

North Texas Behavioral Health Authority Managed Care Organization Report

2-18-2011

1. NorthSTAR Clinical/Operational Changes

- **Bridge redesign implementation plan.**
 - Integration of housing oriented case management, peer services, mental health services with an emphasis on site based chemical dependency and intensive case management services.
 - Budget neutral with 109K annualized savings projected.
 - Chemical dependency
 - Onsite chemical dependency/IOP
 - Intensive Case Management
 - MOU's with all stakeholders
 - *See attachment 1*
 - *See attachment 2 (Proprietary information)*
- **Outpatient Crisis Clinics**
 - **Southern Area Behavioral Healthcare**
 - Establishment of utilization targets
 - Budget neutral with projected savings
 - **After Hours Crisis Services - Dallas Metrocare Services**
 - Recognition of case rated membership utilization
 - Capitated adjustment with projected savings
- **Adapt Community Solutions**
 - Recognition of peak and non-peak coverage obligations, and enhanced reporting requirements
 - Budget neutral

2. Outpatient Adult Indigent Benefit redesign

- Capitation for outpatient higher levels of care with recovery orientation
- *See attachment 3*

3. Inpatient and 23 hour observation initiatives

- 2nd night and recidivism risk share
- 8 hour stay level of care
- Diversion rate guarantees

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4. NorthSTAR Financial Trend Summary

- 28.38% increase in unduplicated claimants FY08 – FY10
- 4% increase in admin encumbered revenue FY08 – FY10
- *See attachment 4*
- Average NorthSTAR medical loss ratio for January and February 2011 was 91.5 primarily driven by community based inpatient utilization related to more limited access to State Hospital beds.

5. Preliminary NorthSTAR budget for SFY 2012

- \$15M reduction in revenue.
- Outstanding CMS recognition of State Hospital Medicaid lives resulting in potential \$3M reduction in revenue.
- **Current interventions:**
 - Legislative petitions to forestall cuts and incorporate additional counties.
 - Collaboration with NTBHA subcommittees and multiple county BHLT's in establishing consolidated legislative and operational strategic plans.
 - Implementation of cost savings and Recovery oriented Service redesign (Bridge case management, crisis clinic streamlining, adult outpatient benefit change, etc.)
- **Potential (not exclusive) future interventions:**
 - FPL change for indigent benefit from 200 to 133 per cent
 - Implementation of patience assistance programs that would attach to the indigent Rx benefit.
 - Capitation of higher levels of care.
 - Elimination of supportive but non essential programs.
 - Integration of all or part of State Hospital trust fund into braided budget in order to fund increased community hospitalizations.

6. Legislative Budget Board report

- *See attachment 5*

7. ValueOptions management changes

Bridge/NorthSTAR Integration

I. Need

- a. Adults experiencing homelessness often cycle through institutions without transitioning to housing and/or income. For them, there are problematic gaps between chemical dependency and mental health services. Additionally, these behavioral health services are not integrated with homeless recovery operations.

- i. Bridge/NorthSTAR data:

1. 82% of participants need chemical dependency services

II. Current outpatient Bridge operations

- a. ValueOptions of Texas (VO), through partnerships, provides:
 - i. Intensive Case Management
 - ii. Outreach/intake services
 - iii. Services coordination
 - iv. Transportation services
 - v. Mental health services
 - vi. Rehabilitative services
 - vii. Peer services
- b. ***Current average NorthSTAR outpatient expenditures per participant per month:***

- i. ***\$200.00***

- c. The Metro Dallas Homeless Alliance (MDHA), through partnerships, provides:
 - i. Outreach/intake services
 - ii. Services coordination
 - iii. Shelter seeker services
 - iv. On-site rehabilitative services
 - v. Housing seeker services
 - vi. Income seeker services

III. Prospective outpatient Bridge operations

- a. MDHA and VO plan to integrate operations in order to increase the scope of services provided:
 - i. Intensive Case Management
 - 1. Via contracted NorthSTAR Provider
 - ii. Outreach/intake services
 - iii. Services coordination
 - iv. Transportation services

