

STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

JOSH STEIN
GOVERNOR

DEVDUTTA SANGVAI
SECRETARY

August 1, 2025

SENT VIA ELECTRONIC MAIL

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

Dear Director Matteson:

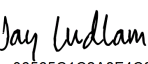
Section 122C-124.2(a) of the North Carolina General Statutes requires the Secretary of Health and Human Services to certify whether each local management entity/managed care organization (LME/MCO) approved to operate the 1915(b)/(c) Medicaid Waiver is in compliance with the requirements of G.S. § 122C-1242(b). Those certifications shall be made every six months, beginning August 1, 2013, and be based on an appropriate internal and external assessment.

Attached hereto, please find a summary report of the findings for fiscal solvency, clean claims payment, and HIPAA compliance for the following Local Management Entities/Managed Care Organizations: Alliance, Partners, Trillium and Vaya Health. This information has been prepared and reviewed by the Intradepartmental Monitoring Team (including DHB and the Division of Mental Health, Developmental Disabilities and Substance Abuse Services staff).

At this time, based on the attached records, the Division of Health Benefits (DHB) is attesting that all four Local Management Entity/Managed Care Organizations (Alliance, Partners, Trillium, and Vaya Health) are appropriate for certification under 122C-124.2(b) in that they 1) have made adequate provision against the risk of insolvency; 2) are making timely provider payments; and 3) are in compliance with federal billing, payment, and transaction standards requirements.

Should you have any questions regarding this report, please contact Karen Wade, Director of Policy, at Karen.Wade@dhhs.nc.gov.

Sincerely,

DocuSigned by:

06565C1C2A8F4C8...
Devdutta Sangvai
Secretary

on behalf of Devdutta Sangvai



STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

JOSH STEIN
GOVERNOR

DEVDUTTA SANGVAI
SECRETARY

August 1, 2025

SENT VIA ELECTRONIC MAIL

The Honorable Amy Galey, Chair
Senate Appropriations Committee on
Health and Human Services
North Carolina General Assembly
Room 311, Legislative Office Building
Raleigh, NC 27603

The Honorable Jim Burgin, Chair
Senate Appropriations Committees on
Health and Human Services
North Carolina General Assembly
Room 620, Legislative Office Building
Raleigh, NC 27603

The Honorable Benton Sawrey, Chair
Senate Appropriations Committee on
Health and Human Services
North Carolina General Assembly
Room 521, Legislative Office Building
Raleigh, NC 27603

Dear Chairmen:


Section 122C-124.2(a) of the North Carolina General Statutes requires the Secretary of Health and Human Services to certify whether each local management entity/managed care organization (LME/MCO) approved to operate the 1915(b)(c) Medicaid Waiver is in compliance with the requirements of G.S. § 122C-1242(b). Those certifications shall be made every six months, beginning August 1, 2013, and be based on an appropriate internal and external assessment.

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Sincerely,

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Devdutta Sangvai
Secretary

on behalf of Devdutta Sangvai

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 27699-2000

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

JOSH STEIN
GOVERNOR

DEVDUTTA SANGVAI
SECRETARY

August 1, 2025

SENT VIA ELECTRONIC MAIL

The Honorable Donna White, Chair
House Appropriations Committee on
Health and Human Services
North Carolina General Assembly
Room 307B, Legislative Office Building
Raleigh, NC 27603

The Honorable Larry Potts, Chair
House Appropriations Committees on
Health and Human Services
North Carolina General Assembly
Room 307B1, Legislative Office Building
Raleigh, NC 27603

The Honorable Tim Reeder, Chair
House Appropriations Committee on
Health and Human Services
North Carolina General Assembly
Room 416B, Legislative Office Building
Raleigh, NC 27603

Dear Chairmen:

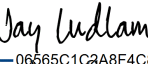
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Sincerely,

DocuSigned by:

on behalf of Devdutta Sangvai
006565C1C2A8F4C8
Devdutta Sangvai
Secretary

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STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

JOSH STEIN
GOVERNOR

DEVDUTTA SANGVAI
SECRETARY

August 1, 2025

SENT VIA ELECTRONIC MAIL

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

The Honorable Carla Cunningham, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 402, Legislative Office Building
Raleigh, NC 27603

The Honorable Larry Potts, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 307B1, Legislative Office Building
Raleigh, NC 27603

Dear Chairmen:

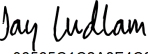
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Sincerely,

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Devdutta Sangvai
Secretary

on behalf of Devdutta Sangvai

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NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Health Benefits

JOSH STEIN • Governor

DEVPUTTA SANGVAI • Secretary

JAY LUDLAM • Deputy Secretary, NC Medicaid

July 15, 2025

Devdutta Sangvai
Secretary
North Carolina Department of Health and Human Services
101 Blair Drive
2001 Mail Service Center
Raleigh, NC 27699

Dear Secretary Sangvai:

Pursuant to Session Law 2013-85, the Secretary of the Department of Health and Human Services shall complete a certification of compliance, in accordance with G.S. § 122C-124.2(a), for each Local Management Entity/Managed Care Organization that has been approved by the Department to operate the 1915(b)(c) Medicaid Waiver. The Secretary shall also provide a copy of the completed certification to the Senate Appropriations Committee on Health and Human Services, the House Appropriations Subcommittee on Health and Human Services, the Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division by no later than August 1, 2025.

