

STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

January 12, 2018

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

The Honorable Donny Lambeth, Co-Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 303, 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 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 by November 2017. The benchmark for the expected single stream funding expenditure for this portion of the fiscal year is 42% of the total annual allocation. The statewide average is on target at 42.2%. While there are three LME-MCOs with totals below the target (Alliance, Eastpointe and Trillium), it is important to remember that expenditures in the early part of the fiscal year are designed to draw from federal funds prior to the use of state single stream funding. The spending limit is consistent with state funding expenditures in previous years for this timeframe and the Department anticipates the single stream funding will be accessed increasingly during the year.

The graph for the report demonstrates the individual LME-MCOs performance compared to the static targeted expenditures expectation.

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

Sincerely,



Mandy Cohen, MD, MPH
Secretary

cc:	Ben Popkin	LT McCrimmon	Dave Richard	Rod Davis
	Theresa Matula	Marjorie Donaldson	reports@ncleg.net	Joyce Jones
	Kolt Ulm	Steve Owen	Lisa Wilks	Pam Kilpatrick
	Marta T. Hester	Denise Thomas	Leah Burns	Jason Vogler
	Mark Benton	Susan Perry-Manning	Deborah Landry	
	Christen Linke Young			



STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

January 12, 2018

SENT VIA ELECTRONIC MAIL

Mr. Mark Trogdon, Director
Fiscal Research Division
Suite 619, Legislative Office Building
Raleigh, NC 27603-5925

Dear Director Trogdon:

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 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 by November 2017. The benchmark for the expected single stream funding expenditure for this portion of the fiscal year is 42% of the total annual allocation. The statewide average is on target at 42.2%. While there are three LME-MCOs with totals below the target (Alliance, Eastpointe and Trillium), it is important to remember that expenditures in the early part of the fiscal year are designed to draw from federal funds prior to the use of state single stream funding. The spending limit is consistent with state funding expenditures in previous years for this timeframe and the Department anticipates the single stream funding will be accessed increasingly during the year.

The graph for the report demonstrates the individual LME-MCOs performance compared to the static targeted expenditures expectation.

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

Sincerely,

A handwritten signature in cursive script that reads "Rod Davis / for me".

Mandy Cohen, MD, MPH
Secretary

- cc: Ben Popkin
Theresa Matula
Kolt Ulm
Marta T. Hester
Mark Benton
Christen Linke Young
- LT McCrimmon
Marjorie Donaldson
Steve Owen
Denise Thomas
Susan Perry-Manning
- Dave Richard
reports@ncleg.net
Lisa Wilks
Leah Burns
Deborah Landry
- Rod Davis
Joyce Jones
Pam Kilpatrick
Jason Vogler

FY18 - Reported Expenditures of Single Stream Funds by LME/MCO

Reported Expenditures through month: **November**

Current Month Target %: **42%** or more

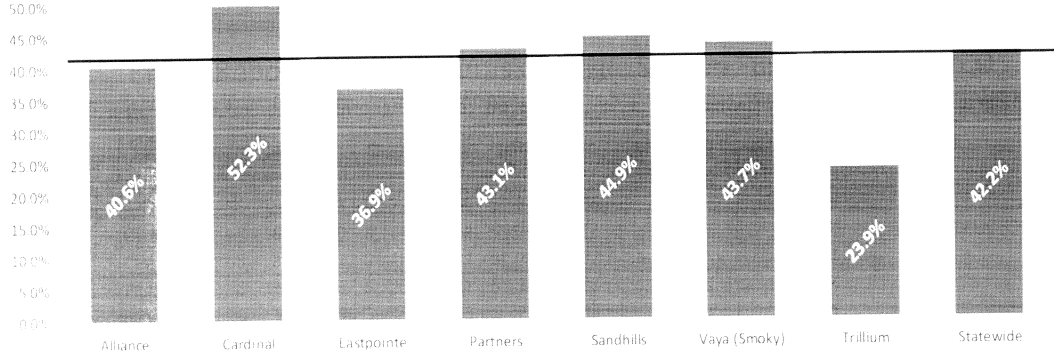
LME/MCO	Reported SS Earnings *	SS Allocation	Service Level Req.	Reported SS as % of Alloc*	Reported SS as % of Svc Level Req
Alliance	\$ 15,639,713	\$ 22,566,999	\$ 38,535,086	69%	40.6%
Cardinal	\$ 36,658,720	\$ 64,274,762	\$ 70,113,612	57%	52.3%
Eastpointe	\$ 8,655,251	\$ 18,058,472	\$ 23,424,987	48%	36.9%
Partners	\$ 12,240,826	\$ 23,495,611	\$ 28,392,683	52%	43.1%
Sandhills	\$ 11,453,519	\$ 15,167,753	\$ 25,521,488	76%	44.9%
Vaya (Smoky)	\$ 18,323,206	\$ 42,671,807	\$ 41,883,208	43%	43.7%
Trillium	\$ 8,865,298	\$ 39,660,600	\$ 37,147,697	22%	23.9%
Statewide	\$ 111,836,532	\$ 225,896,004	\$ 265,018,761	50%	42.2%

* Single Stream earnings may exceed allocation, but payments are capped.

Pink Highlights Below Target

NOTE: Single Stream UCR earnings were adjusted up to reflect the estimated amount over-earned in Federal Block Grant Accounts due to processing issues.

FY18 YTD - Reported Single Stream Expenditures as % of Annual Service Requirement



Notes: The NonUCR portion of Single Stream Earnings is based on unaudited self-report from LME/MCOs.

1/2/2018

LME expenditure of State funds may lag at beginning of year when Federal funds are pulled down; as Federal accounts are depleted, rate of State earnings increase.