

**SOUTHERN AREA BEHAVIORAL HEALTHCARE (SABH)
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October 29, 2014

Ken Levine, Director
Sunset Advisory Commission
PO Box 13066
Austin, TX 78711

Dear Mr. Levine,

Southern Area Behavioral Healthcare (SABH), a NorthStar provider of After-Hour Crisis Services, welcomes the opportunity to provide written feedback regarding the Sunset Advisory Commission's recommendations regarding NorthStar.

In July 1999, the State of Texas rolled out the 1915b Medicaid Managed Care Waiver and NorthStar was created. For the first four years, NorthStar experienced a difficult beginning. As providers, we were assured that Medicaid Managed Care and NorthStar would ensure greater patient choice; the elimination of waiting lists; improve patient outcomes; create efficiencies and economy of scale; reduce administrative costs; streamline data collection processes and create a cost effective model of providing Mental Health and Substance Abuse services in North Texas.

Over the last 15 years, that is exactly what has happened. NorthStar has effectively demonstrated its ability to deliver quality and cost effective mental health and substance abuse services. Patients now have greater treatment choices and improved outcomes. I do not believe the Sunset Advisory Commission has a complete or accurate assessment of the many strengths and accomplishments of NorthStar and I strongly recommend a more thoughtful and thorough review of the NorthStar system.

During the first quarter of 2014 alone, regarding mental health services penetration, NorthStar served 28% (38,975) for adults and children receiving mental health services. The average monthly number of individuals receiving new generation medications is also 28%. In addition, the average percentage of adults or children waiting for all services is 0%.

Within the NorthStar system, 20% of all individuals identified as needing Substance Use Disorder treatment consistently receive that service within 90-days of identification by NorthStar Mental Health treatment providers, and they have same-day access to these services if they are willing to accept them. Further, of the 26,000 currently open NorthStar CMBHS Adult ANSA Assessment, 1944 (7.6%) were assessed as needing

action or intervention on their substance use and of those, 269 (14%) are authorized and engaged in substance use disorder treatment.

In addition, The Texas NorthStar system provides early and timely intervention without waiting for treatment. The result is many individuals enter treatment in the pre-contemplative stage of change. These individuals have a higher “drop out” rate than seen in other areas of the State where only the most motivated seek and enter treatment.

For other areas of the State during 2013, there were a total of 10,516 individuals on substance use treatment waiting list. There were no individuals on the waiting list in the NorthStar system. The Texas NorthStar system has the highest referral to substance use treatment for individuals affected by mental illness than other areas of the State. In fact, during SFY 2013, over 79% of the individuals in Texas who received publicly funded dual treatment services such as COPSD (Co-Occurring Psychiatric and Substance Dependence) received their treatment in the NorthStar system.

Earlier this year regarding integrated care across the NorthStar system, Value Options kicked off a campaign to educate NorthStar providers on ways to improve integrated care in their practices. The process starts with the IPAT practice assessment which is the first electronic Integrated Practice Assessment Tool introduced by Value Options. The IPAT is designed to help health care providers more accurately determine their integration level. The data collected will enable providers, researchers and payors to better measure integration both within and across health care settings.

At Southern Area Behavioral Healthcare (SABH), the NorthStar system allows individuals to access the right level of treatment, at the right place, and at the right time, without individuals ending up in 23-hour observation or inpatient hospitalization. The benefits allowed by the NorthStar system include:

- Increased availability and accessibility of after-hour crisis services
- The reduction of 23-hour observation and inpatient hospitalization
- Allowing staff to coordinate services and quickly return individuals back to the community or home
- Providing significant cost saving by providing a lesser level of care than 23-hour observation and inpatient hospitalization
- Providing crisis services in a safe, timely and cost effective treatment environment
- Consistently and effectively treating high-risk individuals through medication and education
- Providing greater access to quality medication management services
- Creating better treatment outcomes
- Providing another point of entry for individuals who are seeking psychiatric medication services

I strongly encourage the Sunset Advisory Commission to rethink its recommendation regarding NorthStar. The Sunset Commission should ensure that the indigents of North Texas have access to the best tried and proven health care possible. By eliminating NorthStar, I believe the State of Texas would be taking a step backward and in the wrong direction and wrong path.

