



North Carolina Department of Health and Human Services
Division of Medical Assistance

Roy Cooper
Governor

Dempsey E. Benton
Interim Secretary

Dave Richard
Deputy Secretary for Medical Assistance

January 13, 2017

Dempsey E. Benton
Interim Secretary
North Carolina Department of Health and Human Services
101 Blair Drive
2001 Mail Service Center
Raleigh, NC 27699

Dear Interim Secretary Benton:

Pursuant to Session Law 2013-85, the Secretary of the Department of Health and Human Services shall complete a certification of compliance, in accordance with G.S. § 122C-124.2(a), for each local management entity/managed care organization that has been approved by the Department to operate the 1915(b)(c) Medicaid Waiver. The Secretary shall also provide a copy of the completed certification to the Senate Appropriations Committee on Health and Human Services, the House Appropriations Subcommittee on Health and Human Services, the Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division by no later than January 1, 2017.

Attached hereto, please find a summary report of the findings for fiscal solvency, clean claims payment, and HIPAA compliance for the following local management entities/managed care organizations: Alliance, Cardinal Innovations, Eastpointe, Partners, Sandhills, Vaya Health, and Trillium.

At this time, based on the attached records, the Division of Medical Assistance (DMA) is attesting that all seven organizations are appropriate for certification. Additionally, the Intradepartmental Monitoring Team (including DMA and Division of Mental Health, Developmental Disabilities and Substance Abuse Services staff) determines that all seven LME-MCOs have made adequate provisions against the risk of insolvency based on quarterly financial reports submitted to DHHS.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Richard".

Dave Richard

Attachments



Claims Accuracy and Timeliness Review: Summary Findings

Audit Type	Timeliness of Provider Payment (Within 30 days)		Claims Processing Accuracy		Financial Accuracy	
	Result	Finding	Result	Finding	Result	Finding
LME-MCO						
Alliance	100.00%	Compliant	99.84%	Compliant	99.94%	Compliant
Cardinal Innovations	99.96%	Compliant	99.36%	Compliant	99.82%	Compliant
Eastpointe	99.93%	Compliant	99.84%	Compliant	99.94%	Compliant
Partners Behavioral Healthcare	100.00%	Compliant	100.00%	Compliant	99.96%	Compliant
Sandhills Center	99.98%	Compliant	99.98%	Compliant	99.98%	Compliant
Vaya Health	99.98%	Compliant	100.00%	Compliant	100.00%	Compliant
Trillium Health Resources	100.00%	Compliant	99.65%	Compliant	99.93%	Compliant

Data is based on a statistical sample of Medicaid claims processed between March 2016 through August 2016 for each LME-MCO.

Solvency Review: Summary Findings (Current Ratio > 1.0 is Compliant) for North Carolina LME/MCOs

Month	February		March		April		May		June		July		August	
	Result	Compliant	Result	Compliant	Result	Compliant	Result	Compliant	Result	Compliant	Result	Compliant	Result	Compliant
LME-MCO														
Alliance	3.67	Yes	3.65	Yes	3.07	Yes	3.12	Yes	2.76	Yes	3.00	Yes	3.33	Yes
Cardinal Innovations	3.15	Yes	3.12	Yes	3.02	Yes	2.94	Yes	2.97	Yes	3.28	Yes	3.39	Yes
Eastpointe	3.12	Yes	3.52	Yes	3.43	Yes	3.37	Yes	3.33	Yes	2.95	Yes	3.47	Yes
Partners Behavioral Healthcare	6.03	Yes	7.24	Yes	5.75	Yes	5.89	Yes	5.84	Yes	4.65	Yes	6.03	Yes
Sandhills Center	9.38	Yes	10.95	Yes	10.45	Yes	10.45	Yes	11.25	Yes	11.35	Yes	11.03	Yes
Vaya Health	3.18	Yes	3.68	Yes	3.37	Yes	3.33	Yes	3.03	Yes	3.09	Yes	3.66	Yes
Trillium Health Resources	4.38	Yes	4.64	Yes	4.27	Yes	4.16	Yes	4.76	Yes	4.38	Yes	4.64	Yes

Data is based on financial information combined for State and Medicaid funds from February 2016 through August 2016 for each LME-MCO.

