

STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

JOSH STEIN
GOVERNOR

DEV DUTTA SANGVAI
SECRETARY

July 31, 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.

Sincerely,

DocuSigned by:

on behalf of Devdutta Sangvai
B8DC650BFB454DA...
Devdutta Sangvai
Secretary



STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

JOSH STEIN
GOVERNOR

DEVPUTTA SANGVAI
SECRETARY

July 31, 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:

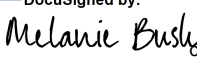
Section 122C-124.2(a) of the North Carolina General Statutes requires the Secretary of Health and Human Services to certify whether each local management entity/managed care organization (LME/MCO) approved to operate the 1915(b)(c) Medicaid Waiver is in compliance with the requirements of G.S. § 122C-124.2(b). 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,

DocuSigned by:

Melanie Bush
On behalf of Devdutta Sangvai
B8DC6508FB454DA
Devdutta Sangvai
Secretary

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

DEV DUTTA SANGVAI
SECRETARY

July 31, 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:

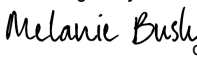
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on behalf of Devdutta Sangvai
B8DC650BEB454DA...
Devdutta Sangvai
Secretary

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STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

JOSH STEIN
GOVERNOR

DEV DUTTA SANGVAI
SECRETARY

July 31, 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:

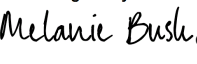
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Sincerely,

DocuSigned by:

Melanie Bush on behalf of Devdutta Sangvai
B8DC6508FB454DA
Devdutta Sangvai
Secretary

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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

MELANIE BUSH • Deputy Secretary, NC Medicaid

June 26, 2026

Devdutta Sangvai
Secretary
North Carolina Department of Health and Human Services
1915 Health Services Way
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, 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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Sincerely,

DocuSigned by:

Melanie Bush

B8DC650BFB454DA...

Melanie Bush
Deputy Secretary for NC Medicaid
Attachments

NC MEDICAID

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

LOCATION: 1915 Health Services Way, Raleigh NC 27607

MAILING ADDRESS: 2501 Mail Service Center, Raleigh NC 27699-2501

medicaid.ncdhhs.gov • TEL: 919-855-4100 • FAX: 919-733-6608

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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	84.83%	Compliant*	95.95%	Compliant	95.76%	Compliant
Partners Health Management	92.36%	Compliant	99.99%	Compliant	99.94%	Compliant
Trillium Health Resources	99.99%	Compliant	99.88%	Compliant	99.75%	Compliant
Vaya Health	91.68%	Compliant	99.90%	Compliant	99.97%	Compliant

Data is based on a statistical sample of Medicaid claims processed from September 1, 2025 through February 28, 2026 for each LME/MCO.

*While technically non-compliant, we are making an exception given the extenuating circumstances involving retro-active rate changes that occurred during this audit period.

Solvency Review: Current Ratio Summary Findings

Month	March		April		May		June		July		August	
LME/MCO												
Alliance Health	2.03	Yes	1.94	Yes	1.84	Yes	1.73	Yes	1.78	Yes	1.78	Yes
Partners Health Management	2.34	Yes	2.26	Yes	2.16	Yes	2.17	Yes	2.10	Yes	2.12	Yes
Trillium Health Resources	1.91	Yes	1.95	Yes	1.87	Yes	1.93	Yes	1.92	Yes	1.84	Yes
Vaya Health	2.82	Yes	2.77	Yes	2.68	Yes	3.30	Yes	3.19	Yes	3.12	Yes

Analysis based on data submitted to DHB through standard monthly financial reporting templates for September of 2025 through February of 2026 for each LME/MCO.

Solvency Review: Total Expenses to Total Medicaid Revenue Summary Findings												
Month	March		April		May		June		July		August	
LME/MCO												
Alliance Health	98%	Yes	107%	No	105%	No	107%	No	92%	Yes	97%	Yes
Partners Health Management	97%	Yes	98%	Yes	96%	Yes	101%	No	95%	Yes	90%	Yes
Trillium Health Resources	100%	No	103%	No	103%	No	104%	No	95%	Yes	97%	Yes
Vaya Health	97%	Yes	101%	No	99%	Yes	100%	No	98%	Yes	98%	Yes

Analysis based on data submitted to DHB through standard monthly financial reporting templates for September of 2025 through February of 2026 for each LME/MCO.

Solvency Review: Defensive Interval Summary Findings												
Month	March		April		May		June		July		August	
LME-MCO												
Alliance Health	43.22	Yes	76.63	Yes	75.79	Yes	59.83	Yes	74.42	Yes	72.33	Yes
Partners Health Management	21.18	No	40.31	Yes	43.10	Yes	30.41	Yes	49.78	Yes	52.40	Yes
Trillium Health Resources	26.93	No	42.27	Yes	44.21	Yes	35.08	Yes	50.60	Yes	45.04	Yes
Vaya Health	41.16	Yes	75.80	Yes	79.82	Yes	52.61	Yes	79.47	Yes	69.10	Yes

Data is based on a statistical sample of Medicaid claims processed from September 1, 2025 through February 28, 2026 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, 2025 through February 28, 2026 for each LME/MCO.

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