

STATE OF NORTH CAROLINA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

September 18, 2017

**SENT VIA ELECTRONIC MAIL**

The Honorable Josh Dobson, Co-Chair  
Joint Legislative Oversight Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 301N, Legislative Office Building  
Raleigh, NC 27603-5925

The Honorable Louis Pate, Co-Chair  
Joint Legislative Oversight Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 311, Legislative Office Building  
Raleigh, NC 27603-5925

Dear Chairmen:

North Carolina Session Law 2015-241, Section 12F.2.(c), requires the Department of Health and Human Services ("Department") to modify the monthly reporting package submitted by the Local Management Entities/Managed Care Organizations (LME/MCOs) to the Department to include revenues and expenditures for the State funding sources for single stream, intellectual and developmental disability, and substance abuse services on Schedule D2. Additionally, the Department is required to modify appropriate schedules in the LME/MCO monthly reporting package to include unduplicated recipients and encounters in the same level of detail included in each D schedule for each source of funding for the reporting for the current and previous year's month and year to date periods. This requirement is continued under Session Law 2017-57, Section 11F.2.(c).

The information provided identifies Single Stream Fund expenditures by LME-MCO, with a State average and benchmark for spending expectations for the final totals for the fiscal year, which ended in June 2017. The benchmark for the expected single stream funding expenditure for this portion of the fiscal year is 100% of the total annual allocation. The statewide average is 101.5% which is above the overall expectation for spending for services.

There were three LME/MCOs who did not meet the 100% benchmark for expenditure of single stream funding; Cardinal, Eastpointe, and Trillium. The Division of Mental Health, Developmental Disabilities and Substance Abuse Services is requiring a Plan of Correction from each of these three LME/MCOs to describe how the required service levels will be met.

The graph for the report has been modified to demonstrate the individual LME-MCOs performance by month compared to static targeted expenditures expectations. The visual supports the historic explanation of spending trends across the fiscal year.

Should you have any questions, please contact Jason Vogler, PhD, Senior Director for the Division of Mental Health, Developmental Disabilities and Substance Abuse Services, at (919) 733-7011.

Sincerely,



Mandy Cohen, MD, MPH  
Secretary

Attachment

cc:	Christen Linke Young	Ben Popkin	Leah Burns	Rod Davis
	Mark Benton	LT McCrimmon	Dave Richard	Jason Vogler
	Marjorie Donaldson	<a href="mailto:reports@ncleg.net">reports@ncleg.net</a>	Joyce Jones	Steve Owen
	Susan Jacobs	Pam Kilpatrick	Sarah Pfau	
	Denise Thomas	Kolt Ulm	Marta T. Hester	
	Susan Perry-Manning	Theresa Matula	Pat Porter	

# FY17 - Reported Expenditures of Single Stream Funds by LME/MCO

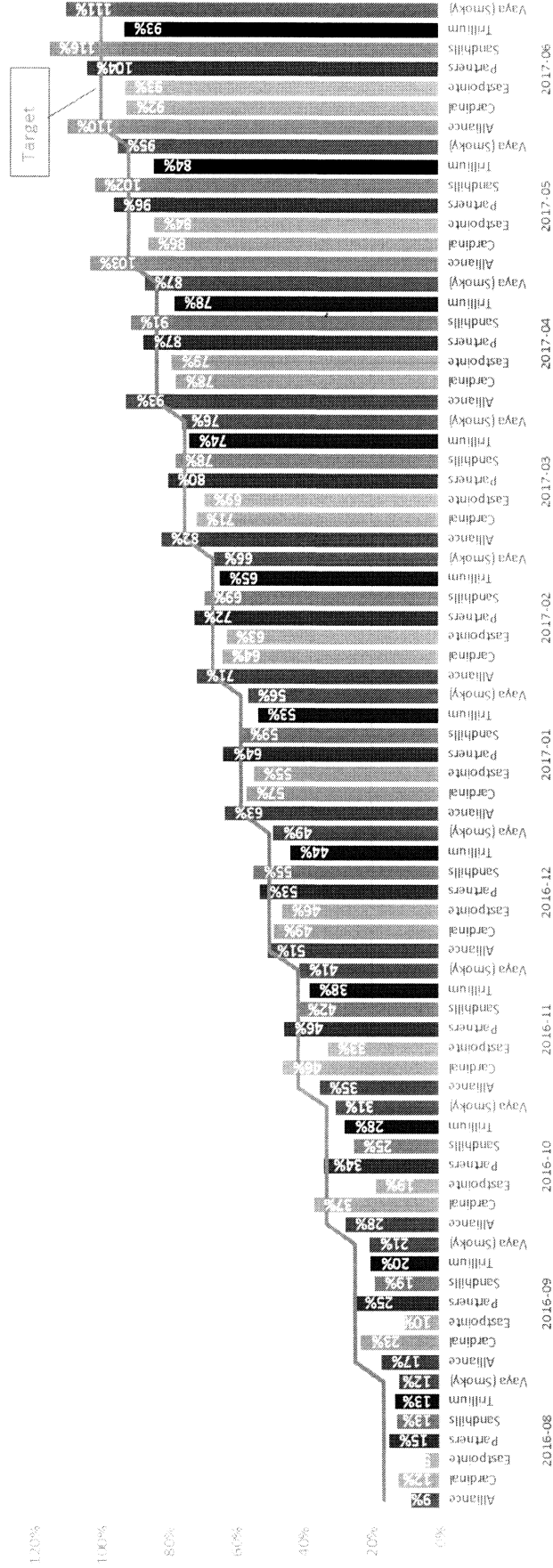
Reported Expenditures through month: June Final

Current Month Target %: 100% or more

LME/MCO	Reported SS Earnings *	SS Allocation	Service Level Req.	Reported SS as % of Alloc *	Reported SS as % of Svc Level Req
Alliance	\$ 42,472,531	\$ 26,245,432	\$ 38,535,086	162%	110.2%
Cardinal	\$ 64,851,796	\$ 61,093,582	\$ 70,113,612	106%	92.5%
Eastpointe	\$ 24,142,672	\$ 17,499,814	\$ 26,027,763	138%	92.8%
Partners	\$ 29,642,431	\$ 15,588,895	\$ 28,392,683	190%	104.4%
Sandhills	\$ 29,514,142	\$ 8,707,837	\$ 25,521,488	339%	115.6%
Vaya (Smoky)	\$ 46,305,088	\$ 33,546,553	\$ 41,883,208	138%	110.6%
Trillium	\$ 32,126,062	\$ 27,306,048	\$ 34,544,921	118%	93.0%
<b>Statewide</b>	<b>\$ 269,054,722</b>	<b>\$ 189,988,161</b>	<b>\$ 265,018,761</b>	<b>142%</b>	<b>101.5%</b>

\* Single Stream earnings may exceed allocation, but payments are capped. Pink Highlights Below Target

## Reported Single Stream Earnings as a Percentage of Service Level Requirement By LME-MCO and Month, YTD SFY17



9/7/2017

Each month shows the year-to-date earnings as a percentage of the annual Service Level Requirement, based on SFY15 service expenditures specific to the LME.