

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
DALLAS COUNTY  
AND  
VARIOUS PARTICIPANTS IN THE  
DELIVERY OF BEHAVIORAL HEALTH SERVICES  
UNDER THE NORTHSTAR  
MANAGED CARE PROGRAM  
FOR  
ENHANCEMENT OF BEHAVIORAL HEALTH SERVICES  
IN DALLAS COUNTY**

**1.0 Purpose:** The purpose of this Memorandum of Understanding is to describe Dallas County's ("County") specific expectations relative to the delivery of mental health services, and to describe County's payment for enhanced mental health services.

**2.0 Parties:** The participants in this Memorandum of Understanding are the corporations chosen to manage behavioral health services, Magellan Corporation and ValueOptions, Inc. (hereinafter called "Behavioral Health Organizations" or "BHOs"), the Dallas Area NorthSTAR Authority ("DANSA"), the Texas Department of Mental Health and Mental Retardation ("TDMHMR"), and Dallas County.

**3.0 Services to be Provided by BHOs -** The BHOs agree that the following services are to be included within the overall scope of treatment options available for residents of the County:

**Stabilization Beds -** Persons placed under Order of Protective Custody in Dallas County, pursuant to §574.001 of the Health and Safety Code, will be stabilized and diagnosed at a location or locations within Dallas County. Priority should be given to locations that are easily accessible to the Parkland Psychiatric Emergency Room and where court proceedings are to be held.

**Forensic Diversion Unit -** a specialized unit will be available to provide intensive services to forty individuals, to be identified by the Dallas County Health and Human Services Department, who are the most frequent recidivists in the County jail in need of behavioral health services.

**Residential Substance Abuse Treatment for Juveniles -** the Dallas County Juvenile Department will have available the continuous use of up to ten residential beds at no cost to the County for the treatment of youthful offenders with substance abuse problems who are NorthSTAR eligible. Each BHO will be responsible for the provision of five beds.

Juvenile Programs - the County will be offered acceptable programs which offer special service to juveniles who have been assigned to the Juvenile Department for a first offense, and to juveniles who require intensive wrap-around services.

Staff Services - the County will be provided the following staff resources:

- up to sixteen hours per week of psychiatric consulting time on site at the Dallas County Juvenile Department;
- one full-time equivalent behavioral health liaison whose primary work location is the Dallas County Mental Illness Court;
- one behavioral health liaison for eight hours per day, seven days per week, whose primary work location is the Dallas County Jail;
- one full-time equivalent behavioral health service liaison whose primary work location is the Dallas County Juvenile Department.

**4.0 Services to be Provided by DANSA:** DANSA agrees that it will provide the following services for the residents of Dallas County:

Training - DANSA will utilize a portion of its budget to provide training in dealing with individuals with mental illness for law enforcement agencies in the County. Half of this position will be funded with NorthSTAR funds, the other half from the County's contribution.

Performance Reporting - DANSA will provide quarterly performance reports to the Dallas County Commissioners Court related to each of the items contained in section 3.0 and its training responsibility contained in this section. DANSA will work with the County in determining the form and format of the performance reports. These reports will assess the degree to which the BHOs have complied with this agreement and provide suggestions from improvement.

Mediation Services - DANSA will facilitate continued discussions between the County and the BHOs to provide an early resolution of disagreements that may arise.

**5.0 Services to be Provided by TDMHMR -** TDMHMR will provide the following services to Dallas County:

Output Reporting - TDMHMR will make available to the County its data regarding the overall performance of managed care as the system matures.

Future Planning - TDMHMR will prepare a plan for fully integrating the Jail and Juvenile mental health and substance abuse effort into the overall NorthSTAR program. This plan will be available approximately nine months after the start date for the managed care system and will be presented to the Dallas County Commissioners Court.

**6.0 Payment by County:** County has agreed to make twelve monthly payments of \$406,803 to TDMHMR for distribution to BHOs, beginning July 1, 1999 or such later date determined by TDMHMR to be the appropriate start date for the program, and three monthly payments of \$423,469 beginning July 1, 2000, until such time as these payments may be modified by action of Dallas County Commissioners Court, through its normal budget process, or through reasons related to changes in services provided. The calculation of this payment is provided below.