Attached hereto, please find a summary report of the findings for fiscal solvency, clean claims payment, and HIPAA compliance for the following Local Management Entities/Managed Care Organizations: Alliance, Partners, Trillium and Vaya Health. This information has been prepared and reviewed by the Intradepartmental Monitoring Team (including DHB and the Division of Mental Health, Developmental Disabilities and Substance Abuse Services staff).

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Sincerely,

DocuSigned by:
A handwritten signature in black ink that reads "Jay Ludlam".
06595C1C2A9F4C8

Jay Ludlam
Deputy Secretary for NC Medicaid
Attachments

NC MEDICAID

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH BENEFITS

LOCATION: 820 South Boylan Avenue, McBryde Building, Raleigh NC 27603

MAILING ADDRESS: 1950 Mail Service Center, Raleigh NC 27699-1950

www.ncdhhs.gov • TEL: 919-527-7000 • FAX: 919-832-0225

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Claims Accuracy and Timeliness Review: Summary Findings						
Audit Type	Timeliness of Provider Payment (Within 30 days)		Claims Processing Accuracy		Financial Accuracy	
LME/MCO						
Alliance Health	98.98%	Compliant	99.42%	Compliant	99.22%	Compliant
Partners Health Management	98.72%	Compliant	100.00%	Compliant	100.00%	Compliant
Trillium Health Resources	99.99%	Compliant	99.97%	Compliant	99.99%	Compliant
Vaya Health	99.40%	Compliant	99.85%	Compliant	99.86%	Compliant

Data is based on a statistical sample of Medicaid claims processed from March of 2024 through August of 2024 for each LME/MCO (Eastpointe and Sandhills ceased operations in January of 2024).

Solvency Review: Current Ratio Summary Findings												
Month	September		October		November		December		January		February	
LME/MCO												
Alliance Health	2.48	Yes	2.39	Yes	2.17	Yes	2.26	Yes	2.13	Yes	2.11	Yes
Partners Health Management	1.99	Yes	1.95	Yes	1.83	Yes	1.82	Yes	1.76	Yes	1.73	Yes
Trillium Health Resources	2.18	Yes	2.24	Yes	2.18	Yes	1.99	Yes	2.03	Yes	1.91	Yes
Vaya Health	2.56	Yes	2.53	Yes	2.39	Yes	2.27	Yes	2.29	Yes	2.65	Yes

Analysis based on data submitted to DHB through standard monthly financial reporting templates for September of 2024 through February of 2025 for each LME/MCO (Eastpointe and Sandhills ceased operations in January of 2024).

Solvency Review: Total Expenses to Total Medicaid Revenue Summary Findings												
Month	September		October		November		December		January		February	
LME/MCO												
Alliance Health	97%	Yes	99%	Yes	110%	No	97%	Yes	105%	No	97%	Yes
Partners Health Management	102%	No	107%	No	103%	No	106%	No	98%	Yes	98%	Yes
Trillium Health Resources	99%	Yes	97%	Yes	98%	Yes	94%	Yes	103%	No	94%	Yes
Vaya Health	98%	Yes	101%	No	96%	Yes	83%	Yes	99%	Yes	81%	Yes

Analysis based on data submitted to DHB through standard monthly financial reporting templates for September of 2024 through February of 2025 for each LME/MCO (Eastpointe and Sandhills ceased operations in January of 2024).

Solvency Review: Defensive Interval Summary Findings												
Month	September		October		November		December		January		February	
LME-MCO												
Alliance Health	102.67	Yes	102.50	Yes	90.98	Yes	104.51	Yes	96.91	Yes	93.66	Yes
Partners Health Management	58.40	Yes	52.31	Yes	52.51	Yes	61.06	Yes	59.72	Yes	52.56	Yes
Trillium Health Resources	59.29	Yes	58.72	Yes	64.68	Yes	79.48	Yes	62.82	Yes	55.41	Yes
Vaya Health	80.18	Yes	79.48	Yes	85.09	Yes	105.62	Yes	87.42	Yes	84.19	Yes

Data is based on a statistical sample of Medicaid claims processed from September 1, 2024 through February 28, 2025 for each LME/MCO.

HIPAA Transaction Review: Summary Findings					
Audit Type	Enrollment (820)	Benefit Enrollment and Maintenance Set (834)	Health Care Claim Transaction Set (837i and 837p)	Health Care Claim Payment / Advice Transaction Set (835)	Health Care Eligibility / Benefit Inquiry and Response (270/271)
LME-MCO					
Alliance Health	Compliant	Compliant	Compliant	Compliant	Compliant
Partners Health Management	Compliant	Compliant	Compliant	Compliant	Compliant
Trillium Health Resources	Compliant	Compliant	Compliant	Compliant	Compliant
Vaya Health	Compliant	Compliant	Compliant	Compliant	Compliant

Data is based on a statistical sample of Medicaid claims processed from September 1, 2024 through February 28, 2025 for each LME/MCO.

A finding of “Compliant” means that Casper found that the LME-MCO was compliant with the outlined requirements.