



NorthSTAR Transition

**As Required By
The General Appropriations Act,
H.B. 1, 84th Legislature, Regular Session, 2015
(Article II, Department of State Health Services, Rider 85)**



**Department of State Health Services
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Executive Summary

The General Appropriations Act, H.B. 1, 84th Legislature, Regular Session, 2015 (Article II, Department of State Health Services, Rider 85) directs DSHS to cease operations of the NorthSTAR Behavioral Health Services model on December 31, 2016. Beginning January 1, 2017, funds to provide services, other than Medicaid behavioral health services, previously available through NorthSTAR, will be allocated to the North Texas Behavioral Health Authority (NTBHA) and to the local mental health authority (LMHA) serving Collin County, an entity known as LifePath Systems.¹ HHSC, in coordination with DSHS, is required to evaluate and report to the Legislature on the progress of NTBHA and LMHA Collin County (i.e. LifePath Systems), separately, as they transition from the current NorthSTAR model to the new models.

In order to support NTBHA and LifePath Systems in the transition, DSHS and HHSC are engaging in a number of activities. Through monthly steering committee meetings, DSHS and HHSC executive leadership serve in an advisory capacity to the project and are kept informed of progress, risks, and issues. Program and Information Technology (IT) staff also maintain weekly contact to provide technical assistance to NTBHA and LifePath Systems on various authority functions, including network development and contract requirements, development of IT infrastructure, stakeholder communication, etc.

NTBHA and LifePath Systems continue to make progress towards identified milestones in order to assume authority functions on January 1, 2017. Both organizations are actively engaging in efforts to build a provider network with an intent to have contracts in place by September 2016. In addition, NTBHA and LifePath Systems are actively working with DSHS/HHSC staff to develop the IT infrastructure needed to execute authority functions and send required data elements to DSHS. IT solutions are being developed, respectively, and both organizations are on track to meet the July 2016 milestone to begin testing. NTBHA and LifePath Systems also recognize the need to secure additional sources of revenue to supplement state funds and are reaching out to local leaders and organizations in an effort to secure funds. Finally, in an effort to ensure stakeholders are kept informed of transition activities, both organizations are increasing community outreach efforts. Both NTBHA and LifePath Systems, in collaboration with DSHS and HHSC, intend to develop a communication plan that outlines strategies to reach individuals receiving services to communicate changes to the behavioral health system.

DSHS and HHSC continue to monitor progress and track milestones to ensure provider readiness to assume authority functions. In the event that NTBHA and/or LifePath Systems are not ready to fully assume the authority role on January 1, 2017, DSHS/HHSC will implement a contingency plan. DSHS plans to conduct an initial readiness review with each organization in May 2016 and will provide feedback on areas that may need more development. Additionally, DSHS plans to conduct a final readiness review of both entities in September 2016 to determine whether aspects of the contingency plan should be executed.

¹ The rider language referenced “LMHA” serving Collin County, however, LifePath Systems in Collin County will operate as the local behavioral health authority (LBHA). Per Texas Health and Safety Code, Section 533.0356, an LBHA assumes all the responsibilities and duties of an LMHA but has the additional responsibility and duty to ensure that chemical dependency services are provided in the service area.

Introduction

The General Appropriations Act, H.B. 1, 84th Legislature, Regular Session, 2015 (Article II, Department of State Health Services, Rider 85) directs DSHS to cease operations of the NorthSTAR Behavioral Health Services model on December 31, 2016. Beginning January 1, 2017, funds to provide behavioral health services to the indigent population, previously available through NorthSTAR, will be allocated to the North Texas Behavioral Health Authority (NTBHA) and to the local mental health authority (LMHA) serving Collin County, an entity known as LifePath Systems. Individuals with Medicaid will begin receiving behavioral health services through existing STAR and STAR+PLUS Medicaid managed care organizations, or for those not enrolled in managed care, through fee-for-service. Medicaid recipients under the age of 21 with disabilities will receive their services through the new STAR Kids program.