Solvency Review: Total Expenses to Total Medicaid Revenue Summary Findings

Month	February		March		April		May		June		July		August	
	Result	Compliant	Result	Compliant	Result	Compliant	Result	Compliant	Result	Compliant	Result	Compliant	Result	Compliant
Alliance	83%	Yes	100%	Yes	105%	No	85%	Yes	101%	No	78%	Yes	96%	Yes
Cardinal Innovations	81%	Yes	106%	No	92%	Yes	93%	Yes	109%	No	92%	Yes	97%	Yes
Eastpointe	91%	Yes	96%	Yes	90%	Yes	89%	Yes	102%	No	97%	Yes	97%	Yes
Partners Behavioral Healthcare	99%	Yes	93%	Yes	99%	Yes	91%	Yes	96%	Yes	93%	Yes	96%	Yes
Sandhills Center	81%	Yes	92%	Yes	86%	Yes	91%	Yes	102%	No	91%	Yes	116%	No
Vaya Health	91%	Yes	92%	Yes	99%	Yes	100%	Yes	107%	No	92%	Yes	94%	Yes
Trillium Health Resources	95%	Yes	104%	No	98%	Yes	103%	No	113%	No	94%	Yes	106%	No

Data is based on financial information combined for State and Medicaid funds from February 2016 through August 2016 for each LME-MCO.

Solvency Review: Defensive Interval Summary Findings

Month	February		March		April		May		June		July		August	
	Result	Compliant	Result	Compliant	Result	Compliant	Result	Compliant	Result	Compliant	Result	Compliant	Result	Compliant
Alliance	107.52	Yes	92.48	Yes	88.46	Yes	117.31	Yes	99.78	Yes	136.69	Yes	103.05	Yes
Cardinal Innovations	86.10	Yes	81.88	Yes	91.59	Yes	97.68	Yes	75.29	Yes	103.16	Yes	89.65	Yes
Eastpointe	95.60	Yes	92.07	Yes	91.69	Yes	95.83	Yes	80.17	Yes	96.80	Yes	93.13	Yes
Partners Behavioral Healthcare	139.55	Yes	139.68	Yes	128.76	Yes	149.97	Yes	129.14	Yes	121.45	Yes	109.70	Yes
Sandhills Center	194.24	Yes	180.34	Yes	187.79	Yes	193.66	Yes	156.50	Yes	199.26	Yes	153.05	Yes
Vaya Health	91.59	Yes	91.53	Yes	86.92	Yes	90.81	Yes	82.44	Yes	97.21	Yes	89.85	Yes
Trillium Health Resources	124.92	Yes	111.66	Yes	116.36	Yes	114.44	Yes	87.23	Yes	110.63	Yes	92.62	Yes

Data is based on financial information combined for State and Medicaid funds from February 2016 through August 2016 for each LME-MCO.

HIPAA Transaction Review: Summary Findings

Audit Type	Enrollment (820)	Health Care Claim Transaction Set (837i and 837p)	Health Care Claim Payment / Advice Transaction Set (835)	Benefit Enrollment and Maintenance Set (834)	Health Care Eligibility / Benefit Inquiry and Response (270/271)
LME-MCO	Finding	Finding	Finding	Finding	Finding
Alliance	Compliant	Compliant	Compliant	Compliant	Compliant
Cardinal Innovations	Compliant	Compliant	Compliant	Compliant	Compliant
Eastpointe	Compliant	Compliant	Compliant	Compliant	Compliant
Partners Behavioral Healthcare	Compliant	Compliant	Compliant	Compliant	Not Compliant
Sandhills Center	Compliant	Compliant	Compliant	Compliant	Compliant
Vaya Health	Compliant	Compliant	Compliant	Compliant	Compliant
Trillium Health Resources	Compliant	Compliant	Compliant	Compliant	Compliant

Data is based on a statistical sample of Medicaid claims processed from March 2016 to August 2016 for each LME-MCO.

A finding of “Compliant” means that CCME found that the LME-MCO was compliant with the outlined requirements.