

October 17, 2014

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

Mr. Levine,

ValueOptions of Texas, Inc. is focused on a 2 prong mission to bring the best value to the State of Texas and to improve the systems of care for our population affected by severe behavioral health conditions. With our mission in mind, we are very concerned about the inaccurate representation of NorthSTAR found in Issue 9 of the October 2014 released *Sunset Advisory Commission Staff Report on the Health and Human Services Commission and System Issues*. This report completely overlooked any program features that would have been in conflict with the apparent predetermined recommendations. Without doubt, there is always room for improvement, and ValueOptions of Texas is a dedicated partner best positioned to reform and advance the systems of care in the NorthSTAR area.

There are some positive aspects of the report, for example, we agree NorthSTAR should leverage strategies to expand integrated care. Working in coordination with our health plan partners, providers and stakeholders, we have taken the lead on charting that path through our enhanced capabilities. **However, we disagree with the recommendations and that the structure of the current model would need to be dismantled to achieve further innovation in integrated care.** The NorthSTAR platform based on the continuity of benefits and integrated mental health and substance abuse management, is best positioned to implement change in a cost sensitive environment.

The following documents express our disagreement to the recommendations, offer a perspective and solution on how to advance integration in NorthSTAR, review the issues we have found in the report, and provide programmatic information to support a balanced perspective on integrated care in NorthSTAR. ValueOptions is committed to the program and the community. We look forward to working with the State, HHSC, DSHS, and our community of providers, advocates, stakeholders and members in advancing the system of care in a thoughtful, and constructive way.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Potter".

Sandy Potter, LCSW, LSOTP, MBA  
CEO and Texas Market President  
ValueOptions of Texas, Inc

## Executive Summary

### ValueOptions of Texas Response to **Issue 9** of the Sunset Advisory Staff Report “Health and Human Services Commission and System Issues”

#### *NorthSTAR – a Proven Model for the State and a Leader in Innovation*

ValueOptions of Texas’ mission is to help people live their lives to the fullest potential. Throughout our history, we have worked collaboratively with providers, the Department of State Health Services (DSHS) and the North Texas Behavioral Health Authority (NTBHA) to assist NorthSTAR Enrollees to lead healthier lives by addressing the thoughts, feelings, behaviors and physical components of good health. Our collaboration with the community has resulted in an early intervention and cost-efficient program with a focus on improving quality and outcomes. The NorthSTAR model reflects the values of the NorthSTAR community for **Early Intervention, Behavioral Health Integration and Open Access**. ValueOptions of Texas has a successful and proven history of providing person-centered support to enrollees and their families that addresses the integration of physical, behavioral, psychosocial, and environmental needs that are critical to the principles of engagement, recovery and wellbeing.

Undefined and speculative changes as suggested by the Sunset Commission to this collaboration will create enrollee disruption, apprehension and confusion associated with changing models and will destroy the shared accomplishments and innovations gained over the past fifteen years. We are on course to further advance the NorthSTAR system as the best behavioral health and substance use system of care in the State of Texas. We believe our foundation as a comprehensive and integrated Behavioral Health Carve-Out program is the best suited platform for our community to continue innovation.

#### *NorthSTAR System Recommendation*

ValueOptions of Texas disagrees with the findings and recommendations of Issue 9 in the Staff Report “Health and Human Services Commission and System Issues” released by the Sunset Advisory Commission October 2014. The Sunset recommendations for NorthSTAR would create system wide disruption and create confusion for the individuals we serve. Furthermore, we believe NorthSTAR successes warrant advancement of the model developed in collaboration with HHSC, DSHS, NTBHA, providers, advocates, Enrollees and the community.

We urge the rejection of the Sunset Commission’s Issue 9 recommendations in support of the continuation of the NorthSTAR program with advancement of integrated care through a 1115 Delivery System Reform Incentive Payment (DSRIP) supported integrated primary care services within a behavioral health home which is not limited to a few providers but available throughout our expanded provider network. We are confident that the design of such a model will exceed CMS and HHSC needs to demonstrate quality of care improvement, and system impact.

In our “**draft version**” of “**NorthSTAR 2.0**”, we envision the DSRIP program encounter data of this project to not stand alone but to be directly tied and integrated into the system through the unique identifier (Medicaid number where eligible and NorthSTAR number for non-Medicaid members). Medicaid services would be paid from the appropriate capitated program and DSRIP funds would only be used to cover non-covered services. Ultimately, this will enable all services to be consolidated for impact analysis. HHSC would have a full perspective of impact and cost offset provided by the project and have the information needed to inform solid health care policy decisions for the future. **We have the tools and stand ready to work with all interested parties to develop a “NorthSTAR 2.0” with needed program enhancements and innovations that will advance the system of care and overall health outcomes.**

#### *Errors and Oversights Drive Assumptions on Issue 9*

Without getting too bogged down in negativity, we found that key fundamental attribution errors and factual misstatements about the NorthSTAR program appeared to drive the Advisory Committee to erroneous conclusions, faulty recommendations and a reckless timeline. Our initial review of the list of errors in the report is outlined in an attachment (Attachment A). ValueOptions will summarize the errors in analysis in three global areas.

- NorthSTAR is not an outdated model, in fact the NorthSTAR program is a model of innovation<sup>i</sup>, best practices<sup>ii</sup> and integration<sup>iii</sup>. NorthSTAR, in fact, is the only model in the State of Texas that complies with the 2003 Legislative mandate to establish a Behavioral Health Authority with integration of Mental Health and Substance Abuse services and eliminating the silos<sup>iv</sup>;
- NorthSTAR has been advancing integrated care with our MCO health plan partners and by working with FQHC and Hospital District partners for the indigent since 1999;<sup>v</sup>
- The Sunset Advisory Commission Staff Report completely overlooked the **Behavioral Health Carve-Out** advantages which reduce the overall cost of care, not through maleficence or provider under payment but through:
  1. Insuring a continuation of Benefits and Services when there is a gap in Medicaid eligibility;
  2. Eliminating overlapping service delivery between mental health providers and substance use disorder providers;
  3. Eliminating administrative burden to behavioral health providers through a consolidated one payor source regardless of MCO or Medicaid status.

We believe the Sunset Advisory Committee assessment of DSHS from May 2014 was correct in the statement “*effective community behavioral health services go a long way to reduce pressure on jails, emergency rooms, and limited state mental health hospital resources*” (page, 27)<sup>vi</sup>. NorthSTAR collaboration has been able to be successful early innovators and adopters of programs<sup>vii</sup> that reduce costs across systems and contend that the NorthSTAR model results in true cost savings for the entire community and these savings have not been adequately calculated or recognized.