HHSC, in coordination with DSHS, is required to evaluate and report to the Legislature on the progress of NTBHA and LMHA Collin County, separately, as they transition from the current NorthSTAR model to the new models.

Background

The NorthSTAR program has operated as a 1915(b) Medicaid Waiver by DSHS since 1999. The NorthSTAR program is a publicly-funded managed care approach to the delivery of mental health and substance use disorder treatment to the eligible residents of Dallas, Ellis, Collin, Hunt, Navarro, Rockwall, and Kaufman counties. It has operated as a pilot for an integrated care model of behavioral health service delivery. The NorthSTAR program contracts with a behavioral health organization, ValueOptions, to manage the provider network, verify member eligibility, manage clinical authorizations, and pay claims. The North Texas Behavioral Health Authority (NTBHA) provides oversight to ValueOptions and serves as the local behavioral health authority for the entire NorthSTAR service area. In addition to oversight, NTBHA functions include planning, single portal authority functions, as well as a local problem solving resource that includes ombudsman services. Medicaid eligible recipients residing in the service area are automatically enrolled in NorthSTAR. Non-Medicaid eligible individuals residing in the service area may be eligible to receive NorthSTAR services through an eligibility process if they meet clinical and income criteria.

In February 2015, the Sunset Commission recommended the transition of behavioral health services in the Dallas area from NorthSTAR to an updated model.² This updated model includes developing a recovery-oriented system of behavioral health care for eligible indigent consumers and transitioning Medicaid eligible consumers to Medicaid managed care organizations and local primary care providers. In addition, HHSC and DSHS required transition plans to include steps towards building a mental health and substance abuse provider network, developing information

² Sunset Advisory Commission Staff Report with Final Results. Health and Human Services Commission and System Issues: Staff Report with Final Results.

https://www.sunset.texas.gov/public/uploads/files/reports/HHSC%20and%20System%20Issues%20Final%20Results_0.pdf Published July 2015. Accessed February 29 2015.

technology (IT) infrastructure, securing additional funds to supplement state dollars, and ensuring that stakeholders are kept informed of transition plans.

Local Behavioral Health Authority Transition

DSHS and HHSC, in partnership with the North Texas Behavioral Health Authority (NTBHA) and LifePath Systems, are working to transition the current NorthSTAR model of indigent behavioral health service delivery to an updated model. With support from each county government, the seven counties in the service area were divided up in such a way that the NTBHA will serve as the authority for Dallas, Hunt, Rockwall, Kaufman, Ellis, and Navarro Counties; LifePath Systems will serve as the Local Behavioral Health Authority (LBHA) for Collin County.

HHSC Executive Commissioner approved transition plans submitted by NTBHA and LifePath Systems in late September 2015.^{3,4} While both plans addressed criteria outlined by the Sunset Commission, it was understood that additional planning and details would be needed in order to fully operationalize the plans. Since that time, DSHS and HHSC continue to provide technical assistance to the NTBHA and LifePath transition teams as they develop more detailed project plans for each aspect of transition planning.

In support of the NorthSTAR transition, DSHS and HHSC participate in the following activities:

- monthly meetings among top executives at HHSC and DSHS to identify and mitigate known risks to successful implementation;
- weekly meetings between HHSC and DSHS project leadership to coordinate state level changes necessary to support the infrastructure of the new models;
- weekly meetings of NorthSTAR Unit Staff to target high priority transition activities;
- bi-weekly technical assistance teleconferences with NTBHA and LifePath;
- bi-weekly cross discipline meetings among the Mental Health and Substance Abuse (MHSA) units to address interdependencies and actions needed to support the transition;
- bi-weekly interagency meetings to address Information Technology (IT) Infrastructure needs related to the transition;
- twice weekly meetings with DSHS/HHSC IT staff to discuss IT business requirements needed to support data submission and exchange requirements; and
- bi-weekly calls with NTBHA and LifePath IT Directors and providers to discuss local system changes needed to support transition related IT needs.

