



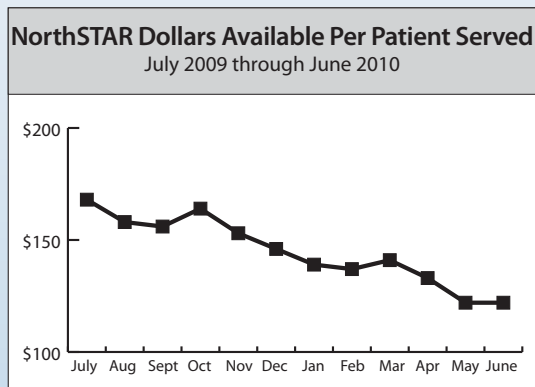
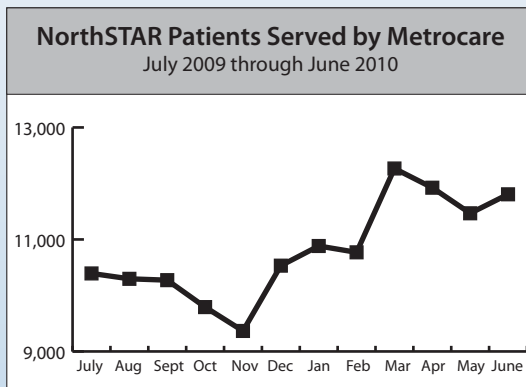
Quarterly Report

Prepared for our Stakeholders in July 2010

Third Quarter, Fiscal Year 2010

The challenges of an open front door for mental health care

The public mental health system in Dallas, known as NorthSTAR, is an open-access system. No one gets turned away. The poor economy means that the number of people seeking Metrocare's services has increased dramatically: 20% in the past year. But the dollars available have been steady, so that the dollars available to serve each patient have decreased by 30%. That means each patient gets 30% less care.



Sometimes we get asked, "Why doesn't Metrocare just stop taking new patients?" But to do so would mean turning away people in pain who have nowhere else to go. It would also mean increased costs for taxpayers, as those same people end up in homeless shelters or in jails, instead. A better solution is to keep NorthSTAR open-access and to insist that policy makers make the hard decisions about the program's priorities, given its limited funding.

Taking on 1,400 more with developmental disabilities

As of June 1st, over 1,400 people in Dallas County with special needs began receiving service coordination services through the Dallas County Local Authority (LA), a part of Metrocare Services. To meet this new responsibility, the LA hired 28 new service coordinators. In addition to developing relationships with our 1,400 new consumers, the service coordinators are developing working relationships with 55 different organizations in Dallas County that provide care to people with developmental disabilities.

Through their work with consumers, families and providers, the service coordinators will help assure that families know all of their service options, help assure that providers are able to provide the services that consumers need, and help assure that the services are provided with quality.

Although there was much trepidation on the part of families and providers about the new system, so far it has gone relatively smoothly. "It is going to take much training, patience and time for everyone from the Service Coordinator, to the HCS Providers and Consumers to totally feel comfortable with each other through this new process," said Cindy Berry, Sr. Executive Director of Berry Family Services.

With the new 1,400 consumers, Metrocare now has over 7,500 people with developmental disabilities enrolled in our care. Our goal is to ensure each is given the best opportunity to find the needed services to continue their growth and meet their personal goals.

3rd quarter results

Metrocare Services ended its 3rd quarter with a 2.8% net margin percentage for the fiscal year-to-date, giving the Center about 12 days in reserve in its fund balance. Mental health services remained in a negative position year-to-date at -\$553K, improved from -\$655K at the end of 2nd quarter. This reflects the ongoing challenges of change in reimbursement policy by the NorthSTAR managed care company, ValueOptions.

Meal for the Minds

BENEFITING METROCARE

John Elder Robison, author of the New York Times Best Seller *Look Me In The Eye; My Life With Aspergers*, will be the keynote speaker for this year's Meal for the Minds. Join us at The Belo Mansion for lunch on September 15, 2010. Limited seating available.

Our mission

To serve our neighbors with developmental or mental health challenges by helping them find lives that are meaningful and satisfying
Julie Noble, Board Chair • James G Baker MD MBA, Chief Executive Officer

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