Cecelia Hartley

From: Sunset Advisory Commission
Sent: Monday, November 24, 2014 8:35 AM
To: Cecelia Hartley
Subject:
Attachments:

From: Janie Metzinger
Sent: Saturday, November 22, 2014 8:48 PM
To: Sunset Advisory Commission
Subject: Sunset HHSC Issue 9-Revised-final.docx

Dear Senator Nelson and Members of the Texas Sunset Advisory Commission:

Please accept the attached revised version of Health and Human Services-Issue 9 report, along with letters of endorsement from Mental Health America of Greater Dallas and the NorthSTAR affiliates of the National Alliance on Mental Illness. Also attached are relevant documents referred to in our revision.

We are very grateful for your willingness to work with the North Texas Behavioral Health Authority on a way forward to build on the strengths of NorthSTAR and enhance it for the future.

If you have any questions, please contact me.

Sincerely,
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Issue 9—Revised

NorthSTAR's Strengths Position It Well for Innovative Delivery of Integrated, Coordinated, Collaborative Health Services in Its Region.

The NorthSTAR behavioral health program provides public mental health and substance abuse treatment services for indigent and Medicaid-eligible adults and children. NorthSTAR serves individuals who have a serious and persistent

mental illness, a chemical dependency, or both, whose income is below 200% of Federal Poverty Level (FPL) or have most kinds of Medicaid, and who reside in Collin, Dallas, Ellis, Hunt, Kaufman, Navarro and Rockwall Counties.

NorthSTAR is a strength-based, recovery oriented system of care. It is a public/private partnership that has operated successfully and cost-effectively for 15 years. It was designed with advice from local advocacy organizations, consumers, family members, providers and other local stakeholders and has continuously evolved with the input of those stakeholder groups.

Care is managed currently by Value Options, a behavioral health organization (BHO) which was awarded a capitated management contract by the State of Texas under a competitive bidding process. The North Texas Behavioral Health Authority (NTBHA) serves as the local mental health authority for NorthSTAR and facilitates NorthSTAR, Medicaid and CHIP enrollment, provides ombudsman services, investigates complaints, convenes the Community Resource Coordination Group (CRCG), and provides policy, planning, development, monitoring and oversight for the NorthSTAR program. Members of the NTBHA Board are appointed by their respective county commissioners' courts.

NorthSTAR's Guiding Principles and Strengths

Mental Health and Substance Use Disorder Integration

NorthSTAR integrates mental health and substance use disorder services. The Substance Abuse and Mental Health Services Administration (SAMHSA) estimates that 42.8% of people with a substance use disorder also have a mental illness. [i] Since the 1990s, best practices have indicated that people who have co-occurring disorders tend to have better recovery outcomes when both conditions are treated together. NorthSTAR was designed, therefore, to integrate care for mental illnesses and substance use disorders, and has led the way in access to substance use disorder treatment and recovery for low-income Texans. In 2009, the Texas Legislative Budget Board [ii] found that Texas Medicaid spending in fiscal year 2006 was $5,869 less per client among SSI and SSI-related Medicaid adults who received substance use disorder services in NorthSTAR, prompting the legislature to provide comprehensive substance abuse treatment for adults covered by Texas Medicaid. In 2013, of all Texans receiving substance use disorder services, 20% of them received those services in NorthSTAR.[iii]

Open Access—No Waiting Lists

NorthSTAR has never had a waiting list, and is the only behavioral health system in Texas to hold that distinction. Individuals seeking care are never turned away, nor are they dis-enrolled if they miss an appointment.

Under the contract that Texas has with the behavioral health organization, Value Options is responsible for every 'covered life' in the seven-county region. If an individual in the NorthSTAR region has major depression, bipolar disorder, schizophrenia or a substance use disorder, or needs crisis care for any mental health or substance use disorder diagnosis and has income at or below 200% of FPL or most kinds of Medicaid, then he or she is eligible for the program, and Value Options is required to provide appropriate services.