Progress to Date: North Texas Behavioral Health Authority

In September 2015, NTBHA submitted a local plan that included subcontracting several authority functions to be administered by an Administrative Services Organization (ASO). In the

³ North Texas Behavioral Health Authority (NTBHA). Local Plan for Indigent Behavioral Health Services - Request for Final Agreement with HHSC and DSHS. Unpublished plan submitted to the Executive Commissioner of Health and Human Services Commission on September 25 2015. Austin, Texas.

⁴ Collin County, Texas and LifePath Systems Local Plan for Indigent Behavioral Health Services. http://www.lifepathsystems.org/wp-content/uploads/2016/04/CollinCo_FinalLocalPlan_NTransition_9-30-15-Complete.pdf. Submitted: September 30 2015. Accessed April 28 2016.

process of operationalizing this plan, NTBHA began working with consultants. Subsequently, the NTBHA leadership team, in partnership with the consultants, reevaluated their approach and submitted a revised plan that was approved on March 4, 2016.⁵ The revised plan eliminated the use of the ASO with NTBHA retaining authority functions and subcontracting for select services and functions. In preparing to fully assume LBHA functions, NTBHA is engaging in a number of planning activities to assist in building a provider network, develop IT infrastructure, secure additional funding, and communicate with stakeholders.

Building a Mental Health and Substance Abuse Provider Network

In order to ensure that mental health, substance abuse, and crisis services are available on January 1, 2017, NTBHA plans to contract with providers through a combination of open enrollment and competitive procurement strategies. Consultants with which NTBHA contracts are assisting in the review of historical utilization data that will inform the network's capacity. In preparation to contract with providers and maintain open communication, NTBHA held several open forums with significant traditional providers in order to assess current and past service provision and share ongoing information on transition activities. Significant traditional providers include organizations currently delivering services in NorthSTAR and who, per the recommendations from the Sunset Commission, should be offered contracts for three years to ensure continuity of care for indigent clients.⁶ NTBHA posted procurement documents in April 2016 and anticipates all contracts will be executed by September 2016.

Developing IT Infrastructure

The contracted consultants are also assisting NTBHA to develop needed IT infrastructure. NTBHA is required to ensure that IT related authority functions are performed (e.g. authorization of services) and that essential data elements are sent to DSHS. To that end, DSHS, HHSC, and NTBHA continue to meet regularly to evaluate IT requirements and the associated business processes that must be implemented. Providers under contract with NTBHA that intend to send data directly to DSHS through data exchange processes will begin testing in July 2016. Testing for submission of additional required data elements will also begin in July 2016. NTBHA is developing a solution to provide additional data elements in collaboration with DSHS/HHSC, IT consultants, and LMHA consultation. Currently, all milestones are being met to begin testing on time.

Securing Additional Funding

In January 2016, the Dallas County Commissioners Court moved to support transition planning activities by allocating \$462,000 to NTBHA. With these funds, NTBHA intends to hire a contract manager and other key personnel to support transition activities. Remaining funds will be used to support other transition needs (e.g. equipment, legal counsel, training, etc.). Additionally, one-time transition funds in the amount of \$1.5 million were appropriated to

⁵ North Texas Behavioral health Authority (NTBHA). Local Plan for Indigent Behavioral Health Services - Request for Revised Agreement with HHSC and DSHS.

http://www.ntbha.org/docs/NTBHA_IBH_Revised_Plan_Submission_1-15-16.pdf. Submitted January 15 2016. Accessed February 29 2016.

⁶ Sunset Advisory Commission Staff Report with Final Results. *Health and Human Services Commission and System Issues*.

<https://www.sunset.texas.gov/public/uploads/files/reports/HHSC%20and%20System%20Issues%20Final%20Results.pdf>. Published July 2015. Accessed February 29, 2016.

