



TEXAS DEPARTMENT OF STATE HEALTH SERVICES

P.O. Box 149347
Austin, Texas 78714-9347
1-888-963-7111
TTY: 1-800-735-2989
www.dshs.state.tx.us

DAVID L. LAKEY, M.D.
COMMISSIONER

January 25, 2011

Eric Hunter, CEO
Value Behavioral Health of Texas, Inc.
1199 South Beltline Road, Suite 100
Coppell, TX 75019

Mr. Hunter,

As per appendix 4b of the DSHS/ValueOptions' contract, DSHS is required to calculate performance penalties for each contract year. DSHS has completed its calculation of the contract performance penalties for FY10 and FY11. I have attached the calculation documents for your review.

Appendix 4b of the FY10/11 contract with ValueOptions stated that the minimum hour requirement will be waived if three client performance outcomes are met. These outcomes were based on improving scores submitted on the NorthSTAR members' uniform assessments. In review of the penalties and contract, DSHS staff determined that the calculation used for the same measures in the community centers' contract included not only improved scores but also acceptable scores. The exclusion of the acceptable scores from the measures made it far more difficult to meet the three client performance outcomes. In consultation with the North Texas Behavioral Health Authority, we agreed to include acceptable scores in the revised calculation of the FY10 and new calculation of the FY11 performance penalties.

With the corrected calculations, the penalties are as follows:

FY10 - \$92,888
<u>FY11 - \$124,332</u>
\$217,220 Total

Please review these documents and provide any comments by February 3, 2011. If ValueOptions does not have any questions regarding the totals of these penalties, then these dollars will be withheld from the February payment.

Regards,

Katherine (KJ) Scheib

Cc: Matthew Ferrara, Unit Manager, Medicaid Services Unit/NorthSTAR program
Alex Smith, Executive Director, North Texas Behavioral Health Authority