If the Texas legislature and Sunset Commission are truly concerned about mental health and substance use treatment in North Texas, it should rethink its position and commit to the NorthStar system. What's most concerning for me is that it appears that the Sunset Commission staff misunderstands the dangers of eliminating NorthStar.

If the Sunset Commission moves forward with its recommendation, it will open the door to long waiting lists; significantly reduced individual choice; reduced efficiencies and economy of scale; inequity across providers; and the elimination of essential NorthStar providers. Protecting the mental health and substance use treatment for individuals in North Texas should be a priority for the State of Texas.

It is difficult, therefore, to understand why our elected officials and the Sunset Commission would eliminate NorthStar when we have worked so diligently over the last 15 years to ensure its effectiveness and success. For the health care and safety of individuals currently in the NorthStar system; the Sunset Commission should rescind its staff's recommendation regarding NorthStar.

The State of Texas should be a shining example for other states on Medicaid Managed Care. However, if the Sunset Commission proceeds with its recommendation, the State of Texas will be an example for the wrong reasons. The bottom line for NorthStar providers is the Sunset Commission is considering a very serious recommendation that could have widespread negative ramifications across the NorthStar community. The real losers will be the individuals in North Texas who depend on us to provide timely and quality mental health and substance use treatment services.

I do not believe the NorthStar model has stifled innovation. In fact, over the last 15 years since its rollout, NorthStar has demonstrated its ability to adapt, bring about positive systemic changes, and significant innovations to Medicaid Managed Care, all of which occurred with significant stakeholder input. I am confident that the NorthStar system is ready to build on its many strengths and accomplishments, and I strongly recommend that the State of Texas legislature and the Sunset Commission work together with Value Options and north Texas stakeholders in expanding the many strengths and accomplishments of NorthStar.

On behalf of the patients of SABH, I respectfully request that the Sunset Commission rethink and rescind its staff's recommendation to eliminate NorthStar.

Sincerely,

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cc Senator Jane Nelson
Senator Royce West
Senator Bob Deuell
Representative Eric Johnson
Representative Yvonne Davis
Representative Cindy Burkett
Representative Four Price
Senator Brian Birdwell
Senator Donna Campbell
Senator Juan Hinojosa
Senator Charles Schwertner
Dawn Buckingham, M.D.
Representative Harold V. Dutton, Jr.
Representative Larry Gonzales
Representative Richard Pena Raymond
Tom Luce

PUBLIC COMMENTS TO THE SUNSET ADVISORY COMMISSION

Madam Chairperson, Vice-Chair Price, Mr. Levine and members of the Sunset Advisory Commission. Thank you for the opportunity to speak here today regarding the Sunset Advisory Commission's recommendation regarding NorthStar.

My name is Dr. Rick Davis, I am Managing Partner of Southern Area Behavioral Healthcare, a NorthStar Provider in Dallas, Texas. We provide After-Hours Crisis services for individuals across 7 counties; Dallas, Collin, Ellis, Navarro, Rockwall, Kaufman, and Hunt.

NorthStar serves the medically indigent and most Medicaid recipients who reside within this region. Launched in 1999, NorthSTAR is the first program of its kind, in Texas, to combine service programs and financial assets into an integrated single system of care. The NorthSTAR program provides an integrated system of care with mental health care and substance use services.

When NorthStar was launched on July 1, 1999, I was President and CEO of Hunt County Mental Health and Mental Retardation Center. Today, I guess it would be more appropriate as Hunt County Mental Health and Intellectual or Development Disorders Center. Fifteen years ago following the launch of NorthStar, I sat in Senator Royce West's office in Austin, Texas, after having prepared an extensive report regarding my support of NorthStar.

Sure, NorthStar had a difficult start . However, within a couple of years, NorthStar became a preferred model for the delivery of mental health and substance use services. I believe NorthStar has achieved the many goals and priorities that were formulated by Don Gilbert, former MHMR Commissioner.

Over the last 15 years, NorthStar has continued to demonstrate creativity and innovation. Just as I was certain 15 years ago that NorthStar would prove to be an effective model; I'm back 15 years

later saying job well done. NorthStar continues to provide greater patient choice; the elimination of waiting lists; improve patient outcomes; it has created efficiencies and economy of scale; and NorthStar has reduced administrative costs to 10% and below. It also continues to increase its mental health and substance use service penetration.