Dallas County Behavioral Health Budget FY1999 \$5,131,634

Calculation of Monthly Payment for first 12 months (July 1999 - June 2000)

FY99 Budget	\$5,131,634
less retainage	(200,000)
less Model Project Prevention of Abandoned Children in Texas unit	(50,000)
<b>Total</b>	<b>\$4,881,634</b>

divided by 12 \$406,803/month

Calculation of Monthly Payment for last 3 months (July 2000 - September 2000)

FY99 Budget	\$5,131,634
less Model Project Prevention of Abandoned Children in Texas unit	(50,000)
<b>Total</b>	<b>\$5,081,634</b>

divided by 12 \$423,469/month

Because the NorthSTAR rollout will be partial from July 1, 1999 until the HCFA approval of the Medicaid waiver application, this Memorandum and the accompanying Local Match Fund Agreement will have to be renegotiated when the waiver is approved. Such negotiation will reflect the transfer of costs associated with the Mental Illness Court from the private sector to the public sector. The cost to the County of an additional Public Defender and the loss of revenue from court costs collection will be included.

**6.1 Adequacy of Service Delivery:** County's continued payment will be contingent on adequacy of service delivery, as solely determined by the Dallas County Commissioners Court with the assistance of DANSA. This determination will be made according to performance and outcome measures and quality assurance reports required by the State's contract with the BHOs in Article X, and Appendices 10 and 4 attached hereto as Exhibit "A" and incorporated herein by references for all purposes.

**6.2 Retainage:** In addition to the payment specified in Section 6.0, County agrees to designate an additional \$200,000 to use as follows:

**6.2.1** County will use the retained \$200,000 to pay for any mental health costs that arise during the contract period that, in the judgment of the Dallas County Commissioners Court, are the result of service gaps that could reasonably be attributed to the transition to managed care.

**6.2.2** Six months following the start date of NorthSTAR, the Dallas County Commissioners Court will pay to TDMHMR one-half of the difference between \$200,000 and any payments made pursuant to section 6.2.1 when requested by the BHOs. DANSA will advise the Dallas County Commissioners Court on the BHOs' individual performances according to criteria established in the State's contract with the BHOs, as mentioned above in Section 6.1. The total retainage paid to the State will be disbursed according to the same formula used to determine all the State's disbursements of

NorthSTAR funds to the BHOs.

If the Dallas County Commissioners Court is thoroughly satisfied with the performance of the BHOs and has not had to pay bills described by Section 6.2.1, the Commissioners may elect to turn the entire retainage over to the BHOs after six months. The BHOs must affirm that no less than their contracted Direct Service Claims Target percentage of the retainage will be spent on direct service.

**6.2.3** Twelve months following the start date of NorthSTAR, any remaining amount of retainage, as determined by the Dallas County Commissioners Court, will be paid to TDMHMR on request by the BHOs, as described in Section 6.2.2.

**6.4 Voluntary Payment:** BHOs, DANSA, and TDMHMR recognize that all County payments are discretionary and are made as a result of a Dallas County Commissioners Court decision to augment services to persons in Dallas County.

**7.0 Term:** The term of this Memorandum of Understanding begins on the start date and continues for fifteen months or until terminated upon sixty (60) days written notification by any party to all other parties.

**8.0 Attest:** The parties to this Memorandum of Understanding herewith agree to the provisions contained herein.

\_\_\_\_\_  
BY: Lee F. Jackson  
County Judge  
Dallas County  
Date \_\_\_\_\_

\_\_\_\_\_  
BY: Dr. Tom Turnage  
Executive Director  
Dallas Area NorthSTAR Authority  
Date \_\_\_\_\_

\_\_\_\_\_  
BY: Karen Hale  
Commissioner  
Texas Department of Mental Health and  
Mental Retardation  
Date \_\_\_\_\_

---

**BY: Bob Waters**  
**Executive Director**  
**Magellan Corporation**

---

**Date**

---

**BY: Carole Matyas**  
**Executive Director**  
**Value Options, Inc.**

---

**Date**