



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF MENTAL HEALTH, DEVELOPMENTAL DISABILITIES  
AND SUBSTANCE ABUSE SERVICES

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SECRETARY

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INTERIM SENIOR DIRECTOR

March 20, 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 311, 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 301N, Legislative Office Building  
Raleigh, NC 27603-5925

Dear Chairmen:

Section 12F.2.(c) of North Carolina Session Law 2015-241, enacted on September 18, 2015, 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. Further, the Department is also to submit these reports to the Joint Legislative Oversight Committee on Health and Human Services by the third Monday of each month beginning in October 2015.

The Department appreciates and shares the desire for more detailed, consolidated monthly expenditure reports on the part of LME/MCOs for single stream state funds. This report includes a graph of the Single Stream Fund expenditures by LME-MCO with a state average and benchmark for spending expectations for through January 2017 of this 2017 state fiscal year. The benchmark for the expected single stream funding expenditure for this portion of the fiscal year is 58% of the total annual allocation. The statewide average is 53.4% which is below the overall expectation for spending for services. DMHDDSAS is working with the LME-MCOs to identify issues leading to the lower than average expenditures.

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Variability in the performance of the individual LME-MCOs, at this time in the progress of the fiscal year, is typically based on the implementation of contracts, and claims processing delays inherent in the revenue cycle management and the expending of federal block grant dollars, where applicable, prior to use of state dollars.

DMHDDSAS will continue to monitor all legislative requirements from Section 12F and provide updates to the Joint Legislative Oversight Committee monthly.

Should you have any questions, please contact me at (919) 733-7011.

Sincerely,



Jason Vogler, PhD

Division of Mental Health, Developmental Disabilities and Substance Abuse Services  
Acting Director

Attachment 1

cc:	Ben Popkin	LT McCrimmon	Dave Richard	Rod Davis
	Theresa Matula	Marjorie Donaldson	<a href="mailto:reports@ncleg.net">reports@ncleg.net</a>	Joyce Jones
	Kolt Ulm	Steve Owen	Susan Jacobs	Pam Kilpatrick
	Sarah Pfau	Marta T. Hester	Pat Porter	Denise Thomas
	Lindsey Dowling			

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

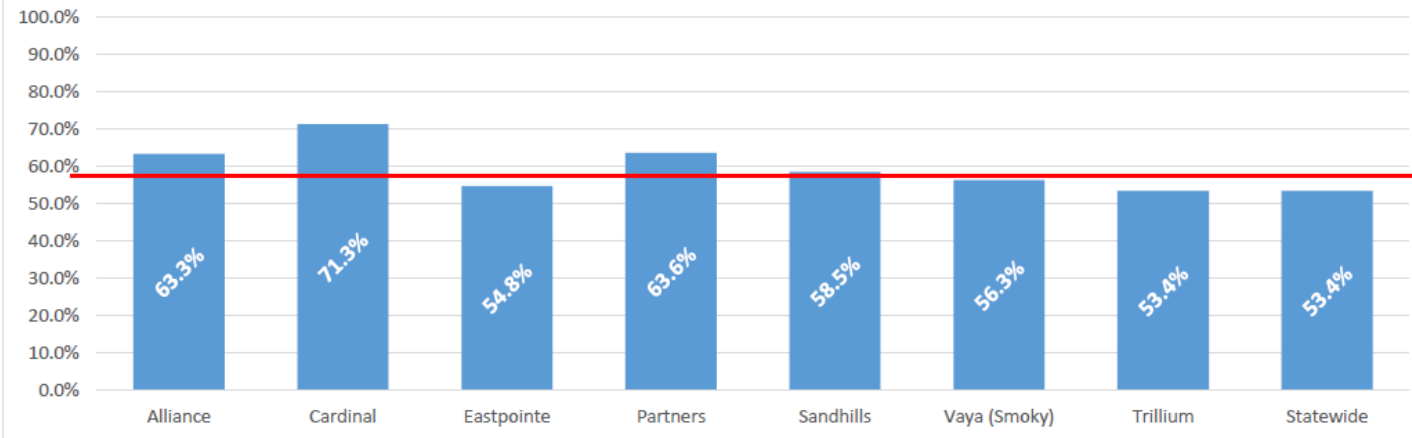
Reported Expenditures through month: **January**

**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	\$ 24,385,251	\$ 23,249,431	\$ 38,535,086	105%	63.3%
Cardinal	\$ 39,821,882	\$ 54,965,310	\$ 55,828,499	72%	71.3%
Eastpointe	\$ 14,252,073	\$ 14,974,302	\$ 26,027,763	95%	54.8%
Partners	\$ 18,053,691	\$ 11,356,150	\$ 28,392,683	159%	63.6%
Sandhills	\$ 14,932,932	\$ 3,170,784	\$ 25,521,488	471%	58.5%
Vaya (Smoky)	\$ 23,598,714	\$ 29,498,880	\$ 41,883,208	80%	56.3%
Trillium	\$ 18,452,100	\$ 22,773,304	\$ 34,544,921	81%	53.4%
<b>Statewide</b>	<b>\$ 133,901,135</b>	<b>\$ 159,988,161</b>	<b>\$ 250,733,648</b>	<b>84%</b>	<b>53.4%</b>

*Pink Highlights Below Target*

FY17 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.

3/2/2017

Effective with the June Report, Community Crisis expenditures are included in MH MOE calculations (but not in Single Stream).

**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.**