Bridge/NorthSTAR Integration

- v. Shelter seeker services
 - vi. **Chemical dependency services**
 - 1. **Via contract with NorthSTAR provider**
 - vii. Mental health services
 - 1. Via contract with NorthSTAR provider
 - viii. Rehabilitative services
 - ix. Peer services
 - x. Housing seeker services
 - xi. Income services
- b. ***Prospective NorthSTAR outpatient average expenditures per participant per month:***
- i. ***\$200.00***
- c. **By integrating operations MDHA and VO will reduce redundancies and utilize funding to add on-site chemical dependency services and more robust intensive case management**

IV. ***Implementation approach***

- a. Bridge Steps, LLC/ VO partnership formed for integrated operations management.
 - i. Prospective schedule: February 2011
- b. NorthSTAR provider contracted for chemical dependency services
 - i. Prospective schedule: April 2011
- c. NorthSTAR provider contracted for ICM
 - i. Prospective schedule: April 2011
- d. NorthSTAR provider contracted for mental health services
 - i. Prospective schedule: May 2011

V. ***Prospective community impact***

- a. 800 participants increase their functionality per year (according to Global Assessment of Functionality or equivalent(s))
- b. 400 participants transition to housing and/or income per year
- c. \$270,023 reduction in expense by elimination of duplication and increase in diversion from acute services

The Adult Indigent Population being served in the NorthSTAR Specialty Provider Network (SPN) system would be capped at the current baseline across the system. The system wide capacity would be as follows: ___SP4, ___SP1-3, ___Medication Management. Medicaid members would be unaffected by this cap.

- The NorthSTAR system can only be maintained if the volume of people appropriately exiting the system is consistent with the volume of people entering the system.
- Specialty behavioral health care is a continuum of care in a recovery oriented system. The majority of people will move from higher intensity to lower intensity needs over time with outliers occurring at a lower rate.
- In order for this process to successfully occur, members' needs must be identified and met. New adult indigent clients will be assessed and placed in the service package based on clinical need.
- The cap will be set across the system and mirror the current baseline numbers for the overall adult indigent population.
- The **cap for each SPN will be established** based on current capacity/service measures.

Adult Indigent members will be appropriately moved to medication management services once stable and connected to community supports.

- Medication management services may be available to members at SPN sites, Community Outpatient Primary Care, Federally Qualified Health Centers, via telemedicine, and/or at NorthSTAR outpatient provider sites.
- Medication management for stable clients is typically quarterly and for some every six months.
- Uniform Assessment may not be required for medication management services.
- Simple Case Registration process would be required and could be accomplished via Provider Connect at the time that eligibility is queried.

Logistical requirements in managing this process will be established throughout the provider network.

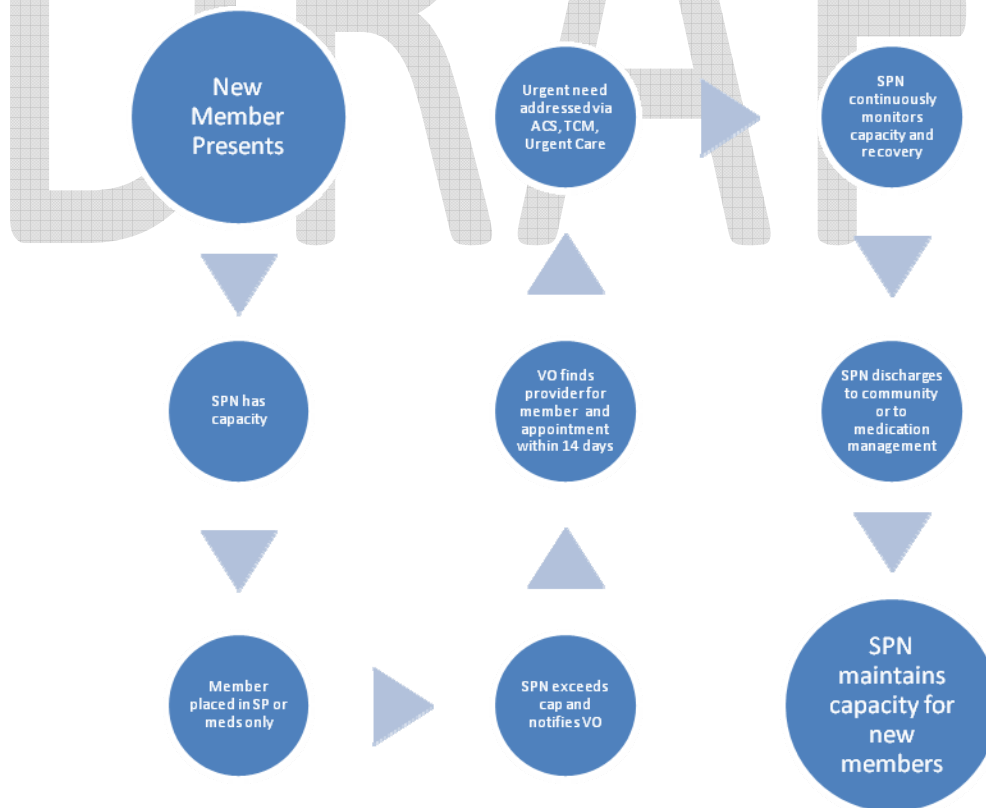
- Weekly reports are provided to SPNs with **actual package distribution** of adult indigent clients and **allowable package distribution** based on established caps.
- SPNs develop internal management processes to continuously monitor for recovery and movement through a continuum of care.

