



STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

March 19, 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

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

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

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 against a State average and benchmark for spending expectations by January 2018. The statewide average is on target at 58.7%, and the benchmark for the expected single stream funding expenditure for this portion of the fiscal year is 58% of the total annual allocation.

The Department has contacted each of the three LME-MCOs with totals below the target: Alliance, Eastpointe and Trillium. One factor affecting all three is the increase in federal funds associated with the opioid crisis response. That's because all LME/MCOs adhere to a funding hierarchy which requires

federal dollars to be expended prior to using single stream funding. Specific to Trillium, they have experienced some issues with billing through the NC TRACKS system that the Department is working to reconcile. Some of their providers were not designated properly so as to draw down funds which, in turn, caused their claims approvals totals to differ from the NC TRACKS claims expenditures. The Department continues to work with all LME/MCOs and to monitor their use of single stream funds, and we expected all seven to fully expend their single stream funds by June 30, 2018.

The enclosed graph demonstrates the individual LME-MCOs performance compared to the 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 or Kody Kinsley, Deputy Director for the Division of Mental Health, Developmental Disabilities and Substance Abuse Services. Both can be reached at (919) 733-7011.

Sincerely,



Mandy Cohen, MD, MPH
Secretary

cc:	Jason Vogler	Deborah Landry	Marjorie Donaldson	Kolt Ulm
	Theresa Matula	Rod Davis	Christen Linke Young	Pam Kilpatrick
	Lisa Wilks	Leah Burns	LT McCrimmon	Matt Gross
	reports@ncleg.net	Mark Benton	Steve Owen	Kody Kinsley
	Pat Porter	Denise Thomas	Susan Perry-Manning	Joyce Jones

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

Reported Expenditures through month: January

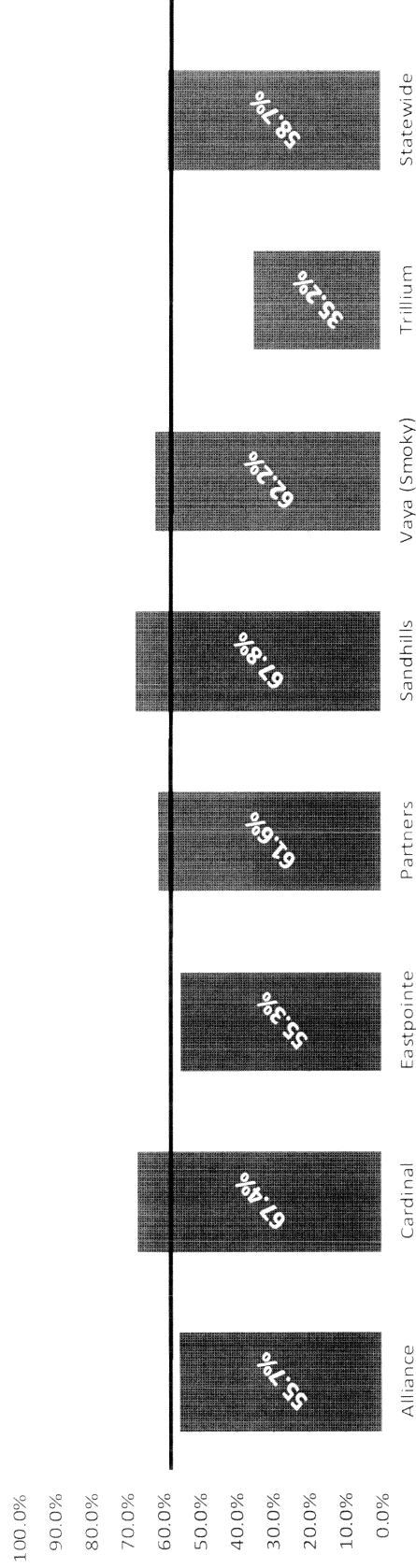
Current Month Target %: 58% or more

LME/MCO	Reported SS Earnings *	SS Allocation	Service Level Req.	Reported SS as % of Alloc*	Reported SS as % of Svc Level Req
Alliance	\$ 21,475,002	\$ 23,960,918	\$ 38,535,086	90%	55.7%
Cardinal	\$ 47,235,027	\$ 64,321,008	\$ 70,113,612	73%	67.4%
Eastpointe	\$ 12,951,127	\$ 18,137,725	\$ 23,424,987	71%	55.3%
Partners	\$ 17,489,338	\$ 25,174,864	\$ 28,392,683	69%	61.6%
Sandhills	\$ 17,307,332	\$ 15,247,006	\$ 25,521,488	114%	67.8%
Vaya (Smoky)	\$ 26,061,133	\$ 43,915,726	\$ 41,883,208	59%	62.2%
Trillium	\$ 13,084,564	\$ 40,804,519	\$ 37,147,697	32%	35.2%
Statewide	\$ 155,603,524	\$ 231,561,766	\$ 265,018,761	67%	58.7%

* 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.

3/2/2018

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.