NTBHA by the Legislature for fiscal year 2017. NTBHA submitted a budget for expending these funds and, with HHSC Executive Commissioner approval, will begin utilizing funds to support infrastructure development beginning September 2016. It should also be noted that NTBHA was appropriated approximately \$5.8 million in “bridge” funding for fiscal year 2017.⁷ These funds are a one-time appropriation intended to supplement the anticipated shortfall in total funds appropriated to NTBHA that are needed to fully meet the service needs of the population. As a result, these funds will be expended on direct services.

Additionally, in an effort to fully leverage available funding, NTBHA is reaching out to a number of organizations for assistance in securing other sources of cost savings, including Patient Assistance Programs. These programs help individuals access needed medications at little or no cost and can represent a significant cost-savings to the local system. NTBHA is also actively communicating with respective county leadership to secure required match dollars.

Stakeholder Communication

In an effort to ensure stakeholders are kept informed of transition plans, NTBHA is holding forums to address provider concerns and questions. Additionally, NTBHA communicates transition plans to stakeholders, advocates, and community members through board meetings, which are open to the public. Transition planning also includes communication with people currently receiving behavioral health services under the NorthSTAR model. DSHS is coordinating with NTBHA, LifePath Systems, and HHSC to ensure that all NorthSTAR members receive accurate and timely information about changes to services.

Progress to Date: LifePath Systems

In preparing to fully assume LBHA functions, LifePath Systems is engaging in a number of planning activities to assist in building a provider network, develop IT infrastructure, secure additional funding, and communicate with stakeholders.

Building a Mental Health and Substance Abuse Provider Network

In order to ensure that mental health, substance abuse, and crisis services are available on January 1, 2017, LifePath Systems plans to contract with providers through a competitive procurement process. Requests for Proposals (RFPs) will be posted in the spring of 2016 with an expectation that contracts will be executed by August 15, 2016. LifePath Systems has been gathering information from significant traditional providers about current and past provision of services in the Collin County service delivery area. Significant traditional providers include organizations currently delivering services in NorthSTAR and who, per the recommendations from the Sunset Commission, should be offered contracts for three years to ensure continuity of care for indigent clients.⁸ Additionally, LifePath Systems has leveraged a consultant under a

⁷ H.B. 1, 84th Legislature, Regular Session, 2015 (Article II, Department of State Health Services, Rider 85) <http://www.capitol.state.tx.us/tlodocs/84R/billtext/pdf/HB00001F.pdf>

⁸ Sunset Advisory Commission Staff Report with Final Results. *Health and Human Services Commission and System Issues*. <https://www.sunset.texas.gov/public/uploads/files/reports/HHSC%20and%20System%20Issues%20Final%20Results.pdf>. Published July 2015. Accessed February 29, 2016.

contract with Collin County to assist in reviewing historical utilization data that will inform the network's capacity.

Developing IT Infrastructure

LifePath Systems must ensure that IT-related authority functions are performed (e.g. authorization of services) and that essential data elements are sent to DSHS. To that end, DSHS, HHSC, and LifePath Systems have been meeting regularly to evaluate IT requirements and the associated business processes that must be implemented. LifePath Systems plans to implement a solution that does not require data exchange testing, which reduces the complexity of developing the IT infrastructure. Testing for other data submission requirements will begin in July 2016. Currently, all milestones are being met to begin testing on time.

Securing Additional Funding

One-time transition funds in the amount of \$1.5 million were appropriated to LifePath Systems by the Legislature for fiscal year 2017 to assist with transition planning. LifePath Systems submitted a budget for expending these funds and, with HHSC Executive Commissioner approval, will be utilizing the funds for infrastructure development beginning September 2016.

Additionally, in an effort to fully leverage additional funding available, LifePath Systems is reaching out to local entities for assistance in securing other sources of funding, including Patient Assistance Programs. They are also actively communicating with county leadership to secure required match dollars, which the Collin County Commissioners Court acknowledges will be between 9 and 14 percent of the state general revenue contracted to LifePath. It should also be noted that LifePath Systems will continue to be a participating provider in the Medicaid Delivery System Reform Incentive Payment Program (DSRIP), which will continue to bring in funds for both programs and infrastructure improvements.

