

February 13, 2002

Dr. Steve Shon
Medical Director
Texas Department of Mental Health and Mental Retardation
P.O. Box 12668
Austin, Texas 78711-2668

Dear Dr. Shon:

Despite the negative reactions often associated with a change of the magnitude of NorthSTAR, the design has undeniably increased the number of persons accessing mental health and substance abuse services. Those accessing care are able to receive care when care is needed, rather than being placed on a waiting list for multiple weeks. The elimination of waiting lists has been heralded as one of the strongest attestations of the NorthSTAR design.

On behalf of the Board of Directors of the Dallas Area NorthSTAR Authority, I am writing to express concern regarding recent changes in the delivery system in the NorthSTAR Service Delivery Area (Collin, Dallas, Ellis, Hunt, Kaufman, Navarro, and Rockwall Counties). It is the Board's understanding that ValueOptions has been authorized to implement a waiting list for new generation medications. In addition, the Board understands that the formulary put into practice by ValueOptions does not always concur with TMAP.

The Board of Directors is concerned that consumers in need of new generation medications may not receive them. Although it cannot be unequivocally ascertained that utilization of older medications will impede recovery for every consumer on the waiting list, the potential for negative ramifications is large. Evidence illustrates that, when new generation medications are appropriate, recovery is more expedient and of a greater duration. Clearly, the clinically appropriate course of action would be to prescribe new generation medications to consumers as the need arises.

Texas led the nation in the development of the algorithm and demonstrated, through scientific means, the efficacy of adherence to it. While preferred medications work to insure that more consumers have access to needed medications, the Board would like to see implementation of standards to insure adequate documentation of the medical efficacy of preferred medications.

The Board understands the conflict between the most appropriate clinical course of action and financial limitations of an under-funded system. The position that this conflict places ValueOptions, the State, and the Community in is precarious at best. A system in which funding is limited, and often predetermined, generally precludes increasing the funding levels of any one service. To increase one level of care often necessitates a corresponding decrease in other services. Choosing this option might place the therapeutic progress of other consumers in jeopardy.

Undoubtedly a dilemma exists. The definitive solution is an increase in funding. Inasmuch as the State is between legislative cycles, an increase is improbable. Consequently, the Board of Directors requests that TDMHMR examine any available discretionary funds and consider funding parity throughout the state and NorthSTAR's current funding level. In addition, the Board requests that TDMHMR examine "funding parity" and that any additional allocations be awarded via a blended funding concept that allows DANSA to work with the community and ValueOptions to use any additional funds to address the identified priorities. Further, the Board encourages an examination of the "spending patterns" on new generation medication by all authorities throughout the State. If, by some chance, some local authorities are not utilizing these targeted funds in a manner that would leave a zero balance at the end of this fiscal year, DANSA encourages TDMHMR to consider re-allocating these funds to local authorities who have reached capacity.

The community is working together to locate alternative funding. As you are aware, the 9-11 terrorist attacks coupled with the present State of the economy have had a significant impact upon available funding. It is increasingly difficult to find funding for ongoing services. Much is to be done.

Currently, the community is reviewing our consumers to determine potential eligibility for other services such as Medicaid, CHIP, SSI, etc. ValueOptions is notifying our current members of their potential eligibility by mail. This determination is a priority for DANSA. The agency is currently exploring structures through which some form of follow-up will be conducted to ascertain enrollment in/receipt of Medicaid, SSI, etc.

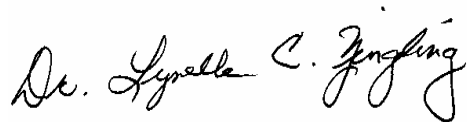
In addition, ValueOptions has initiated a process, supported by the community, through which new generation medications are being examined in light of the patient's progress and diagnosis. For example: a patient presenting with a diagnosis of "Major Depression, Single

Episode with Psychosis" may have been prescribed new generation medications at the beginning but a lower dose or another medication may have since become appropriate. By carefully examining the diagnosis, progress, and dosage, it is the community's intent to ensure that individuals receive the appropriate medication in appropriate dosages. Of course, such measures must be taken with extreme caution and considerable monitoring. DANSA is working with ValueOptions to follow patients who have been removed from new generation medications to insure that treatment gains are not lost.

The community has shown overwhelming support for NorthSTAR, and the Board believes that this support will continue. However, it would be tragic if gains such as the elimination of waiting lists were lost. DANSA's Board and staff are ready and willing to assist the State and ValueOptions in any endeavor to maintain these gains. If warranted, DANSA is available to coordinate/facilitate a forum for physicians and/or the community-at-large to further explore the issue.

I appreciate your attention to and consideration of these issues. Should you need additional information or desire to discuss the issue further, do not hesitate to contact our Executive Director, Dr. Tom Turnage, or me. Dr. Turnage can be reached at 214-366-9407 (tturnage@dansatx.org). You may contact me at 972-771-9985 (lynelley@cs.com).

Sincerely,

A handwritten signature in black ink that reads "Dr. Lynelle C. Yingling". The signature is written in a cursive style with a small dot above the 'i' in "Yingling".

Dr. Lynelle Yingling
Chair, Board of Directors

Cc: Dr. John Theiss, Interim Director of NorthSTAR
Carole Matyas, Vice President of ValueOptions
Karen Hale, Commissioner of TDMHMR
DANSA's Consumer Advisory Council
DANSA's Provider Advisory Council