



STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

KODY H. KINSLEY
SECRETARY

February 1, 2022

SENT VIA ELECTRONIC MAIL

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

Dear Director Trogon:

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.

Based upon (1) an internal review by an intradepartmental monitoring team comprised of individuals from North Carolina Medicaid 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 thereby certifies that the following LME/MCOs are in compliance with the requirements of N.C.G.S. § 122C-124.2(b):

Alliance Health, Cardinal Innovations, Eastpointe Behavioral Health, Partners Behavioral Health, Sandhills Center, Trillium Health Resources, and Vaya Health.

A summary of the certification is attached for your review. Should you have any questions regarding this report, please contact John Furnari, Program/Policy Analyst, at John.Furnari@dhhs.nc.gov.

Sincerely,

DocuSigned by:

A handwritten signature in black ink, appearing to read "Kody H. Kinsley".

D7816E4CBA6F4A8...

Kody H. Kinsley
Secretary

cc: Mark Collins Joyce Jones Katherine Restrepo Lisa Wilks Amy Jo Johnson
Jessica Meed Theresa Matula Luke MacDonald Nathan Babcock reports@ncleg.gov



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DEPARTMENT OF HEALTH AND HUMAN SERVICES

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SECRETARY

February 1, 2022

SENT VIA ELECTRONIC MAIL

The Honorable Joyce Krawiec, Chair
Senate Appropriations Committee on
Health and Human Services
North Carolina General Assembly
Room 308, 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 Jim Perry, Chair
Senate Appropriations Committee on
Health and Human Services
North Carolina General Assembly
Room 311, 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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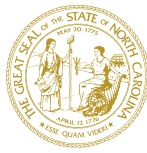
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TEL 919-855-4800 • FAX 919-715-4645

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

ROY COOPER
GOVERNOR

KODY H. KINSLEY
SECRETARY

February 1, 2022

SENT VIA ELECTRONIC MAIL

The Honorable Donna White, Chair
House Appropriations Committee on
Health and Human Services
North Carolina General Assembly
Room 307, 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 Kristin Baker, Chair
House Appropriations Committee on
Health and Human Services
North Carolina General Assembly
Room 306A3, Legislative Office Building
Raleigh, NC 27603

The Honorable Wayne Sasser, Chair
House Appropriations Committees on
Health and Human Services
North Carolina General Assembly
Room 529, Legislative Office Building
Raleigh, NC 27603

Dear Chairmen:

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Secretary

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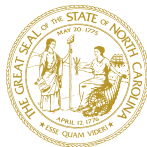
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SECRETARY

February 1, 2022

SENT VIA ELECTRONIC MAIL

The Honorable Donny Lambeth, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 620, 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 308, 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:

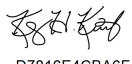
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NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Health Benefits

ROY COOPER • Governor

KODY H. KINSLEY • Secretary

DAVE RICHARD • Deputy Secretary, NC Medicaid

January 4, 2022

Kody H. Kinsley
Secretary
North Carolina Department of Health and Human Services
101 Blair Drive
2001 Mail Service Center
Raleigh, NC 27699

Dear Secretary Kinsley:

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, 2022.

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, Vaya Health, and Trillium.

At this time, based on the attached records, the Division of Health Benefits (DHB) is attesting that all seven organizations are appropriate for certification. Additionally, the Intradepartmental Monitoring Team (including DHB and the 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,

DocuSigned by:
A stylized signature of Dave Richard in black ink.
11395D232A054A2...

Dave Richard
Deputy Secretary for NC Medicaid

Attachments

NC MEDICAID

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

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

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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	99.59%	Compliant	99.98%	Compliant	99.95%	Compliant
Cardinal Innovations	100%	Compliant	99.95%	Compliant	99.97%	Compliant
Eastpointe Behavioral Health	98.19%	Compliant	99.89%	Compliant	99.95%	Compliant
Partners Health Management	99.85%	Compliant	99.99%	Compliant	99.99%	Compliant
Sandhills Center	98.77%	Compliant	99.93%	Compliant	99.96%	Compliant
Trillium Health Resources	99.99%	Compliant	99.89%	Compliant	99.94%	Compliant
Vaya Health	96.97%	Compliant	100%	Compliant	99.99%	Compliant

Data is based on a statistical sample of Medicaid claims processed from March of 2021 through August of 2021 for each LME/MCO.