- SPNs will have performance measures and incentives that promote this activity.
- Reports will go out from ValueOptions to SPNs notifying them of eligibility changes from Medicaid to Indigent benefit group.
- SPNs will have to refer out if they exceed the established cap for the level of care a new member requires.
- SPNs will be penalized for referring out **IF** they are not demonstrating that members are moving through the continuum of care at the expected/established rate.

Clinical/Quality audits will be conducted by the ValueOptions' multidisciplinary team with reviews focused on the following:

- Appropriate utilization of outpatient continuum.
- Recovery orientation.
- Active connection with natural community based supports.
- Outlier needs.

Proposed Flow



NorthSTAR FINANCIAL TREND SUMMARY 1-12-2011

<i>Per DSHS Data</i>			<i>Per DSHS Data Book</i>	
Month ID	Un-Duplicated Count of Enrollees (all enrollees)	Un-Duplicated Count of Claimants (all claimants)	Revenue Paid to VO for DSCT	
Sep-07	542,600	17,579	\$125,119,123	State Fiscal year 2007 (Sept. 06 - Oct. 07)
Oct-07	551,709	19,197		MLR 88.00%
Nov-07	558,827	18,349		
Dec-07	565,018	17,450		
Jan-08	573,209	19,409		
Feb-08	580,183	19,341		
Mar-08	587,740	19,202		
Apr-08	594,950	20,462	\$104,825,087	State Fiscal year 2008 (Nov. 07 - Aug. 08)
May-08	602,120	19,733		MLR 88.02%
Jun-08	609,155	19,614		
Jul-08	616,308	19,682		
Aug-08	624,487	19,400		
Sep-08	632,319	20,776		
Oct-08	640,863	21,447		
Nov-08	648,367	19,911		
Dec-08	657,117	20,906		
Jan-09	664,871	21,809		
Feb-09	672,557	22,652		
Mar-09	681,785	23,734	\$139,233,559	State Fiscal year 2009 (Sept. 08 - Aug. 09)
Apr-09	690,172	24,278		MLR 89.23%
May-09	697,686	23,522		
Jun-09	706,224	24,050		
Jul-09	713,368	23,802		
Aug-09	722,112	23,653		
Sep-09	730,400	24,130		
Oct-09	739,728	23,812		
Nov-09	745,396	22,246		
Dec-09	752,493	23,054		
Jan-10	759,856	23,940		
Feb-10	767,011	23,977	\$145,109,245	State Fiscal year 2010 (Sept. 09 - Aug. 10)
Mar-10	775,340	26,432		Projected MLR 90.60%
Apr-10	782,841	26,288		
May-10	789,145	25,214		
Jun-10	793,133	24,241		
Jul-10	794,400	14,090 *Data not complete		

FY Comparison based on Q1-Q3 data		
	Un-Duplicated Count of Enrollees (all enrollees)	Un-Duplicated Count of Claimants (all claimants)
FY08 - FY09 % Increase	16.08%	16.58%
FY09 - FY10 % Increase	14.31%	10.08%
FY08 - FY10 % Increase	32.69%	28.33%

* 2001 - 2010 MLR average 90.98% or \$45,495,164 above MLR floor.