We have demanded that NorthStar not become stagnant, but rather become creative and innovative; and it has become creative and innovative!

During FY 2013, NorthStar served 73,000. The average over the NorthStar communities for adults actually served splits 70% indigent to 30% Medicaid for adults receiving mental health services and 90% indigent and 10% Medicaid for adults seeking Substance Use Disorder (SUD) services.

Many of these individuals would be left out in the cold in a SB 58 and/or a return to the community center as the indigent model of care. It means that the majority of adult providers in NorthStar would go out of business because there wouldn't be enough Medicaid business and the Community Mental Centers wouldn't share enough of the indigent business if it follows the patterns of the rest of the state.

During the first quarter of 2014 alone, regarding mental health services penetration, NorthStar served 28% (38,975) of the adults and children receiving mental health services in Texas. The average monthly number of individuals receiving new generation medications is also 28%. In addition, the average percentage of adults or children waiting for all services is 0%.

Within the NorthStar system, 20% of all individuals identified as needing Substance Use Disorder treatment consistently receive that service within 90-days of identification by NorthStar Mental Health treatment providers, and they have same-day access to these services if they are willing to accept them. Further, of the 26,000 currently open NorthStar's Clinical Management for Behavioral Healthcare system (CMBHS) and Adult Needs and Strengths

Assessment (ANSA) Assessment; 1944 (7.6%) were assessed as needing action or intervention on their substance use and of those, 269 (14%) are authorized and engaged in substance use disorder treatment.

In addition, The Texas NorthStar system provides early and timely intervention without waiting for treatment. The result is many individuals enter treatment in the pre-contemplative stage of change. These individuals have a higher “drop out” rate than seen in other areas of the State where only the most motivated seek and enter treatment.

For other areas of the State during 2013, there were a total of 10,516 individuals on substance use treatment waiting list. There were no individuals on the waiting list in the NorthStar system. The Texas NorthStar system has the highest referral to substance use treatment for individuals affected by mental illness than other areas of the State. In fact, during 2013, over 79% of the individuals in Texas who received publicly funded dual treatment services such as COPSD (Co-Occurring Psychiatric and Substance Dependence) received their treatment in the NorthStar system.

We have also demanded that NorthStar move towards an integrated model of care. It is noteworthy, I believe, to mention that the Medicaid Behavioral Healthcare System in other parts of the state has not yet become an integrated model of care; it has simply become a model that integrates the payor source. All areas of the state, including NorthSTAR, have tremendous opportunities and challenges in achieving an integrated system of care.

Earlier this year regarding integrated care across the NorthStar system, Value Options kicked off a campaign to educate NorthStar providers on ways to improve integrated care in their practices. The process starts with the IPAT practice assessment which is the first electronic Integrated Practice Assessment Tool of its kind. The IPAT is designed to help health care providers more accurately determine their integration level and the data collected will enable providers, researchers and payers to better measure integration both within and across health care settings.

It seems to me Madam Chairperson, Vice Chair Price, Mr. Levine and members of the Sunset Advisory Commission that NorthStar has more than exceeded everyone's expectations. So, do we throw the baby out with the bath water after it has accomplished so much; or do we find a way to build on NorthStar. I suggest to you that we find ways to build on its many strengths and accomplishments.

While NorthStar may or may not be the model of care for other areas of the State in the delivery of mental health and substance use services; it clearly is for the North Texas region.

I strongly encourage the Sunset Advisory Commission to rethink and rescind its recommendation and commit to NorthStar. If the Sunset Advisory Commission moves forward with its recommendation, it will open the door to long waiting lists; significantly reduced individual choice; reduced efficiencies and economy of scale; inequity across providers; a significant increase in administration costs; and the elimination of essential NorthStar providers. Protecting the mental health and substance use treatment for the indigent in North Texas should be a priority for the State of Texas.

Let's become a shining example and model of care for treating the indigent.

On behalf of the patients of Southern Area Behavioral Healthcare, I respectfully request that the Sunset Commission rethink and rescind its staff's recommendation to eliminate NorthStar.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Davis". The signature is stylized and cursive.

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