



To: Eric Hunter, Value Options of Texas

Date: November 17, 2011

Cc: Alex Smith, Ron Stretcher, Dr. Elba Garcia

MDHA Public Policy Committee

Subject: Proposed NorthStar financial cuts on December 1, 2011

Dear Eric:

On behalf of the Alliance I want to offer our response to the proposed services financing cuts that are to take place in December. Let me preface this statement with sincere thanks to you and your team for your hard work and dedication to serving our neighbors with mental disorders and addictions.

We know that Value Options and NTBHA have been left no choice but to reduce expenses in response to the very disappointing level of support from the state legislature. I personally have appreciated your candor in community meetings including the discussion in Commissioner Price's Behavioral Health Team last week.

Adjustments in the plan need to be forthcoming to protect consumers who are most vulnerable. I understand you are working to make some provisions for specific populations before December 1. We believe the following points should be carefully considered and resolved in the short term:

- **The reduction of the case rate for indigent populations to \$100 from \$140 will leave many homeless individuals without case management services.**
- **Homeless individuals with mental illnesses and addictions have few natural supports in place to help them negotiate services systems and ensure their basic needs are met.**
- **The majority of the 2000 formerly homeless individuals with mental disorders and addictions who now live in supportive housing need the case management services now provided.**
- **It is crucial that a clear Value Options described case management plan for homeless individuals, those in supportive housing, individuals leaving the jail and those returning from the state hospital be crafted and communicated to the field quickly.**

- **The estimated cost of serving people with mental illness who are homeless is three time higher than for consumers who are in stable housing because of the increased incidence of crisis and subsequent rates of emergency room visits, hospitalizations and incarcerations.**
- **Homeless Individuals including parents in families who are homeless should be considered a priority population and services should remain whole for these populations.**

Thanks for your consideration; we look forward to talking with you at your earliest convenience.

Best regards,

Mike

Michael M. Faenza
President and CEO