

STATE OF NORTH CAROLINA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

JOSH STEIN  
GOVERNOR

DEVDUTTA SANGVAI  
SECRETARY

February 6, 2026

**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.

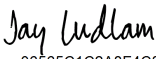
Attached hereto, please find a summary report of the findings for fiscal solvency, clean claims payment, and HIPAA compliance for the following Local Management Entities/Managed Care Organizations: Alliance, Partners, Trillium and Vaya Health. This information has been prepared and reviewed by the Intradepartmental 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.

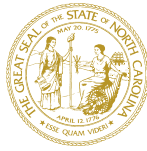
Should you have any questions regarding this report, please contact Karen Wade, Director of Policy, at [Karen.Wade@dhhs.nc.gov](mailto:Karen.Wade@dhhs.nc.gov).

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

DEVPUTTA SANGVAI  
SECRETARY

February 6, 2026

**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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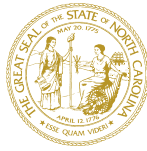
[WWW.NCDHHS.GOV](http://WWW.NCDHHS.GOV)

TEL 919-855-4800 • FAX 919-715-4645

LOCATION: 1915 HEALTH SERVICES WAY • RALEIGH, NC 27607

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

February 6, 2026

**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:

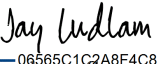
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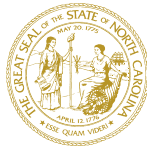
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DEPARTMENT OF HEALTH AND HUMAN SERVICES

JOSH STEIN  
GOVERNOR

DEVPUTTA SANGVAI  
SECRETARY

February 6, 2026

**SENT VIA ELECTRONIC MAIL**

The Honorable Carla Cunningham, Chair  
Joint Legislative Oversight Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 403, Legislative Office Building  
Raleigh, NC 27603

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

The Honorable Jim Burgin, Chair  
Joint Legislative Oversight Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 620, Legislative Office Building  
Raleigh, NC 27603

Dear Chairmen:


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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



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

**JOSH STEIN** • Governor

**DEVPUTTA SANGVAI** • Secretary

**JAY LUDLAM** • Deputy Secretary, NC Medicaid

January 12, 2026

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

Dear Secretary Sangvai:

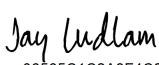
Pursuant to Session Law 2013-85, the Secretary of the Department of Health and Human Services shall complete a certification of compliance, in accordance with G.S. § 122C-124.2(a), for each Local Management Entity/Managed Care Organization that has been approved by the Department to operate the 1915(b)(c) 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 February 1, 2026.

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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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	98.82%	Compliant	99.98%	Compliant	99.93%	Compliant
Partners Health Management	98.93%	Compliant	99.95%	Compliant	99.97%	Compliant
Trillium Health Resources	100.00%	Compliant	100.00%	Compliant	99.99%	Compliant
Vaya Health	99.42%	Compliant	100.00%	Compliant	100.00%	Compliant

Data is based on a statistical sample of Medicaid claims processed from March of 2025 through August of 2025 for each LME/MCO (Eastpointe and Sandhills ceased operations in January of 2024).

Solvency Review: Current Ratio Summary Findings												
Month	March		April		May		June		July		August	
LME/MCO												
Alliance Health	2.14	Yes	2.12	Yes	1.72	Yes	2.13	Yes	2.01	Yes	2.00	Yes
Partners Health Management	1.67	Yes	1.99	Yes	1.60	Yes	2.19	Yes	2.65	Yes	2.40	Yes
Trillium Health Resources	1.86	Yes	1.82	Yes	1.63	Yes	1.80	Yes	1.92	Yes	2.03	Yes
Vaya Health	2.87	Yes	3.01	Yes	2.26	Yes	3.15	Yes	3.46	Yes	2.94	Yes

Analysis based on data submitted to DHB through standard monthly financial reporting templates for March of 2025 through August 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	March		April		May		June		July		August	
LME/MCO												
Alliance Health	105%	No	98%	Yes	104%	No	89%	Yes	101%	No	102%	No
Partners Health Management	104%	No	81%	Yes	103%	No	91%	Yes	94%	Yes	100%	No
Trillium Health Resources	89%	Yes	107%	No	96%	Yes	100%	No	98%	Yes	103%	No
Vaya Health	103%	No	101%	No	100%	No	96%	Yes	99%	Yes	95%	Yes

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

Solvency Review: Defensive Interval Summary Findings												
Month	March		April		May		June		July		August	
LME-MCO												
Alliance Health	87.79	Yes	92.23	Yes	68.21	Yes	77.50	Yes	80.52	Yes	84.72	Yes
Partners Health Management	47.44	Yes	41.29	Yes	34.70	Yes	34.03	Yes	40.65	Yes	40.84	Yes
Trillium Health Resources	63.69	Yes	47.46	Yes	69.74	Yes	30.60	Yes	54.37	Yes	43.67	Yes
Vaya Health	83.44	Yes	75.46	Yes	60.10	Yes	75.96	Yes	73.13	Yes	81.18	Yes

Data is based on a statistical sample of Medicaid claims processed from March 1, 2025 through August 31, 2025 for each LME/MCO.

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

Data is based on a statistical sample of Medicaid claims processed from March 1, 2025 through August 31, 2025 for each LME/MCO.

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