Stakeholder Communication

In an effort to ensure stakeholders are kept informed of transition plans, LifePath Systems staff are reaching out to community partners, including the local police department and historical providers in Collin County. Transition planning also includes communication with people currently receiving behavioral health services under the NorthSTAR model. DSHS is coordinating with NTBHA, LifePath Systems, and HHSC to ensure that all NorthSTAR members receive accurate and timely information about changes to services.

Special Considerations

Service Targets

In order to align with practices across the state, NTBHA and LifePath Systems will have contractual service targets for use of mental health funds. The methodology currently used for Local Mental Health Authorities (LMHAs) across Texas will be applied to NTBHA and LifePath Systems beginning January 1, 2017. The target methodology includes both indigent clients and those served in Medicaid Managed Care. In the NorthSTAR service area, the target methodology assumes that all Medicaid clients will be served by providers in the NTBHA and LifePath provider networks. If a significant number of Medicaid Managed Care clients are served by

providers that are not part of the LBHA networks, a proportional adjustment will be made in the service targets.

Contingency Plan

H.B. 1, 84th Legislature, Regular Session, 2015 (Article II, Department of State Health Services, Rider 85), allows the HHSC Executive Commissioner to submit a request to the Legislative Budget Board to extend the transition deadline by 90 days; however, this option will likely not be utilized unless the Medicaid transition is delayed beyond January 1, 2017. An extension of the NorthSTAR Waiver cannot occur for the indigent population only. Therefore, in the event that NTBHA and/or LifePath do not have the needed infrastructure to assume all authority functions on January 1, 2017, DSHS and HHSC are developing a contingency plan. In the event that the contingency plan must be executed, DSHS/HHSC will need to identify an entity to perform some or all of the following functions:

- Manage the provider network to ensure service availability.
- Authorize mental health and substance abuse services.
- Pay contracted providers for services delivered.
- Provide DSHS essential data elements.

DSHS/HHSC intend to engage leadership in the NTBHA and Collin County service delivery areas to determine strategies that ensure there is an entity to perform these temporary authority functions, if needed. In the event that the contingency plan needs to be implemented, the identified entity would perform the needed authority functions on January 1, 2017 and would function as the authority until such time that DSHS/HHSC determines that NTBHA and/or LifePath Systems is ready to fully assume all key authority functions.

In order to evaluate whether elements of the contingency plan must be deployed, DSHS/HHSC will be conducting an initial readiness review with both NTBHA and LifePath in May 2016, as well as a final readiness review in September 2016. The readiness review will focus on critical authority functions that must be in place on January 1, 2017. The May readiness review will provide baseline information on the level of effort needed to fully implement the critical authority functions. The percentage complete for each element will be noted during the May readiness review. The September readiness review will evaluate progress towards each critical function and will include a recommendation on whether a contingency plan for each function must be deployed. No later than October 1, 2016, a decision will be made on whether or not to execute some or all of the contingency plan.

Medicaid Transition: Update

Background

In addition to transitioning NorthSTAR to an updated model, the Sunset Commission directed HHSC to transition behavioral health services for Medicaid clients to the managed care organizations (MCOs) responsible for their primary health care.⁹ NorthSTAR clients who are

⁹ Sunset Advisory Commission Staff Report with Final Results. Health and Human Services Commission and System Issues: Staff Report with Final Results.

adults and are enrolled in Medicaid will receive their behavioral health, substance abuse, and chemical dependency services through the STAR and STAR+PLUS managed care programs on January 1, 2017. Medicaid enrolled children and young adults under 21 years of age with disabilities will receive their services through STAR Kids once it is operational on November 1, 2016.

To help integrate behavioral health services in the Dallas service delivery area, HHSC established a staff workgroup to coordinate transition activities. Responsibilities of the workgroup include:

- communicate and provide information to Medicaid clients, providers, and MCOs impacted by the transition;
- develop transition plans to ensure no services are lost and continuity of care is maintained;
- work with MCOs to contract with significant traditional providers;
- amend federal waivers and MCO contracts;
- communicate with the Center for Medicare and Medicaid Services (CMS) regarding timelines for submitting waiver amendments and transition plans; and
- making all necessary changes to information technology (IT) systems.

