

# Evidence of Cost Savings: Addressing Health-Related Social Needs in Medicaid

### Research shows health-related social needs are major drivers of health.

Health-related social needs are non-medical factors that influence a person's health and well-being. These factors include affordable and safe housing, nutritious and available food, shelter from extreme temperatures and weather, and social supports. Research has found that these factors can account for up to 55% of health outcomes.<sup>1</sup>

**Hundreds of thousands of Medicaid members in Colorado have pressing health-related social needs.**



Housing

**13.3%**

of members  
(145,000)  
experience  
housing instability<sup>2</sup>



Food

**21.5%**

of members  
(248,000)  
experience  
food insecurity<sup>3</sup>



Extreme Weather

**84,000**

member households  
lack air conditioning  
and 13,000 lack  
heating<sup>4,5</sup>

<sup>1</sup> Bhavnani S.K., Zhang W., Bao D., et al. Subtyping Social Determinants of Health in All of Us: Network Analysis and Visualization Approach. (2023). MedRxiv: the preprint server for health sciences, 2023.01.27.23285125. <https://doi.org/10.1101/2023.01.27.23285125>

<sup>2</sup> Colorado Health Institute. 2025 Colorado Health Access Survey. (2025).

<sup>3</sup> Colorado Health Institute. 2025 Colorado Health Access Survey. (2025).

<sup>4</sup> 2020 U.S. Energy Information Administration, Residential Energy Consumption Survey

<sup>5</sup> 2023 Integrated Public Use Microdata Series (IPUMS) (1-year estimates)

**Medicaid can reduce long-term costs and improve health outcomes by covering housing, food, and extreme weather services.** Robust evaluation data from state Medicaid programs that have implemented health-related social need services demonstrate a reduction in emergency department visits, which avoids costly care.<sup>6</sup> Addressing social needs also has the potential to reduce hospitalizations, shorten the duration of hospital stays, and prevent chronic disease.

## Housing

Unstable housing increases medical spending and worsens health outcomes.

Housing interventions, such as rental assistance, eviction prevention, and permanent supportive housing, are effective at securing stable housing.

### Evidence example:

A study that reviewed evidence from multiple states showed housing interventions can reduce medical services costs (e.g., hospitalizations, ambulance trips, detox) by \$35,000 per person annually for frequent service utilizers who were previously unhoused.<sup>7</sup>

## Food

Integrating Food is Medicine nutritional interventions into medical care can reduce hospital admissions and lower costs for chronic conditions.

Nutritional interventions include medically tailored meals, nutrition counseling and instruction, and other food-based services.

### Evidence example:

A Massachusetts study found that adults enrolled in a nutrition program for more than 90 days lowered their health care costs by \$2,502 per member over roughly three years.<sup>8</sup>

## Extreme Weather

Providing temperature control devices and backup power supplies protects members from temperature-related injury and power outages affecting those with electricity-dependent medical equipment.

Protective devices include heaters, air conditioners, and back-up power supplies.

### Evidence example:

A 2021 study in Oregon and Washington found an average annual cost savings of \$5,000 through avoided heat-related emergency department visits and hospital admissions.<sup>9</sup>

Please visit [HCPF's Health-Related Social Needs webpage](#) for more resources and research on these services and to view the full report.

<sup>6</sup>Berkowitz S., Archibald J., Yu Z., et al. Medicaid Spending and Health-Related Social Needs in the North Carolina Healthy Opportunities Pilots Program. (2025). JAMA. 333(12):1041-1050. doi:10.1001/jama.2025.1042

<sup>7</sup>Corporation for Supportive Housing. Cost Benefit Analysis. (2024). <https://drive.google.com/file/d/1v5RkK0A9Omwl4RlnGa2veJ6cU9HgrOGY/view>

<sup>8</sup>Berkowitz S., Archibald J., Yu Z., et al. (2025).

<sup>9</sup>Young S. AC, Power Banks, Mini Fridges: Oregon Equips Medicaid Patients for Climate Change. (2024). KFF Health News. <https://kffhealthnews.org/news/article/oregon-medicaid-patients-climate-benefits/>



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