

# Innovative PSH Programs: The People Concern's Contingency Management Program

Author: Drea Younes



## *What is Contingency Management?*

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Between August 2023 and March 2024, The People Concern (TPC), partnered with the Los Angeles County Department of Health Services (LAC DHS), and property management teams, to implement a Contingency Management (CM) program at three Permanent Supportive Housing (PSH) sites in Los Angeles. Contingency Management is an approach that uses incentives to reward participants for making positive progress toward agreed-upon goals. The program's purpose is to decrease the number of evictions and improve overall housing stability for residents with histories of substance use and behaviors that place their housing at risk. Residents at risk of being evicted are placed in a 12-week program where they set a specific goal, such as reducing the use of substances or limiting overnight guests, and are then expected to check-in with TPC staff every two weeks. The program uses a reward system that includes gift cards and positive verbal feedback to encourage residents' continued progress towards these goals.<sup>1</sup>

## *Contingency Management and Housing Retention*

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The CM program has proven to be effective in preventing evictions and supporting housing stability for tenants facing long-term challenges. Out of 55 residents referred to the program, 47 participants attended at least one session. Of these participants, 79% were still

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<sup>1</sup> Denise Guzman Naranjo, Grace Yi, Allison D. Rosen, Omar Nieto, and Steven J. Shoptaw, *Evaluation of Contingency Management to Facilitate Retention in Supportive Housing in Los Angeles County* (University of California, Los Angeles: Center for Behavioral and Addiction Medicine, 2024), 2.

housed at the end of the 12-week program, with no evictions, voluntary move-outs, or participants lost to follow-up.<sup>2</sup> In addition, participants demonstrated significant progress in reducing substance use and disruptive behaviors, such as property damage.

This program represents successes of both Housing First<sup>3</sup> and harm reduction<sup>4</sup>, as it does not require abstinence as a condition for housing. Instead, the focus is on setting goals around the resident's health and housing stability using monetary incentives as positive reinforcement that offer temporary relief from financial burdens, as well as words of encouragement from staff members to support residents' emotional growth. TPC staff describe the reward system as enabling clients to define success for themselves, regardless of societal expectations. Furthermore, the CM program raises residents' awareness of the risks of eviction and helps them build the skills needed to maintain safe and healthy housing.

### **Program Funding**

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The CM program initially received funding through a grant from the Hilton Foundation in 2022 and recently secured new funding to continue the program for five years. This new funding will enable TPC to hire additional staff, continue offering incentives to clients, and expand this program to additional PSH sites. The program also aligns with California's policy shift in expanding coverage using the Medicaid 1115 waiver, broadening benefits to include contingency management for individuals seeking treatment for stimulant substance use.<sup>5</sup> By utilizing the waiver to reimburse contingency management services, the program gains a steady and reliable funding source instead of relying solely on short-term grants. Ongoing state Medicaid support allows the program to operate continuously, retain qualified staff, expand services to residents, and serve as a sustainable model for other housing and behavioral health providers.

### **Contingency Management Administration**

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Together with TPC and LAC DHS, property management works onsite at each location to support the implementation of the program. The People Concern manages the daily operations of CM and provides program managers, case managers, and a nurse practitioner at each location in order to engage participants and monitor their progress.<sup>6</sup> Property management is responsible for the regulation and maintenance of a safe community for

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<sup>2</sup> Naranjo, Yi, Rosen, Nieto, and Shoptaw, *Evaluation of Contingency Management*, 3.

<sup>3</sup> *Housing First is an evidence-based model providing immediate access to permanent housing for people experiencing homelessness, emphasizing client choice and housing stability (National Alliance to End Homelessness, n.d.).*

<sup>4</sup> *Harm reduction is a public health approach that reduces negative consequences of substance use without requiring abstinence, emphasizing individualized strategies (Davis et al., 2022).*

<sup>5</sup> Naranjo, Yi, Rosen, Nieto, and Shoptaw, *Evaluation of Contingency Management*, 9.

<sup>6</sup> Naranjo, Yi, Rosen, Nieto, and Shoptaw, *Evaluation of Contingency Management*, 7.

participants, while LAC DHS provides onsite Intensive Case Management Services (ICMS).<sup>7</sup> CM is expected to expand in upcoming years, with plans to implement more sites and staff to support growth.

TPC describes their work as a housing first agency that seeks to prioritize clients' health and safety, ensuring residents feel a strong sense of engagement and intentionality in their community. CM stands as a key part of TPC's harm reduction work by enabling individuals to not only access supportive services, but to build community connections, foster independence, and create a sense of pride in changing their lives for the better, on their own terms. By combining emotional encouragement with financial incentives, the CM model demonstrates how harm reduction saves lives by supporting housing stability, as well as connection with each other and their community.

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<sup>7</sup> *Intensive Case Management Services (ICMS)* are community-based interventions providing coordinated, high-intensity support through a multidisciplinary team for individuals with complex needs, emphasizing small caseloads and frequent contact to improve functioning and reduce reliance on institutional care (Dieterich et al., 2017).