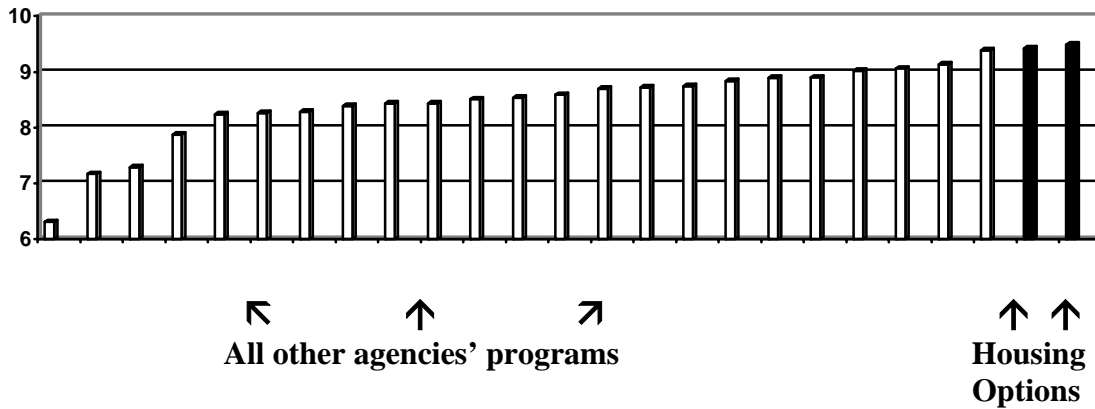
Areas that the Agency should Seek Improvement:

1. Data on persons served should be collected at the beginning of services, at the end of services, and at points in time following services.
2. The organization should include a performance goal for each indicator measured that is based on an industry benchmark, historical performance, or a goal established by the organization.
3. The policy and forms related to the organization's complaint procedure for persons served should be readily available to the persons served.
4. Critical incident reporting should address prevention, communicable diseases, infection control, bio-hazardous accidents, and the use or possession of licit or illicit substances.
5. The organization should secure its first aid kit and fire suppression equipment in its vehicle.
6. Measurable performance objectives for employees should be consistently included in each employee's annual evaluation process.
7. The organization should include a nondiscrimination statement in the compensation section of its personnel policies.
8. The procedure for investigating claims of waste, fraud, and abuse should include time frames for the investigation.
9. The organization should identify actions to reduce risk, develop a system to monitor the prescribed actions, report the results of actions taken to reduce risks, and note outstanding risk reduction activities in its performance improvement process.
10. The policy on the use of seclusion and restraint should be incorporated into the orientation information provided to the persons served at the time of their admission to program services. The organization should develop a program evaluation for medication utilization that measures prescribers and practitioner trends.

Housing Options has already addressed each of CARF's recommendations.

Evanston's Mental Health (708) Board

In the fall of 2005, Housing Options was distinguished when the city of Evanston's Mental Health Board ranked two programs highest of all the programs it funds. Of the 25 programs operated by 18 nonprofits, Housing Options' permanent housing programs at Home First & Bell House were ranked first and transitional housing program SHIP second in terms of overall performance. They also approved our funding request of \$25,800 for next year. The Mental Health Board consists of professional and lay volunteers who are nominated by the Mayor and appointed by the City Council. The board evaluates and funds community mental health services and facilities in Evanston. They rated the programs in terms of organizational strength, financing, funding proposal, responsiveness, quality, and services. Each area was scored on a scale of a low of zero and a high of ten. The board's ranking is an affirmation of the dedication and exceptional skill of Housing Options' staff and volunteers.



Illinois Housing Development Authority (IHDA)

IHDA funding was instrumental in allowing the agency to acquire several properties. IHDA continues to monitor the agency’s operation in several ways, including an inspection of the properties and interview of staff each year.

Goal: IHDA shall identify no more than two areas that require corrective action in each building per year. The inspections in 2005 were completed without incident or recommendation, officially termed “no findings”.

Department OF Human Services/Division of Mental Health (DHS Audit)

In December of 2005, DHS conducted a regular (unannounced) audit of the agency’s documentation of services to determine its compliance with state regulations. This was the first such audit the agency has ever had as services were not provided directly by the agency until January 1, 2005. DHS conducts these audits every 1 – 3 years. The two-day audit involved 3 DHS staff reviewing resident files; agency policies and procedures; personnel files; inspecting apartments; and interviewing staff and residents.

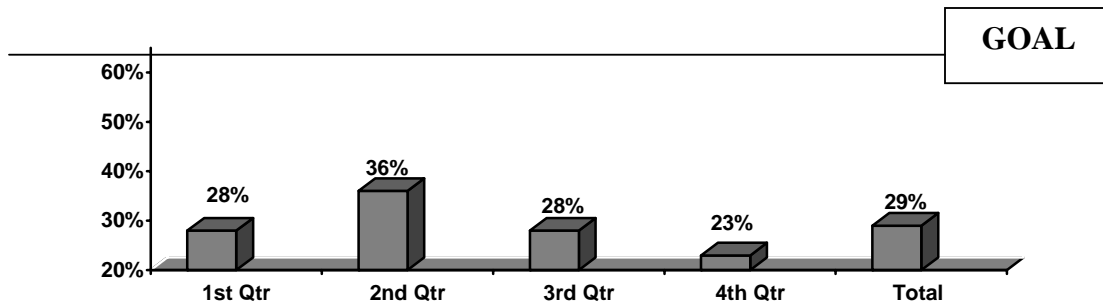
The audit identified 59% record compliance and 78% overall compliance. Below are the standards and the percentage of files which were compliant with each (e.g., 100% = all files reviewed were in compliance with the requirement).