The negative impact of waiting lists can be seen around the state. For example in Harris County, adults on the waiting list are 1.5 times more likely to be incarcerated and 7 times more likely to go to the psychiatric emergency facility than those receiving ongoing outpatient treatment. [iv] Although the legislature allocated funding for the wait list in the 2013 session, the numbers funded were those waiting when the 2012 LAR from DSHS was created and the continuous influx of 1200 citizens to Texas daily, and the presentation of mental illness to persons living in Texas demonstrate that those funds will not cover the needs for services of all Texans.

Significant and dangerous decompensation can occur within a few days, much less the weeks and months that have been common in Texas for waiting lists. Waiting lists compound the tragedy of mental illness and addiction. To ensure the best likelihood for success, mental health and substance use disorder treatment and services should be available when the individual presents for care and is open to the possibility of recovery.

The largest benefit of open access can clearly be seen in the numbers of individuals seeking services. At the inception of NorthSTAR, approximately 10,000 unique individuals were served. In fiscal year 2014, over 74,000 people were served. According to figures from the Texas Department of State Health Services, in fiscal year 2012, of all the people in Texas who received publically funded mental health services, 32.23% received those services in NorthSTAR. [v]

Blended Funding

NorthSTAR operates under a federal Social Security Act, Section 1915(b) wavier. These "Freedom of Choice" waivers were explained clearly in a briefing paper by The George Washington University's National Health Policy Forum, [vi] "the Medicaid statute guarantees enrollees freedom of choice of providers in order to ensure access to services. Section 1915(b) waivers permit states to implement service delivery models, such as mandatory enrollment in managed care, that require eligible beneficiaries to receive services only from certain providers...CMS also permits states to use Section 1915(b) to waive the requirements for statewide implementation (state wideness) and for providing comparable services to all beneficiaries

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(comparability). Waiving these requirements would, for example, enable states to provide managed care in a limited geographic area of the state or to provide enhanced benefits to managed care enrollees".

Approximately 33% of NorthSTAR funding is from state general revenue. Under a federal 1915b Medicaid waiver, NorthSTAR is funded from a variety of revenue streams including Medicaid, Substance Abuse and Mental Health Services Administration (SAMHSA), state funding including funding from the NorthSTAR line item, Crisis funding, Substance Abuse Prevention, Intervention and Treatment and the Texas Correctional Office on Offenders with Medical or Mental Illnesses (TCOOMMI), and heretofore, county funding.

This blended funding model allows NorthSTAR to serve individuals with behavioral health needs who are eligible for Medicaid as well as those who not eligible for Medicaid, and to do so seamlessly, so that the person sees no changes in his/her NorthSTAR services if Medicaid eligibility is lost. This allows continuity of care for the individual and the cost-effectiveness that goes along with it to sustain the system.

The Certifications and Program Integrity statutes regarding Medicaid can be found at 42 CFR Section 438.600—Subpart H.[vii] Every two years since its inception, the NorthSTAR program has been reviewed by the U.S. Department of Health and Human Services-Center for Medicare and Medicaid (CMS) and has been approved each time. This continued approval belies the allegations that NorthSTAR is somehow in breach of the waiver by utilizing Medicaid funding in conflict of the waiver for the non-Medicaid population. In addition, its records and processes are regularly audited by CMS and DSHS. Providers receive the same rate for all clients based on historic data with reconciliations at the end of each service period.

Attached are copies of documents related to the NorthSTAR wavier and rates including:

- Application for NorthSTAR 1915(b) Wavier date October 1, 2013.
- 2013-2015 NorthSTAR Wavier Approval from the U.S. Department of Health and Human Services-Centers for Medicare and Medicaid Services, dated December 19, 2013.
- 2013-2015 NorthSTAR Contract Renewal and SFY 2014 Rates from the U.S. Department of Health and Human Services-Centers for Medicare and Medicaid Services, dated Dec. 30, 2013.
- NorthSTAR Actuarial Certification from the firm of Rudd and Wisdom, dated May 30, 2014.
- Approval of NorthSTAR rates from U.S. Department of Health and Human Services-Centers for Medicare and Medicaid Services dated September 26, 2014, and related Attachment 1.