Outreach

HHSC is working with the Medicaid enrollment broker to provide outreach services for NorthSTAR clients transitioning to managed care, including mailing notifications and updating call center scripts. In addition, HHSC has engaged impacted clients, providers, MCOs, and other stakeholders. Outreach efforts include hosting regular teleconferences with MCOs to answer operational questions and ensure MCOs are prepared to deliver the full array of Medicaid behavioral health services; facilitating a meeting with NorthSTAR providers and MCOs in the Dallas service delivery area to discuss value added services provided through managed care; attending in-person meetings with stakeholders; and hosting a webinar with STAR Kids MCOs to review each of the behavioral health services, service limitations, and other policy guidance. HHSC will continue to work and meet with affected clients, providers, MCOs, and stakeholders to ensure a successful transition.

Continuity of Services

To ensure no services are lost or interrupted during the transition, HHSC developed a comparison chart that cross-walks all behavioral health, substance abuse, and chemical dependency services currently provided by NorthSTAR to mental health services provided by Medicaid State Plan benefits. This information will be used to inform providers and MCOs on covered services. Additionally, HHSC discussed value added services provided through managed care with providers and MCOs. Value added services are one tool that will help ease the transition from NorthSTAR to Medicaid managed care.

In addition, HHSC is working with MCOs to ensure continuity of care for clients as they move from NorthSTAR to an MCO by requiring the MCO to extend contracts to any provider

https://www.sunset.texas.gov/public/uploads/files/reports/HHSC%20and%20System%20Issues%20Final%20Results_0.pdf Published July 2015. Accessed February 29 2015.

participating in NorthSTAR and treat them as a significant traditional provider for three years. MCOs provide monthly status reports to HHSC on the providers with which those entities contract.

Contracts

HHSC is in the process of modifying all necessary contracts so the transition of behavioral health services in the Dallas services delivery area is successful.

Information Technology

HHSC IT is coordinating with DSHS IT and the new Local Behavioral Health Authorities (LBHAs) to make any necessary changes to the state IT systems, including tracking and resolving issues as they occur. The testing phase for HHSC, DSHS, and LBHAs will begin in July 2016. In addition, HHSC has provided MCOs in the Dallas service delivery area with the authorization file format to share information securely. Testing for LBHA data exchange with MCO files will occur later in 2016.

Conclusion

NTBHA and LifePath Systems continue to develop the needed infrastructure to assume authority functions on January 1, 2017. DSHS and HHSC continue to monitor progress and track milestones to ensure readiness. DSHS plans to conduct an initial readiness review with each organization in May 2016 and will provide feedback on areas that may need more development. Additionally, DSHS plans to conduct a final readiness review of both entities in September 2016 to determine whether aspects of the contingency plan must be implemented to ensure availability of services.

Per H.B. 1, 84th Legislature, Regular Session, 2015 (Article II, Department of State Health Services, Rider 85), the HHSC Executive Commissioner may submit a request to the Legislative Budget Board to extend the transition deadline by 90 days. The request must indicate how transition funds have been spent to date, provide a rationale for the delay, and include a plan to complete the transition with an accompanying plan for strategy transfers to align with the delayed transition date. The need to request an extension will be evaluated following the final readiness review.

Finally, it should also be noted that DSHS is in close coordination with HHSC to align efforts to transition behavioral health services provided to the Medicaid population in the Dallas area. Beginning November 1, 2016, behavioral health services currently provided through NorthSTAR will be provided by the STAR Kids Medicaid health plans. Beginning January 1, 2017, behavioral health services currently provided through NorthSTAR will be available through the STAR and STAR+PLUS Medicaid health plans. Progress on both the Medicaid and indigent transition will be monitored by HHSC and DSHS, respectively, and aligned to ensure continuity of care for individuals receiving behavioral health services.