

THE NORTHSTAR PROGRAM IS A BEHAVIORAL HEALTH MANAGED care project led by ValueOptions[®] that serves seven counties in the Dallas/Ft. Worth area. The NorthSTAR program provides an integrated system of care with mental health care and chemical dependency services.

NorthSTAR is implementing an innovative blending funding system that combines the state Medicaid, substance abuse and mental health programs to create a single system of care. Historically, these systems were under-funded and operated independently with their own eligibility criteria, programs, and benefits; and consumers were left to their own devices to navigate three different systems. By blending the same total spending from 15 federal, state, and local funding streams, NorthSTAR has streamlined agency policies and eligibility criteria to offer consumers a comprehensive benefit package that dramatically improves their access to care and saves them from having to switch providers when their Medicaid eligibility status changes.

Accomplishments include:

- **Broader provider network:** Traditionally, Texas behavioral health services were limited to a small number of state-contracted local providers who received state block funding. Under NorthSTAR, ValueOptions[®] introduced competition and negotiated contracts with a larger number of providers. As a result, six new community mental health providers emerged to offer crucial specialty services, such as rehabilitation and ACT teams, and providers now compete for customers. ValueOptions[®] also trained providers on billing systems to speed claims payments.
- **Increased choice and support:** To address widespread denial of services and waiting lists that existed when it took over the program, ValueOptions[®] removed the county-of-residence restriction so that there is “no wrong door” to eligibility, increased choice of providers from a larger seven-county provider network and introduced ombudsman services to help consumers access services and resolve problems.

AT A GLANCE

Clients: Texas Health and Human Services Commission; Texas Department of Mental Health and Mental Retardation; Texas Commission on Alcohol and Drug Abuse

Covered Lives: 1.1 million Medicaid and indigent adults and children

Covered Services: broad range of mental health, rehabilitation, and substance abuse services

Type of Contract: capitated contract with blended federal, state, and local funding

Employees: 97

Location: Dallas

Date Started: November 1999

National Recognition: Finalist for Harvard’s Innovations in American Government award (2002)

Program Evaluation: The Texas Health and Human Services Commission evaluated three Medicaid managed care models, including NorthSTAR, and found NorthSTAR superior in several areas.

- **Increased accountability:** ValueOptions[®] developed a data and monitoring system capable of measuring the funds expended, the sources of those funds, services purchased with the funds, and customer satisfaction with services. NorthSTAR distributes a data book, available on the internet and shared broadly with stakeholders, that tracks program performance over time. This level of data and monitoring was simply unobtainable under the traditional behavioral system. ValueOptions[®] is working diligently to develop the “next generation” of outcomes to measure and report on the impact of the NorthSTAR program using clinical and quality of life indicators.

- **Involvement of consumers and advocates:** Consumers and advocates were involved from the very beginning and participated in shaping the design and development of the NorthSTAR program. The NorthSTAR authority's governing board is made up of consumers and serves as a vehicle for holding ValueOptions[®] accountable for resolving consumers' complaints, concerns, and systems issues. In addition, a strong prevention, education, and outreach department employs consumer and family advocates to act as internal change agents and bring consumer and advocate perspectives to the organization.
- **Jail diversion and prevention:** The Dallas County Adult Jail Diversion Program diverts eligible offenders from the criminal justice system into community-based treatment such as: temporary crisis housing, intensive case management, medication management and rehabilitation services. Partnering with court and juvenile justice, the program legally dismisses an enrollee's charges upon the successful completion of the program. The Jail Prevention Program created Tele-medical interviews with police to prevent incarceration of people in behavioral health crises.
- **Increased consumer access:** During the first full year of operation, use of behavioral health services by the uninsured population increased 46 percent from 9,190 individuals to 13,433 individuals served. Waiting lists for services have been eliminated.
- **Improved Claims Payments:** We helped providers transition to an Electronic Data Interchange process. Now 95 percent of providers submit their claims within 60 days of service – from 40 percent at start-up – and ValueOptions[®] pays most claims in less than 15 days.
- **Smooth contract transitions:** Through several Texas contract transitions, we have successfully integrated new consumers and providers without disrupting the stability of the delivery system. An average of 30-40 new non-Medicaid enrollees are added every day.
- **Improvements in criminal justice system:** More than 50 percent of participants successfully complete the Dallas County Adult Jail Diversion Program in six months.

Breakthrough results:

- **Positive program evaluation by the Texas Health and Human Services Commission:** This commission examined three Medicaid managed care models, STAR, STAR+PLUS, and NorthSTAR, in the areas of access, quality, integration, and cost. The study concluded, "NorthSTAR does a better job of collecting data and managing behavioral health services than STAR or STAR+PLUS. Comparative data available on several indicators such as timely provision of care after hospitalization, timely claims payment, and satisfaction also indicate that it may be performing better than the other two models." (*Behavioral Health in Managed Care: A Review of Texas Medicaid Models, Texas Health and Human Services Commission, December 2002, Executive Summary, page 6*)

- **Emergency responsiveness:** According to the Texas Department of State Health Services, ValueOptions[®] outreach in response to Hurricane Katrina was in place two days before the rest of the system. ValueOptions[®] alerted providers to support enrollment of evacuees into the Texas program, allowed automatic authorization – without provider calls – for outpatient and case management services and implemented a process for providers to directly e-mail NorthSTAR medical staff to facilitate processing of some medications.
- **Decreased expenditures:** The program provides over 22 percent of state services while receiving only 13 percent of state funds for behavioral care.

