



North Carolina Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and Substance Abuse Services

Roy Cooper
Governor

Dempsey E. Benton
Interim Secretary

Jason E. Vogler, Ph.D., CSSBB
Acting Director

January 17, 2017

SENT VIA ELECTRONIC MAIL

The Honorable Louis Pate, Co-Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 1028, Legislative Building
Raleigh, NC 27601

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

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. As such, the Department's Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMHDDSAS), in coordination with the Division of Medical Assistance (DMA), has revised the state funded portion of Schedule D2, and included the addition of schedules that show unduplicated recipients of mental health disorders, intellectual and developmental disability, and substance use disorder services. The final Financial Reporting workbook for both DMHDDSAS and DMA was distributed to the LME-MCO Finance Officers for use during the 2016-17 state fiscal year. Due to the process for certifying the state budget and distributing allocations to the LME-MCOs, the first submission of the revised Financial Reporting workbook was October, 2016.

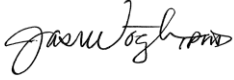
This report includes a graph of the Single Stream Fund expenditures by LME-MCO with a state average and benchmark for spending expectations for November 2016 of this 2017 state fiscal year. The benchmark for the expected single stream funding expenditure for this portion of the fiscal year is 42% of the total annual allocation. The statewide average is 43% which is within the overall expectation for spending for services. 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.

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DMHDDSAS will continue to monitor all of the 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:	Brian Perkins	Andy Munn	Dave Richard	Rod Davis
	Theresa Matula	Marjorie Donaldson	reports@ncleg.net	Joyce Jones
	Kolt Ulm	Steve Owen	Susan Jacobs	Pam Kilpatrick
	Sarah Pfau	Pat Porter	Denise Thomas	Lindsey Dowling

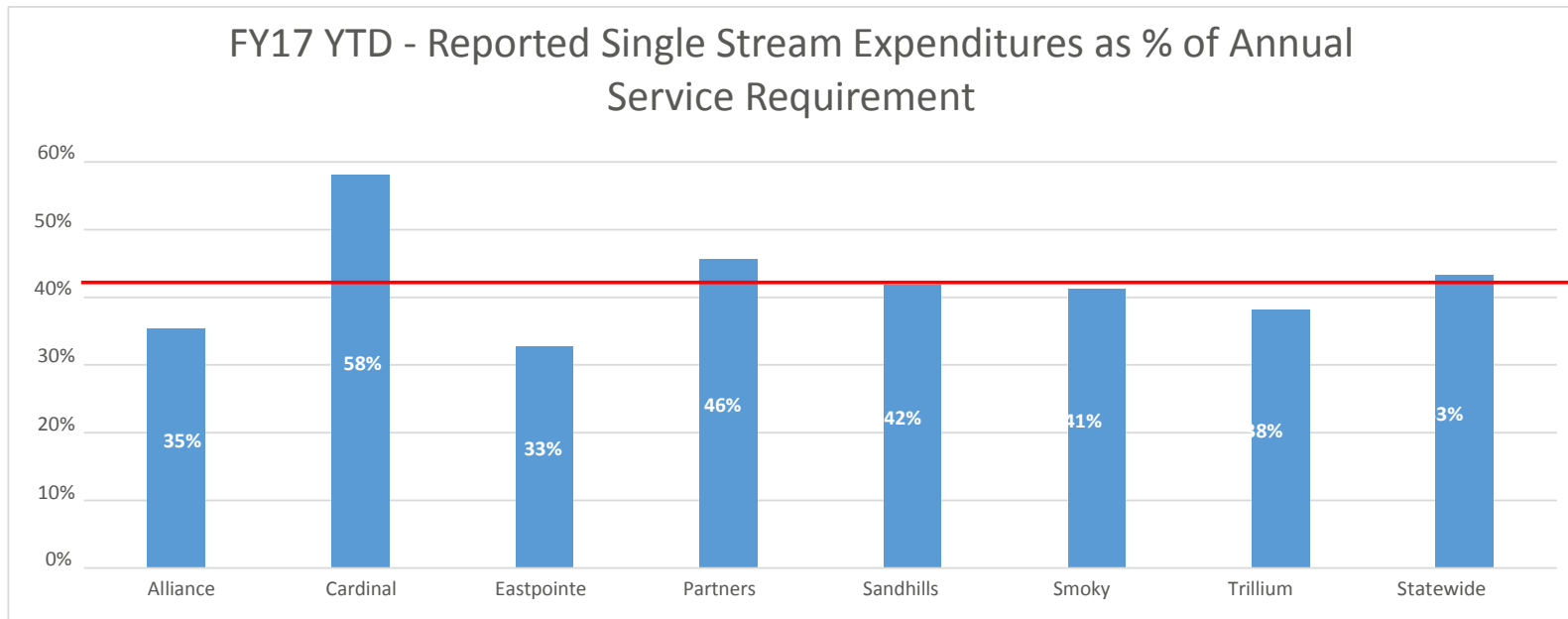
FY17 - Reported Expenditures of Single Stream Funds by LME/MCO

Reported Expenditures through month: **November**

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	\$ 13,627,410	\$ 26,245,432	\$ 38,535,086	52%	35%
Cardinal	\$ 32,432,757	\$ 61,093,582	\$ 55,828,499	53%	58%
Eastpointe	\$ 8,554,872	\$ 17,499,814	\$ 26,027,763	49%	33%
Partners	\$ 12,982,284	\$ 15,588,895	\$ 28,392,683	83%	46%
Sandhills	\$ 10,671,241	\$ 8,707,837	\$ 25,521,488	123%	42%
Smoky	\$ 17,245,000	\$ 33,546,553	\$ 41,883,208	51%	41%
Trillium	\$ 13,193,084	\$ 27,306,048	\$ 34,544,921	48%	38%
Statewide	\$ 108,706,647	\$ 189,988,161	\$ 250,733,648	57%	43%

Pink Highlights Below Target



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

1/9/2017

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

Reinstated Single Stream funds (\$30m) are included in FY17 based on date of disbursement.

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.