Solvency Review: Current Ratio Summary Findings												
Month	March		April		May		June		July		August	
LME/MCO												
Alliance Health	3.16	Yes	2.58	Yes	2.69	Yes	2.90	Yes	2.51	Yes	2.41	Yes
Cardinal Innovations	1.62	Yes	1.54	Yes	1.52	Yes	1.64	Yes	1.12	Yes	1.18	Yes
Eastpointe Behavioral Health	2.14	Yes	2.33	Yes	2.45	Yes	2.30	Yes	2.58	Yes	2.44	Yes
Partners Health Management	2.18	Yes	1.98	Yes	2.02	Yes	2.05	Yes	1.98	Yes	2.16	Yes
Sandhills Center	6.25	Yes	5.90	Yes	5.77	Yes	6.21	Yes	4.19	Yes	4.37	Yes
Trillium Health Resources	1.34	Yes	1.38	Yes	1.42	Yes	1.81	Yes	1.57	Yes	1.69	Yes
Vaya Health	2.48	Yes	2.63	Yes	2.58	Yes	2.83	Yes	2.70	Yes	2.88	Yes

Data is based on a statistical sample of Medicaid claims processed from March of 2021 through August of 2021 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	91%	Yes	101%	No	86%	Yes	109%	No	90%	Yes	98%	Yes
Cardinal Innovations	101%	No	101%	No	94%	Yes	104%	No	105%	No	86%	Yes
Eastpointe Behavioral Health	118%	No	80%	Yes	86%	Yes	109%	No	74%	Yes	106%	No
Partners Health Management	88%	Yes	98%	Yes	94%	Yes	103%	No	93%	Yes	80%	Yes
Sandhills Center	92%	Yes	89%	Yes	97%	Yes	106%	No	99%	Yes	91%	Yes
Trillium Health Resources	99%	Yes	100%	No	94%	Yes	98%	Yes	94%	Yes	87%	Yes
Vaya Health	93%	Yes	112%	No	95%	Yes	94%	Yes	96%	Yes	95%	Yes

Data is based on a statistical sample of Medicaid claims processed from March of 2021 through August of 2021 for each LME/MCO.

Solvency Review: Defensive Interval Summary Findings												
Month	September		October		November		December		January		February	
LME-MCO												
Alliance Health	80.04	Yes	88.94	Yes	98.88	Yes	67.95	Yes	90.86	Yes	79.18	Yes
Cardinal Innovations	35.97	Yes	37.42	Yes	48.24	Yes	37.23	Yes	41.57	Yes	46.98	Yes
Eastpointe Behavioral Health	42.90	Yes	56.50	Yes	60.30	Yes	44.18	Yes	76.10	Yes	48.60	Yes
Partners Health Management	61.65	Yes	54.42	Yes	62.41	Yes	50.21	Yes	66.99	Yes	79.62	Yes
Sandhills Center	77.01	Yes	86.20	Yes	80.72	Yes	68.88	Yes	86.07	Yes	84.98	Yes
Trillium Health Resources	32.63	Yes	32.76	Yes	37.90	Yes	30.31	Yes	37.20	Yes	42.78	Yes
Vaya Health	98.76	Yes	78.18	Yes	101.80	Yes	95.31	Yes	99.05	Yes	96.62	Yes

Data is based on a statistical sample of Medicaid claims processed from March of 2021 through August of 2021 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
Cardinal Innovations	Compliant	Compliant	Compliant	Compliant	Compliant
Eastpointe Behavioral Health	Compliant	Compliant	Compliant	Compliant	Compliant
Partners Behavioral Healthcare	Compliant	Compliant	Compliant	Compliant	Compliant
Sandhills Center	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 March of 2021 through August of 2021 for each LME/MCO.

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