No Wrong Door

Related to the blended funding the ability to access the system from any point, whether Psychiatric ER, outpatient Mental Health provider, or Substance Use Disorder Provider is one of the core principles of NorthSTAR,: There is no wrong door. No wrong door is recognized as a best practice in federal health and human services, and should be emulated, not derided, as the Sunset Staff Report did. Whether an individual calls the NTBHA office or Value Options; presents for services

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at a community clinic; presents for outpatient substance use disorder services; drops by the after-hours clinic; calls the Mobile Crisis service; seeks admission to residential drug or alcohol treatment, or hospitalization, he or she can be enrolled in NorthSTAR and connected to on-going services.

Choice of Providers

The behavioral health organization is responsible for recruiting a network to provide a continuum of care including community based services, crisis care and hospitalization for people with mental illness and substance use

disorders. NorthSTAR members have a choice of over 300 providers, and members can change providers at any time for any reason or for no reason.

The importance of a robust choice of providers cannot be underestimated. Most importantly, the therapeutic relationship, so important in all of health care, is especially so in mental health and substance use treatment. The fact that NorthSTAR members can choose a health care team with whom they have a relationship of trust and respect is key to recovery.

Secondly, the competitive design of NorthSTAR has engendered an entrepreneurial culture within the provider network. Many NorthSTAR providers have developed expertise in services that promote recovery and self-sufficiency through specialized programs or approaches to care such as dual-recovery programs, supported employment, job coaching, transitional and supported housing, peer-to-peer support, self-directed care, jail diversion, prostitution diversion and trauma-informed care.

Wavier of Institutes of Mental Disease (IMD) Exclusion

Since the enactment of Medicaid in 1965, expenditure of federal matching Medicaid funds are prohibited for services to individuals between the ages of 22 and 64 in hospitals and other facilities of more than 16 beds and with patient populations with severe mental illnesses of 51% or more. [viii] The reasoning was that Medicaid was not intended to supplant already existing state and local funding for services for people with mental illness, and that Medicaid was not to be used to fund the 'warehousing' of people with mental illness in state hospitals. The unfortunate and discriminatory consequence, though, is that people with mental illnesses in need of hospitalization often do no not have the option of being treated in their own community, close to home, family and community support.

Key to the 1915b wavier in NorthSTAR is an exemption from the Institutes of Mental Disease (IMD) Exclusion, and this exemption is part of the public-private partnership of NorthSTAR. This allows NorthSTAR members the advantage of access to local psychiatric emergency services and hospitalization. Green Oaks Hospital serves as the front-door to the system for adults, and has developed a total front door crisis system that includes a psychiatric emergency service and 23-

hour observation unit that has been replicated elsewhere in the state and in the nation. Timberlawn Hospital receives children and adolescents ages 12 to 17 who are in crisis and in need of emergency services and hospitalization and serves that same front door role for that population.

This aspect facilitates jail diversion, providing regional law enforcement officers the ability to quickly and efficiently transport an individual in mental health crisis to an appropriate psychiatric hospital rather than to jail. And, the efficiency of the system allows the peace officer to return to his duties within fifteen to twenty minutes, making it efficient for educated peace officers to deliver persons who commit minor offenses due to mental illness to the hospital rather than the jail.

Oversight—Separation of Authority and Provider Functions

In the development of NorthSTAR, stakeholders, especially consumers and family members, advocated for the separation of the authority and provider functions. This separation eliminates the conflict of interest that occurs when these functions are both performed by the same agency. It gives consumers, and their advocates, recourse in questioning a clinical or administrative decision made either by the BHO or a provider, and also allows a more arm's length review of performance data. In the system that exists in the remainder of the state, persons who do not have Medicaid have no choice of provider other than the Community Mental Health Center and no choice to appeal to for grievances or complaints than that same entity, which also serves as the Local Mental Health Authority in that area.

Population served

All individuals enrolled in North STAR, as in the rest of Texas, must meet the state's eligibility criteria for mental health and substance use disorder treatment and services:

- income at or below 200% FPL or eligibility for most types of Medicaid and
- a diagnosis of major depression, bipolar disorder, schizophrenia and/or substance use disorder.

