

STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

KODY H. KINSLEY
SECRETARY

August 28, 2023

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 Kevin Corbin, Chair
Senate Appropriations Committee on
Health and Human Services
North Carolina General Assembly
Room 623, Legislative Office Building
Raleigh, NC 27603

Dear Chairmen:

This letter replaces the letter provided to you in error dated August 1, 2023.

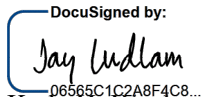
Pursuant to Session Law 2013-85, the Secretary of the Department of Health and Human Services shall complete a certification of compliance, in accordance with G.S. § 122C-124.2(a), for each local management entity/managed care organization that has been approved by the Department to operate the 1915(b)(c) 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.

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, Eastpointe, Partners, Sandhills, 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 six Local Management Entity/Managed Care Organizations (Alliance, Eastpointe, Partners, Sandhills, 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:

Kody H. Kinsley
Secretary

cc:	Mark Collins	Joyce Jones	Lisa Wilks	Jessica Meed
	Theresa Matula	Katherine Restrepo	Amy Jo Johnson	Luke MacDonald
	Nathan Babcock	Francisco Celis Villagrana	Fred Aikens	Todd Barlow
	Darryl Childers	Melissa Roark	Marissa Doctrove	Tai Rochelle



STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
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KODY H. KINSLEY
SECRETARY

August 28, 2023

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

Dear Chairmen:

This letter replaces the letter provided to you in error dated August 1, 2023.

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.

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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

Should you have any questions regarding this report, please contact Karen Wade, Director of Policy, at Karen.Wade@dhhs.nc.gov.

Sincerely,

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Kody H. Kinsley
Secretary

cc:	Mark Collins	Joyce Jones	Lisa Wilks	Jessica Meed
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DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

KODY H. KINSLEY
SECRETARY

August 28, 2023

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:

This letter replaces the letter provided to you in error dated August 1, 2023.

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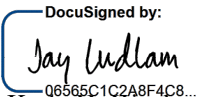
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STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

KODY H. KINSLEY
SECRETARY

August 28, 2023

SENT VIA ELECTRONIC MAIL

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

Dear Director Matteson:

This letter replaces the letter provided to you in error dated August 1, 2023.

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.

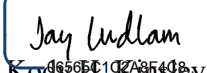
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Secretary

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

ROY COOPER • Governor

KODY H. KINSLEY • Secretary

JAY LUDLAM • Deputy Secretary, NC Medicaid

August 16, 2023

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:

This letter replaces the letter provided to you in error dated July 24, 2023.

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, 2023.

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, Eastpointe, Partners, Sandhills, 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:

A handwritten signature in blue ink that reads "Jay Ludlam".
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	99.00%	Compliant	99.97%	Compliant	99.97%	Compliant
Eastpointe	100.00%	Compliant	100.00%	Compliant	100.00%	Compliant
Partners Health Management	99.98%	Compliant	100.00%	Compliant	100.00%	Compliant
Sandhills Center	99.97%	Compliant	99.73%	Compliant	99.86%	Compliant
Trillium Health Resources	100.00%	Compliant	100.00%	Compliant	99.99%	Compliant
Vaya Health	99.97%	Compliant	99.95%	Compliant	99.95%	Compliant

Data is based on Medicaid claims processed from September of 2022 through February of 2023 for each LME/MCO.

Solvency Review: Current Ratio Summary Findings												
Month	September		October		November		December		January		February	
LME/MCO												
Alliance Health	2.01	Yes	2.18	Yes	2.16	Yes	2.07	Yes	2.24	Yes	2.27	Yes
Eastpointe	3.00	Yes	2.19	Yes	1.98	Yes	2.09	Yes	1.89	Yes	3.21	Yes
Partners Health Management	2.48	Yes	2.30	Yes	2.32	Yes	2.06	Yes	2.63	Yes	2.42	Yes
Sandhills Center	4.44	Yes	4.39	Yes	4.37	Yes	3.89	Yes	4.34	Yes	4.66	Yes
Trillium Health Resources	2.47	Yes	2.57	Yes	2.51	Yes	2.56	Yes	2.59	Yes	2.45	Yes
Vaya Health	1.90	Yes	1.89	Yes	1.90	Yes	1.75	Yes	1.72	Yea	1.75	Yes

Analysis based on data submitted by LME/MCOs to DHB through standard monthly financial reporting templates for September of 2022 through February of 2023.

. Solvency Review: Total Expenses to Total Medicaid Revenue Summary Findings												
Month	September		October		November		December		January		February	
LME/MCO												
Alliance Health	86%	Yes	85%	Yes	98%	Yes	83%	Yes	96%	Yes	92%	Yes
Eastpointe	99%	Yes	96%	Yes	115%	No	79%	Yes	127%	No	99%	Yes
Partners Health Management	94%	Yes	102%	No	105%	No	96%	Yes	89%	Yes	104%	No
Sandhills Center	99%	Yes	111%	No	99%	Yes	94%	Yes	116%	No	91%	Yes
Trillium Health Resources	94%	Yes	91%	Yes	103%	No	84%	Yes	118%	No	98%	Yes
Vaya Health	106%	No	108%	No	103%	No	112%	No	108%	No	98%	Yes

Analysis based on data submitted by LME/MCOs to DHB through standard monthly financial reporting templates for September of 2022 through February of 2023.

Solvency Review: Defensive Interval Summary Findings												
Month	September		October		November		December		January		February	
LME-MCO												
Alliance Health	112.23	Yes	118.63	Yes	117.81	Yes	133.08	Yes	119.70	Yes	101.91	Yes
Eastpointe	70.60	Yes	80.45	Yes	59.03	Yes	90.52	Yes	53.77	Yes	60.40	Yes
Partners Health Management	69.75	Yes	69.46	Yes	60.87	Yes	74.87	Yes	68.30	Yes	56.49	Yes
Sandhills Center	89.64	Yes	83.46	Yes	86.28	Yes	102.89	Yes	76.93	Yes	88.09	Yes
Trillium Health Resources	72.53	Yes	77.88	Yes	63.97	Yes	87.13	Yes	56.09	Yes	63.04	Yes
Vaya Health	102.95	Yes	109.43	Yes	105.71	Yes	112.57	Yes	110.20	Yes	105.90	Yes

Analysis based on data submitted by LME/MCOs to DHB through standard monthly financial reporting templates for September of 2022 through February of 2023.

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
Eastpointe	Compliant	Compliant	Compliant	Compliant	Compliant
Partners Health Management	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 Medicaid claims processed from September of 2022 through February of 2023 for each LME/MCO.

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