



STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

August 1, 2018

SENT VIA ELECTRONIC MAIL

The Honorable Gregory Murphy, Chair
Appropriations Subcommittee on
Health and Human Services
Room 632, Legislative Office Building
Raleigh, NC 27603-5925

The Honorable William Brisson, Chair
Appropriations Subcommittees on
Health and Human Services
Room 405, Legislative Office Building
Raleigh, NC 27603-5925

The Honorable Josh Dobson, Chair
Appropriations Subcommittee on
Health and Human Services
Room 301N, Legislative Office Building
Raleigh, NC 27603-5925

The Honorable Chris Malone, Chair
Appropriations Subcommittees on
Health and Human Services
Room 1229, Legislative Building
Raleigh, NC 27601-1096

Dear Chairmen:

Pursuant to N.C.G.S. § 122C-124.2(a), the Secretary of Health and Human Services is required 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 N.C.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.

Based upon (1) an internal review by an intradepartmental monitoring team comprised of individuals from the Division of Medical Assistance and the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, and (2) an external review by the Carolinas Center for Medical Excellence contractor HMS, I hereby certify that the following LME/MCOs are in compliance with the requirements of N.C.G.S. § 122C-124.2(b): Alliance, Cardinal Innovations, Eastpointe, Partners, Sandhills, VayaHealth, and Trillium.

A summary of the certification is attached for your review. Please feel free to contact me with any questions.

Sincerely,

Mandy Cohen, MD, MPH
Secretary

cc: Lisa Wilks
Joyce Jones
Pam Kilpatrick
reports@ncleg.net

Matt Gross
Marjorie Donaldson
Dave Richard
Mark Benton

Theresa Matula
Leah Burns
Zack Wortman
Susan Perry-Manning

Katherine Restrepo
Deborah Landry
Denise Thomas
Kody Kinsley

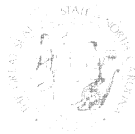
WWW.NCDHHS.GOV

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 27699-2001

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

August 1, 2018

SENT VIA ELECTRONIC MAIL

The Honorable Ralph Hise, Chair
Appropriations Subcommittee on
Health and Human Services
Room 312, Legislative Office Building
Raleigh, NC 27603-5925

The Honorable Louis Pate, Chair
Appropriation Subcommittees on
Health and Human Services
Room 311, Legislative Office Building
Raleigh, NC 27603-5925

The Honorable Joyce Krawiec, Chair
Appropriations Subcommittee on
Health and Human Services
Room 308, Legislative Office Building
Raleigh, NC 27603-5925

Dear Chairmen:

Pursuant to N.C.G.S. § 122C-124.2(a), the Secretary of Health and Human Services is required 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 N.C.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,

Mandy Cohen, MD, MPH
Secretary

| | | | | |
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| | Joyce Jones | Marjorie Donaldson | Leah Burns | Deborah Landry |
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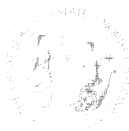
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SECRETARY

August 1, 2018

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

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

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

Dear Chairmen:

Pursuant to N.C.G.S. § 122C-124.2(a), the Secretary of Health and Human Services is required 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 N.C.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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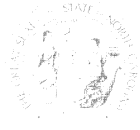
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DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

August 1, 2018

SENT VIA ELECTRONIC MAIL

Mark Trogdon, Director
Fiscal Research Division
Suite 619, Legislative Office Building
Raleigh, NC 27603-5925

Dear Director Trogdon,

Pursuant to N.C.G.S. § 122C-124.2(a), the Secretary of Health and Human Services is required 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 N.C.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.

Based upon (1) an internal review by an intradepartmental monitoring team comprised of individuals from the Division of Medical Assistance and the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, and (2) an external review by the Carolinas Center for Medical Excellence contractor HMS, I hereby certify that the following LME/MCOs are in compliance with the requirements of N.C.G.S. § 122C-124.2(b): Alliance, Cardinal Innovations, Eastpointe, Partners, Sandhills, VayaHealth, and Trillium.