Some of the individuals described above are eligible for Medicaid and generally are automatically enrolled in NorthSTAR if they reside in the service area. Those who meet the above criteria but are not eligible for Medicaid are categorized as indigent.

In State Fiscal Year 2014, a total of 72,081 unduplicated individuals were served in NorthSTAR.

- 50,322 were adults. Of those,
  - 14,895 (30%) had Medicaid at least some time during the year.
  - 35,427 (70%) were indigent for the entire year.
- 21,759 were children. Of those,
  - 18,862 (87%) had Medicaid at least some time during the year.
  - 2,897 (13%) were indigent for the entire year.

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The 70% indigent adults served figure is especially significant.

Were NorthSTAR to be 'unbraided' as the Sunset staff suggested, the implications for the majority of adult NorthSTAR members would be dire—less continuity of care, more barriers to service, many more 'wrong doors'.

Comprehensive Evaluation and Transparent Publication of Data

NorthSTAR reports all data as required by HHSC, DSHS. If there is incompatibility with data gathered on other systems, it is not the fault of the NorthSTAR model. It is incumbent upon the state agencies to develop meaningful measures of productivity, outcomes and recovery to consistently and accurately measure any of the numerous programs they administer.

The NorthSTAR service delivery and outcomes data are posted on the North Texas Behavioral Authority website [ix] at http://www.ntbha.org/reports.aspx. There, any interested person can find NorthSTAR Complaints, Data Book, Performance Measures, Local Service Plans, Needs Assessments, Satisfaction Surveys, Research Studies and Reports, Collaborative Reports, Penalty Notices and other information clearly and transparently posted. In addition, NTBHA board meetings are well-attended by the community (with 40 to 100 persons representing a variety of stakeholder groups at each meeting) and public commentary is welcome and invited. Two well-attended public meetings per year are held to publish NorthSTAR data and to gather public input regarding the findings, and their implications for services in the region.

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Meeting the Challenge of the Future

Integrated Care

NorthSTAR has been a constantly changing and evolving system, with changes implementing the suggestions of stakeholders, since its inception, and stakeholders in the NorthSTAR region welcome the challenge of integrating behavioral health with the rest of health while maintaining the gains our region has experienced over the last 15 years.

We will watch with interest the experience of people with mental illness and their families in the MCO model only recently rolled out in the rest of the state. However, we think that truly integrated care must be much more comprehensive than merely integrating the payer source, or even co-locating services. An honest assessment would

indicate that no area of the state has truly integrated care in Texas, although many areas are working to accomplish that goal.

To be truly beneficial to consumers and the community, care must also be coordinated and collaborative across systems and silos. The architecture of collaboration and coordination, not only among mental health and substance use disorder services and their various levels of intensity of care, but across the silos of law enforcement, criminal justice, courts, housing, educational and employment opportunities, etc. already have a foundation in NorthSTAR.

Further, we oppose efforts to undermine the gains that NorthSTAR has been to consumers and their families just so there will be one uniform program throughout the state. That may make life easier for some HHSC and DSHS employees, but will truly stifle innovation. Is the state willing to kill an innovative and efficient system that has benefited thousands just to ease the burden of management on state employees?

Many innovative models other than the MCO model are emerging nationwide. It might be far better for Texas to have not just two models, but multiple models of service delivery with recovery-based outcome goals and measures that are responsive to local and regional resources and needs. Texas is a very diverse state, where the needs and resources of rural east Texas, west Texas, and south Texas are totally diverse, as are the needs and resources of the various metropolitan areas. Seeking a one-size-fits-all model for a state with such diverse regions, resources, and needs does not seem practical. We in NorthSTAR are not afraid of change—in fact it can be said that innovation is part of the NorthSTAR culture. But change cannot be just for its own sake, or for the sake of uniformity; it must be enacted to improve lives.