1. file must have note on the date the service was provided (56% in compliance)
2. notes in file must indicate location of services (88% in compliance)
3. content of the note in file must describe the specific mental health service provided (55%)
4. must indicate in the rights statement the right to contact the office of Guardianship and Advocacy Commission (0%)
5. must indicate in the rights statement the right to receive services in the least restrictive setting (0%)
6. must indicate by a signed and dated note that a staff person has explained the rights to the resident and that they have been understood (0%)
7. no services other than crisis intervention or emergency case management can be provided until the mental health assessment is completed (0%)
8. individual service plan must be completed within 45 days of the completion of the mental health assessment (56%)
9. file must identify the responsible staff person in the team is listed as the responsible person (0%)
10. individual service plan must indicate 5 axes diagnosis (89%)

The auditors were clear in their appraisal that while this level of compliance is common for agencies in their first year of providing services it should not occur again.

Similarly, the state of Illinois set a target of 65% of all direct service employees' time should be spent in direct "billable" service. Billable services are those that meet narrow guidelines and do not include all the support services provided to residents. In 2005, the service team provided billable services approximately 29% of the time.

Total Team Time Billed



The target of 65% is related to the state of Illinois, Department of Human Services, Mental Health Division plan in July of 2006 to switch from a grant-based model to a fee-for-service model. Rather than receiving established quarterly payments from the state based on a contract, agencies will be reimbursed for each unit of service billed. The state projects that 60 – 65% of direct service staff time must be billed as direct service in order for agencies to continue to generate the same level of revenue received under the old system. For 2005, the amount of staff time that was billed at Housing Options was 29%, far below the target.

Several steps have been taken to address these problems:

1. The service team has begun meeting with the executive director and director of operations weekly to review files and billing standards and to receive additional training.
2. Brief billing compliance reference sheets and decision-trees are being developed.
3. While services will continue being provided with a team approach, each file now has a "primary," which is a staff person responsible to assure that all forms and necessary documents are completed fully and within timelines.
4. The educational make-up of the team changed in January 2006. Two staff (one with a high school diploma and the other with a bachelors degree) are no longer with the agency and were replaced by staff with masters degrees.
5. The structure of the team has been changed with the addition of a supervisor who will directly supervise 2-4 of the team members.
6. To assist with billing (which is done electronically) additional computers were purchased so that all service team members have individual computers.
7. The agency's electronic record-keeping and billing software system and computer information systems in general continued to be developed and improved through the end of 2005.
8. Tools were created and training provided to help the service team increase its compliance with the Medicaid billing code (Rule 132), and to identify services that were being provided but underreported.
9. The service team began receiving monthly reports comparing hours actually billed to target hours.
10. In addition, state consultants agreed to provide a day of on-site training and consultation to the agency in March, 2006.

Goal: DHS shall identify 75% record compliance at their next audit (expected fall 2006).

Goal: DHS shall identify 90% overall compliance at their next audit (expected fall 2006).

Goal: The service team shall provide "billable" services 65% of the time.

IV. Summary and Objectives for Improvement

The Year 2005 was a remarkable one for Housing Options. The board of directors, advisory council, committee volunteers, staff, and residents achieved a number of major accomplishments, including:

- Successfully ending the practice of contracting for services and hiring social workers, case managers, and nurse directly;
- Obtaining a full three-year CARF accreditation;
- Starting a new program, Pathways Plus;
- Being ranked first by Evanston's Mental Health Board over all other funded agencies;
- Being Nominated for the Alford - Axelson Award for Nonprofit Managerial Excellence;
- Negotiating a private individual donation of \$1,000,000, which was used in January 2006 to purchase a sixth building. This building will be renovated and begin accepting new residents in the late fall of 2006; and
- The residents who made tremendous accomplishments, including coping with and recovering from their mental illnesses and achieving the personal goals that were best for each individual.

The most significant challenges and/or areas that need improvement are:

- a) The agency must do a better job preparing for the state's fee-for-service implementation scheduled for July 2006 and meeting the billing and reporting requirements. The agency performed poorly in its compliance with the record-keeping requirements, although the quality of services was very high, and in providing the required number of "billable" services.
- b) The agency must address the challenges faced by many SHIP transitional living program residents in finding affordable housing that meets their needs. The agency's service team and service delivery committee are looking very closely at the program to determine what changes should be made to improve the number of people who are able to leave the program in a positive and timely manner.
- c) The agency must address challenges associated with the new building; particularly relocation of current tenants; undertaking a major renovation of the property; and moving in new residents, projected to occur in late 2006.