

STATE OF NORTH CAROLINA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

February 17, 2020

**SENT VIA ELECTRONIC MAIL**

The Honorable Josh Dobson, Chair  
Joint Legislative Oversight Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 307B, Legislative Office Building  
Raleigh, NC 27603-5925

The Honorable Joyce Krawiec, Chair  
Joint Legislative Oversight Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 308, Legislative Office Building  
Raleigh, NC 27603-5925

The Honorable Donny Lambeth, 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 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 Secretary of the Department of Health and Human Services has the authority to allocate Single Stream Funds to the LME/MCOs and can adjust the specified recurring and nonrecurring reductions among the LME/MCOs. Under this authority, the NC Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMH/DD/SAS) has, as of December 2019, rebased the single stream funding to equitably spread dollars across the LME-MCOs. Further details on the methodology behind this rebase are in the Department's report, sent December 17, 2019 to the Joint Legislative Oversight Committee on Health and Human Services and Fiscal Research Division, titled *Single Stream Funding Rebase*. Before the December 2019 rebase, the LME/MCOs had been receiving monthly Single Stream Fund allocations based on funding levels from State Fiscal Year 2018-19. The Department is working with the LME/MCOs to ensure the new allocations are fully utilized over this fiscal year. However, this recent rebasing can account for some of the current variability in "target" spending rates among the LME/MCOs.

WWW.NCDHHS.GOV

TEL 919-855-4800 • FAX 919-715-4645

LOCATION: 101 BLAIR DRIVE • ADAMS BUILDING • RALEIGH, NC 27603  
MAILING ADDRESS: 2001 MAIL SERVICE CENTER • RALEIGH, NC 27699-2001  
AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Should you have any questions, please contact Kody Kinsley, Deputy Secretary for Behavioral Health and IDD, at (919) 733-7011.

Sincerely,

Mandy Cohen, MD, MPH  
Secretary

---

Kody H. Kinsley  
Deputy Secretary for Behavioral Health & IDD  
North Carolina Department of Health and Human Services

cc:     Kody Kinsley             Susan G. Perry             Dave Richard             Ben Money  
       Tara Myers             Rob Kindsvatter         Marjorie Donaldson     Zack Wortman  
       Matt Gross             Hattie Gawande         Joyce Jones             Lisa Wilks  
       Katherine Restrepo     Jared Simmons         Deborah Landry         Luke MacDonald  
       Erin Matteson         Theresa Matula         Mark Collins             Jessica Meed  
       [reports@ncleg.net](mailto:reports@ncleg.net)



STATE OF NORTH CAROLINA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

February 17, 2020

**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 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 Secretary of the Department of Health and Human Services has the authority to allocate Single Stream Funds to the LME/MCOs and can adjust the specified recurring and nonrecurring reductions among the LME/MCOs. Under this authority, the NC Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMH/DD/SAS) has, as of December 2019, rebased the single stream funding to equitably spread dollars across the LME-MCOs. Further details on the methodology behind this rebase are in the Department's report, sent December 17, 2019 to the Joint Legislative Oversight Committee on Health and Human Services and Fiscal Research Division, titled *Single Stream Funding Rebase*. Before the December 2019 rebase, the LME/MCOs had been receiving monthly Single Stream Fund allocations based on funding levels from State Fiscal Year 2018-19. The Department is working with the LME/MCOs to ensure the new allocations are fully utilized over this fiscal year. However, this recent rebasing can account for some of the current variability in "target" spending rates among the LME/MCOs.

WWW.NCDHHS.GOV

TEL 919-855-4800 • FAX 919-715-4645

LOCATION: 101 BLAIR DRIVE • ADAMS BUILDING • RALEIGH, NC 27603  
MAILING ADDRESS: 2001 MAIL SERVICE CENTER • RALEIGH, NC 27699-2001  
AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Should you have any questions, please contact Kody Kinsley, Deputy Secretary for Behavioral Health and IDD, at (919) 733-7011.

Sincerely,

Mandy Cohen, MD, MPH  
Secretary

---

Kody H. Kinsley  
Deputy Secretary for Behavioral Health & IDD  
North Carolina Department of Health and Human Services

cc:     Kody Kinsley             Susan G. Perry             Dave Richard             Ben Money  
       Tara Myers             Rob Kindsvatter         Marjorie Donaldson     Zack Wortman  
       Matt Gross             Hattie Gawande         Joyce Jones             Lisa Wilks  
       Katherine Restrepo     Jared Simmons         Deborah Landry         Luke MacDonald  
       Erin Matteson         Theresa Matula         Mark Collins             Jessica Meed  
       [reports@ncleg.net](mailto:reports@ncleg.net)

**FY20 Expenditures of Single Stream Funds by LME/MCO**  
**Report Month: February 2020, Reported Expenditures Through: December 2019**

**FY20 - Reported Expenditures of Single Stream Funds by LME/MCO**

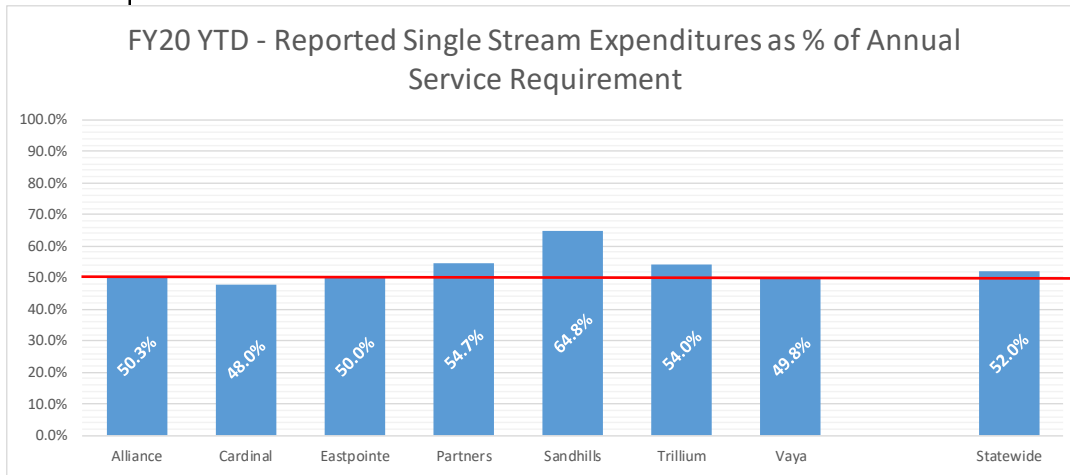
Reported Expenditures through month: **December**

**Current Month Target %: 50% 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	\$ 19,389,587	\$ 36,841,186	\$ 38,535,086	53%	50.3%
Cardinal	\$ 33,637,143	\$ 72,999,035	\$ 70,113,612	46%	48.0%
Eastpointe	\$ 10,780,674	\$ 21,655,098	\$ 21,572,071	50%	50.0%
Partners	\$ 16,939,081	\$ 27,034,871	\$ 30,990,208	63%	54.7%
Sandhills	\$ 16,527,708	\$ 28,695,282	\$ 25,521,488	58%	64.8%
Trillium	\$ 21,045,728	\$ 39,000,613	\$ 39,000,613	54%	54.0%
Vaya	\$ 19,571,433	\$ 42,671,313	\$ 39,285,683	46%	49.8%

<b>Statewide</b>	<b>\$ 137,891,353</b>	<b>\$ 268,897,399</b>	<b>\$ 265,018,761</b>	<b>51%</b>	<b>52.0%</b>
------------------	-----------------------	-----------------------	-----------------------	------------	--------------

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



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

1/30/2020

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