Ability to Access New Federal Funds

It is accurate to say that NorthSTAR has not been allowed to participate in the 1115 Wavier to the same extent as the community centers in the rest of the state. Ostensibly, this was because the state funds that are used as 'inter-governmental transfer' (IGT) funds in the rest of the state's mental health community centers goes directly to the centers, and are eligible to be used as IGT

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for the purposes of the 1115 Wavier. NTBHA was told that because the state funds for NorthSTARgo directly to the BHO, that none of those funds are eligible to be used as IGT. However, the rest of the story must be told. The NTBHA Board repeatedly approached DSHS and HHSC for assistance in attempting to find solutions to this challenge only to be met with delays and foot-dragging. Therefore, County match funds were used as a source of IGT for certain projects in the NorthSTAR region in order to leverage the federal matching dollars for the benefit of NorthSTAR members. These funds weren't withheld from NorthSTAR because the counties in question didn't want to fund NorthSTAR; they were only withheld because there was no other strategy in which these funds could be leveraged for enhancing the system and drawing down federal funds through the waiver.

We question the wisdom of total reliance on 1115 funds as a sound long-term strategy for building a sustainable behavioral health infrastructure in Texas. A review of 1115 waivers nationwide shows that they are time-limited and not always renewed or extended. We agree with State Representative Jim Pitts in his letter to the Sunset Advisory Commission,[x] and his assessment that NorthSTAR should not be ended simply because it may or may not be eligible for 1115 funds. He is particularly astute when he asked several cogent questions:

"I know that the rest of the state is going to the carve-in model for Medicaid and Mental health services, but do we really know with certainty that this approach will work as well as the BHO model does in NorthSTAR?"

"The new MCO model started on September 1 of this year; I don't believe that the results are in yet. Are we willing to toss out a system that is working very well for my constituents for a model that is, as yet, untested?"

"Is it worth changing a solid delivery model on the belief that this type of funding will continue indefinitely?".

Recommendations

The NorthSTAR affiliates of the National Alliance on Mental Illness and Mental Health America of Greater Dallas recommend that the Texas Sunset Commission should allow the North Texas Behavioral Health Authority to craft an enhanced NorthSTAR model by August 31, 2017 that will:

- Maintain the guiding principles of
  - Mental Health and Substance Use Disorder Integration
  - Open Access—No Waiting Lists
  - Blended Funding
  - No Wrong Door
  - Choice of Providers
  - Wavier of Institutes of Mental Disease (IMD) Exclusion
  - Separation of Authority and Provider Functions
  - Seamless Service to Medicaid and Indigent Populations
  - Comprehensive Evaluation and Transparent Publication of Data.
- Continue integration of mental health and substance use disorder services.
- Prioritize improved integrated, coordinated and collaborative primary and specialty medical care in NorthSTAR.
- Expand NorthSTAR's ability to participate in future revenue sources such as the 1115 Wavier, or competitive funding requiring local matching funds.
- Continue improved efficiency and quality of services.
- Continue implementation of evidence-based clinical and administrative best practices and decision-making.
- Continue development of meaningful service and outcome measures and data that allow rigorous internal review and external comparisons.

The NorthSTAR affiliates of National Alliance on Mental Illness and Mental Health America of Greater Dallas look forward to working with other local stakeholders and state leaders to the continued enhancement of integrated services in our region.

Endotes

[i] National Survey on Drug Use and Health (2009) and www.SAMHSA.gov/co-occurring/topics

[ii] Texas Legislative Budget Board (2009) Texas State Government Efficiency and Effectiveness. Pages 173-181.

[iii] 2013 DSHS MHSA Data Book http://www.dshs.state.tx.us/mhsa/databook/

and 2013 DSHS NorthSTAR data book http://www.dshs.state.tx.us/mhsa/northstar/databook.shtm

[iv] MHA-NAMI Houston Legislative Training: http://www.mhahouston.org/media/files/None/MHA-NAMI-Legislative-Training-83rd-Legislature1.pdf

[v] Mental Health America of Greater Dallas (2012) Texas Mental Health Numbers

Source: Texas Department of State Health Services

	Individuals Served	Percent Served
FY 2012 Individuals Served		
Individuals who received mental health treatment through NorthSTAR	68,089	**32.23 %**
Individuals served by Community Centers	+ 143,145	**67.76 %**
Total individuals receiving Texas Mental Health Services	**211,234**	

[vi] National Health Policy Forum (July 30, 2008) Medicaid and SCHIP Waivers. The George Washington University, Washington, D.C.