A summary of the certification is attached for your review. Please feel free to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "M/Cohen".

Mandy Cohen, MD, MPH
Secretary

| | | | | |
|-----|--|--------------------|---------------------|--------------------|
| cc: | Rod Davis | Matt Gross | Theresa Matula | Katherine Restrepo |
| | Joyce Jones | Marjorie Donaldson | Leah Burns | Deborah Landry |
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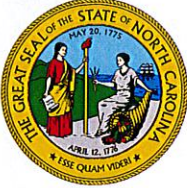
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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Medical Assistance

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
DAVE RICHARD • Deputy Secretary

June 20, 2018

Dr. Mandy Cohen, M.D., MPH
Secretary
North Carolina Department of Health and Human Services
101 Blair Drive
2001 Mail Service Center
Raleigh, NC 27699

Dear Secretary Cohen:

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, 2018.

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, Cardinal Innovations, Eastpointe, Partners, Sandhills, VayaHealth, and Trillium.

At this time, based on the attached records, the Division of Medical Assistance (DMA) is attesting that all seven organizations are appropriate for certification. Additionally, the Intradepartmental Monitoring Team (including DMA and Division of Mental Health, Developmental Disabilities and Substance Abuse Services staff) determines that all seven LME-MCOs have made adequate provisions against the risk of insolvency based on quarterly financial reports submitted to DHHS.

Sincerely,

Dave Richard
Deputy Secretary for Medical Assistance

Attachments

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF MEDICAL ASSISTANCE

LOCATION: 1985 Umstead Drive, Kirby Building, Raleigh NC 27603
MAILING ADDRESS: 2501 Mail Service Center, Raleigh NC 27699-2501
www.ncdhhs.gov • TEL: 919-855-4100 • FAX: 919-733-6608

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

| Claims Accuracy and Timeliness Review: Summary Findings | | | | | | |
|---|---|-----------|----------------------------|-----------|--------------------|-----------|
| Audit Type | Timeliness of Provider Payment (Within 30 days) | | Claims Processing Accuracy | | Financial Accuracy | |
| LME-MCO | | | | | | |
| Alliance | 99.86% | Compliant | 99.97% | Compliant | 99.94% | Compliant |
| Cardinal Innovations | 99.90% | Compliant | 99.97% | Compliant | 99.97% | Compliant |
| Eastpointe | 99.93% | Compliant | 100.00% | Compliant | 100.00% | Compliant |
| Partners Behavioral Healthcare | 99.94% | Compliant | 100.00% | Compliant | 100.00% | Compliant |
| Sandhills Center | 99.96% | Compliant | 99.93% | Compliant | 99.96% | Compliant |
| Vaya Health | 99.97% | Compliant | 100.00% | Compliant | 99.98% | Compliant |
| Trillium Health Resources | 100.00% | Compliant | 99.41% | Compliant | 99.66% | Compliant |

Note: Data is based on a statistical sample of Medicaid claims processed between September 2017 through February 2018 for each LME-MCO.

| Solvency Review: Current Ratio Summary Findings | | | | | | | | | | | | |
|---|-----------|-----|---------|-----|----------|-----|----------|-----|---------|-----|----------|-----|
| Month | September | | October | | November | | December | | January | | February | |
| LME-MCO | | | | | | | | | | | | |
| Alliance | 3.43 | Yes | 3.78 | Yes | 3.75 | Yes | 3.23 | Yes | 3.54 | Yes | 3.72 | Yes |
| Cardinal Innovations | 4.15 | Yes | 4.44 | Yes | 4.12 | Yes | 4.05 | Yes | 3.75 | Yes | 3.95 | Yes |
| Eastpointe | 3.09 | Yes | 3.26 | Yes | 3.03 | Yes | 2.66 | Yes | 2.92 | Yes | 2.71 | Yes |
| Partners Behavioral Healthcare | 4.46 | Yes | 5.06 | Yes | 4.70 | Yes | 3.82 | Yes | 4.78 | Yes | 4.23 | Yes |
| Sandhills Center | 7.61 | Yes | 8.31 | Yes | 7.93 | Yes | 6.44 | Yes | 8.50 | Yes | 8.85 | Yes |
| Vaya Health | 3.22 | Yes | 3.42 | Yes | 3.44 | Yes | 2.83 | Yes | 3.27 | Yes | 3.31 | Yes |
| Trillium Health Resources | 2.57 | Yes | 2.67 | Yes | 2.36 | Yes | 2.14 | Yes | 1.84 | Yes | 1.88 | Yes |

