

STATE OF NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

December 18, 2017

SENT VIA ELECTRONIC MAIL

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 27603-5925

The Honorable Donny Lambeth, Co-Chair Joint Legislative Oversight Committee on Health and Human Services
North Carolina General Assembly
Room 303, Legislative Office Building
Raleigh, NC 27603-5925

The Honorable Louis Pate, Co-Chair Joint Legislative Oversight Committee on Health and Human Services North Carolina General Assembly Room 311, 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 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 information provided identifies Single Stream Fund expenditures by LME-MCO with a State average and benchmark for spending expectations by October 2017. The benchmark for the expected single stream funding expenditure for this portion of the fiscal year is 33% of the total annual allocation. The statewide average is on target at 33.5%. While there are three LME-MCOs with totals below the target (Alliance, Eastpointe and Trillium), it is important to remember that expenditures in the early part of the fiscal year are designed to draw from federal funds prior to the use of state single stream funding. The spending limit is consistent with state funding expenditures in previous years for this timeframe and the Department anticipates the single stream funding will be accessed increasingly during the year.

The graph for the report demonstrates the individual LME-MCOs performance compared to the static targeted expenditures expectation.

Should you have any questions, please contact Jason Vogler, Senior Director for the Division of Mental Health, Developmental Disabilities and Substance Abuse Services, at (919) 733-7011.

Sincerely,

Mandy Cohen, MD, MPH

Secretary

cc: Ben Popkin Theresa Matula

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FY18 - Reported Expenditures of Single Stream Funds by LME/MCO

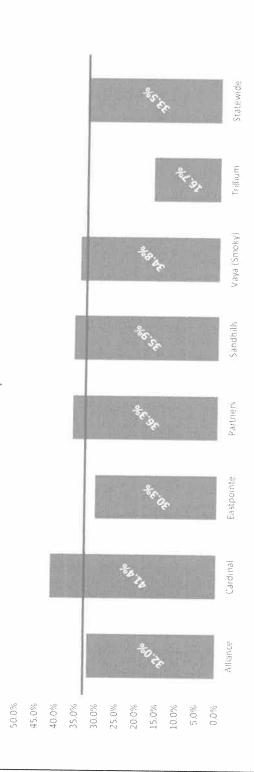
Reported Expenditures through month: October

Current Month Target %: 33% or more

LME/MCO		eported SS	Reported SS SS Allocation Service Level	Service Level	Reported SS	Reported SS as %
		Earnings *		Reg.	as % of Alloc*	as % of Alloc* of Svc I evel Ben
Alliance	Ş	12,346,732	\$ 12,346,732 \$ 22,566,999 \$ 38,535,086	\$ 38,535,086	55%	32.0%
Cardinal	\$	29,003,602	\$ 29,003,602 \$ 64,274,762 \$ 70,113,612	\$ 70,113,612	45%	41.4%
Eastpointe	\$	7,103,124	7,103,124 \$ 18,058,472 \$ 23,424,987	\$ 23,424,987	36%	%E UE
Partners	\$	10,297,564	\$ 10,297,564 \$ 23,495,611 \$ 28.392.683	\$ 28.392,683	44%	%E 9E
Sandhills	\$	9,170,010	9,170,010 \$ 15,167,753 \$ 25,521,488	\$ 25 521 488	%09	00.070
Vaya (Smoky)	\$	14,554,717	Vaya (Smoky) \$ 14,554,717 \$ 42,671.807 \$ 41,883,208	\$ 41 883 208	34%	33.3%
Trillium	5	6,187,540	6,187,540 \$ 39,660,600 \$ 37,147,697	\$ 37.147.697	16%	34.6% 16.7%
Statewide	S	88,663,290	\$ 88,663,290 \$225.896.004 \$265,018 761	\$265,018,761	30%	20.00

NOTE: Single Stream UCR earnings were adjusted up to reflect the estimated amount over-earned in Federal Block Grant Accounts due to processing issues.

FY18 YTD - Reported Single Stream Expenditures as % of Annual Service Requirement



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

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 12/4/2017 increase.

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