[vii] 42CFR, Section 438.600, Subpart H—Certifications and Program Integrity http://www.gpo.gov/fdsys/pkg/CFR-2011-title42-vol4/pdf/CFR-2011-title42-vol4-sec438-600.pdf

[viii] 42 CFR Ch VI, Section 435.1009(b)(2)

[ix] North Texas Behavioral Health Authority Home Page: http://www.ntbha.org
Reports can be found at http://www.ntbha.org/reports.aspx.

[x] https://www.sunset.texas.gov/public/uploads/~Representative%20Jim%20Pitts_10-24.pdf

Janie Metzinger

Gmail by Google

Testimony

Janie Metzinger Wed, Nov 12, 2014 at 11:29 PM

Good Afternoon. I am Janie Metzinger, Public Policy Director for Mental Health America of Greater Dallas.

Thank you for your willingness to work with the North Texas Behavioral Health Authority on modifications to the Staff Report on HHSC Issue 9.

We appreciate NorthSTAR for its integration of mental health and substance use disorder services, open access, no waiting lists, efficient use of resources, no wrong door, provider choice and innovation.

When NorthSTAR began in 1999, the system at that time served 10,000 people in our 7-county region. Because NorthSTAR is open access, last fiscal year, over 74,000 people were served. Certainly the funding has not increased 7-fold, but NorthSTAR's efficient use of resources gives Texas a tremendous return on investment. In fiscal year 2012, of all the people in Texas who received publicly funded mental health services, 32.23% were served by NorthSTAR.

The principle of No Wrong Door means that whenever, wherever and however a person presents for services, he or she can be enrolled in NorthSTAR.

Once enrolled, members have their choice of over 300 providers. This competitive design has engendered an entrepreneurial culture that spurs innovation, doesn't stifle it.

Just as NorthSTAR innovated the mobile crisis services, Psychiatric Emergency Services, 23-hour observation, Prostitution Diversion Initiative, outpatient competency restoration, pre-booking jail diversion, Hurricane Disaster response, and Ebola response, we are confident that NorthSTAR will meet the challenge of providing integrated, coordinated and collaborative care to NorthSTAR members.

Thank you.

From:	Sunset Advisory Commission
To:	Cecelia Hartley
Subject:	FW: Sunset Commission Review of the Health and Human Services Commission
Date:	Wednesday, October 08, 2014 8:07:10 AM

From: Janie Metzinger [mailto:jmetzinger@mhadallas.org]
Sent: Tuesday, October 07, 2014 8:28 PM
To: Sunset Advisory Commission
Subject: RE: Sunset Commission Review of the Health and Human Services Commission

Hello Mr. Levine,

Mental Health America of Greater Dallas is very concerned regarding Sunset Advisory Commission Staff Report on the Health and Human Services Commission. Among our concerns is the review of NorthSTAR in Issue 9, in which we have found:

- factual errors;
- statements that contain correct but incomplete information, which would lead the reader to an erroneous conclusion;
- criticisms of NorthSTAR that properly should be attributed to DSHS;
- statements of NorthSTAR attributes as if they were liabilities.

There are some positive aspects of the report, for example, we agree that NorthSTAR should transition to a model that will include primary care, and we agree that local input is critical to the determination of what the new model will be.

Our concerns about the staff version of the report, however are so serious that we believe that the Issue 9 chapter should be read only for editorial purposes at this time and should not be read for informational purposes as it is currently written. I will follow up with a more extensive suggestions for your staff and the Sunset Advisory Commission.

Sincerely,

Janie Metzinger
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From: Sunset Advisory Commission [mailto:Sunset@sunset.state.tx.us]
Sent: Tuesday, October 07, 2014 4:41 PM
To: Sunset Advisory Commission
Subject: Sunset Commission Review of the Health and Human Services Commission