Note: Data is based on financial information combined for State and Medicaid funds from September 2017 through February 2018 for each LME-MCO.

| Solvency Review: Total Expenses to Total Medicaid Revenue Summary Findings | | | | | | | | | | | | |
|--|-----------|-----|---------|-----|----------|-----|----------|-----|---------|-----|----------|-----|
| Month | September | | October | | November | | December | | January | | February | |
| LME-MCO | | | | | | | | | | | | |
| Alliance | 99% | Yes | 100% | No | 90% | Yes | 92% | Yes | 109% | No | 90% | Yes |
| Cardinal Innovations | 95% | Yes | 100% | Yes | 103% | No | 95% | Yes | 105% | No | 97% | Yes |
| Eastpointe | 91% | Yes | 96% | Yes | 93% | Yes | 97% | Yes | 96% | Yes | 94% | Yes |
| Partners Behavioral Healthcare | 93% | Yes | 94% | Yes | 100% | No | 101% | No | 99% | Yes | 109% | No |
| Sandhills Center | 90% | Yes | 111% | No | 93% | Yes | 86% | Yes | 103% | No | 77% | Yes |
| Vaya Health | 100% | No | 96% | Yes | 93% | Yes | 101% | No | 100% | Yes | 97% | Yes |
| Trillium Health Resources | 96% | Yes | 108% | No | 111% | No | 94% | Yes | 123% | No | 70% | Yes |

Note: Data is based on financial information combined for State and Medicaid funds from September 2017 through February 2018 for each LME-MCO.

| Solvency Review: Defensive Interval Summary Findings | | | | | | | | | | | | |
|--|-----------|-----|---------|-----|----------|-----|----------|-----|---------|-----|----------|-----|
| Month | September | | October | | November | | December | | January | | February | |
| LME-MCO | | | | | | | | | | | | |
| Alliance | 105.20 | Yes | 91.67 | Yes | 95.68 | Yes | 103.59 | Yes | 92.44 | Yes | 96.37 | Yes |
| Cardinal Innovations | 52.37 | Yes | 96.17 | Yes | 91.58 | Yes | 107.08 | Yes | 87.72 | Yes | 88.71 | Yes |
| Eastpointe | 105.85 | Yes | 103.46 | Yes | 108.22 | Yes | 117.68 | Yes | 109.64 | Yes | 105.35 | Yes |
| Partners Behavioral Healthcare | 101.80 | Yes | 94.21 | Yes | 95.72 | Yes | 98.64 | Yes | 92.16 | Yes | 85.00 | Yes |
| Sandhills Center | 163.33 | Yes | 154.10 | Yes | 162.33 | Yes | 195.85 | Yes | 163.21 | Yes | 177.11 | Yes |
| Vaya Health | 85.11 | Yes | 84.33 | Yes | 86.24 | Yes | 89.56 | Yes | 84.28 | Yes | 90.21 | Yes |
| Trillium Health Resources | 60.01 | Yes | 56.66 | Yes | 55.91 | Yes | 75.01 | Yes | 48.03 | Yes | 52.30 | Yes |

Note: Data is based on financial information combined for State and Medicaid funds from September 2017 through February 2018 for each LME-MCO.

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

Note: Data is based on a statistical sample of Medicaid claims processed from September 2017 through February 2018 for each LME-MCO.

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