DEPARTMENT OF STATE HEALTH SERVICES
(Continued)

	Expended 2009	Estimated 2010	Budgeted 2011	Requested		Recommended	
				2012	2013	2012	2013
B. Goal: COMMUNITY HEALTH SERVICES							
B.1.1. Strategy: WIC/FARMER'S MARKET NUTRITION SVCS							
Provide WIC Services: Benefits, Nutrition Education & Counseling.	\$ 816,483,542	\$ 905,126,781	\$ 900,731,290	\$ 888,963,066	\$ 888,953,326	\$ 886,195,920	\$ 886,186,180
B.1.2. Strategy: WOMEN & CHILDREN'S HEALTH SERVICES							
Women and Children's Health Services.	\$ 56,872,011	\$ 73,924,157	\$ 76,341,838	\$ 80,293,488	\$ 80,143,737	\$ 73,532,258	\$ 73,016,962
B.1.3. Strategy: FAMILY PLANNING SERVICES							
	\$ 52,189,926	\$ 55,864,299	\$ 55,675,206	\$ 55,660,177	\$ 55,660,177	\$ 49,810,177	\$ 49,810,177
B.1.4. Strategy: COMMUNITY PRIMARY CARE SERVICES							
	\$ 14,061,170	\$ 14,112,019	\$ 13,994,191	\$ 14,011,944	\$ 14,011,944	\$ 10,511,944	\$ 10,511,944
B.2.1. Strategy: MENTAL HEALTH SVCS-ADULTS							
Mental Health Services for Adults.	\$ 290,140,663	\$ 288,820,793	\$ 290,098,775	\$ 285,902,103	\$ 289,030,652	\$ 225,483,831	\$ 237,401,181
B.2.2. Strategy: MENTAL HEALTH SVCS-CHILDREN							
Mental Health Services for Children.	\$ 63,168,700	\$ 65,508,824	\$ 67,423,386	\$ 69,251,579	\$ 69,817,501	\$ 52,601,678	\$ 54,991,788
B.2.3. Strategy: COMMUNITY MENTAL HEALTH CRISIS SVCS							
Community Mental Health Crisis Services.	\$ 54,866,004	\$ 82,923,472	\$ 82,030,378	\$ 82,355,918	\$ 82,355,917	\$ 77,951,578	\$ 77,917,036
B.2.4. Strategy: NORTHSTAR BEHAV HLTH WAIVER							
NorthSTAR Behavioral Health Waiver.	\$ 105,667,843	\$ 100,536,574	\$ 100,972,858	\$ 105,231,362	\$ 111,004,273	\$ 85,636,886	\$ 95,778,255
B.2.5. Strategy: SUBSTANCE ABUSE PREVENT/TREAT							
Substance Abuse Prevention, Intervention and Treatment.	\$ 160,979,409	\$ 157,712,862	\$ 149,169,836	\$ 151,454,462	\$ 151,396,134	\$ 141,642,850	\$ 141,642,849
B.2.6. Strategy: REDUCE USE OF TOBACCO PRODUCTS							
Develop a Statewide Program to Reduce the Use of Tobacco Products.	\$ 12,217,274	\$ 12,560,387	\$ 15,288,932	\$ 13,117,344	\$ 12,570,233	\$ 2,662,173	\$ 2,115,062
B.3.1. Strategy: EMS AND TRAUMA CARE SYSTEMS							
	\$ 94,569,941	\$ 84,127,585	\$ 79,149,704	\$ 79,164,508	\$ 79,172,263	\$ 66,653,513	\$ 66,653,514
B.3.2. Strategy: FQHC INFRASTRUCTURE GRANTS							
Federally Qualified Health Center (FQHC) Infrastructure Grants.	\$ 4,860,832	\$ 3,400,000	\$ 3,500,000	\$ 4,500,000	\$ 4,500,000	\$ 0	\$ 0
B.3.3. Strategy: INDIGENT HEALTH CARE REIMBURSEMENT							
Indigent Health Care Reimbursement (UTMB).	\$ 1,251,487	\$ 8,500,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 5,750,000	\$ 5,750,000
B.3.4. Strategy: COUNTY INDIGENT HEALTH CARE SVCS							
County Indigent Health Care Services.	\$ 4,315,750	\$ 4,680,278	\$ 4,703,430	\$ 4,701,880	\$ 4,701,879	\$ 2,201,880	\$ 2,201,879
Total, Goal B: COMMUNITY HEALTH SERVICES	\$ 1,731,644,552	\$ 1,857,798,031	\$ 1,849,079,824	\$ 1,844,607,831	\$ 1,853,318,036	\$ 1,680,634,688	\$ 1,703,976,827