



STATE OF NORTH CAROLINA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER  
GOVERNOR

KODY H. KINSLEY  
SECRETARY

August 1, 2024

**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:


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).

Should you have any questions regarding this report, please contact Karen Wade, Director of Policy, at [Karen.Wade@dhhs.nc.gov](mailto:Karen.Wade@dhhs.nc.gov).

Sincerely,

DocuSigned by:

 on behalf of Kody H. Kinsley  
06565C1C2A8F4C8...  
Kody H. Kinsley  
Secretary

[WWW.NCDHHS.GOV](http://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 27699-2000

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



STATE OF NORTH CAROLINA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER  
GOVERNOR

KODY H. KINSLEY  
SECRETARY

August 1, 2024

**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:

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on behalf of Kody H. Kinsley  
Kody H. Kinsley  
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SECRETARY

August 1, 2024

**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 Joyce Krawiec, 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

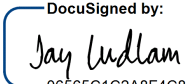
Dear Chairmen:

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STATE OF NORTH CAROLINA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER  
GOVERNOR

KODY H. KINSLEY  
SECRETARY

August 1, 2024

**SENT VIA ELECTRONIC MAIL**

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

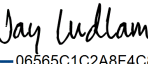
Dear Director Matteson:

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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Sincerely,

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Kody H. Kinsley  
Secretary

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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



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

ROY COOPER • Governor

KODY H. KINSLEY • Secretary

JAY LUDLAM • Deputy Secretary, NC Medicaid

June 17, 2024

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 August 1, 2024.

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.

Sincerely,

DocuSigned by:

A handwritten signature in black ink that reads "Jay Ludlam".  
06565C1C2A8F4C8...

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	98.66%	Compliant	99.85%	Compliant	99.98%	Compliant
Eastpointe	99.58%	Compliant	99.88%	Compliant	99.86%	Compliant
Partners Health Management	98.27%	Compliant	99.99%	Compliant	99.98%	Compliant
Sandhills Center	99.04%	Compliant	99.95%	Compliant	99.96%	Compliant
Trillium Health Resources	99.93%	Compliant	99.93%	Compliant	99.95%	Compliant
Vaya Health	99.32%	Compliant	99.95%	Compliant	99.94%	Compliant

Data is based on a statistical sample of Medicaid claims processed from September of 2023 through February of 2024 for each LME/MCO (Eastpointe and Sandhills ceased operations in January of 2024).

Solvency Review: Current Ratio Summary Findings												
Month	September		October		November		December		January		February	
LME/MCO												
Alliance Health	2.05	Yes	2.21	Yes	2.10	Yes	2.03	Yes	2.12	Yes	2.23	Yes
Eastpointe	2.98	Yes	1.76	Yes	1.76	Yes	0.51	No	0.36	No	-	-
Partners Health Management	1.80	Yes	1.80	Yes	1.64	Yes	1.43	Yes	1.58	Yes	1.49	Yes
Sandhills Center	2.20	Yes	2.14	Yes	2.63	Yes	1.23	Yes	1.30	Yes	-	-
Trillium Health Resources	2.45	Yes	2.36	Yes	2.21	Yes	2.17	Yes	2.06	Yes	2.41	Yes
Vaya Health	2.00	Yes	1.82	Yes	1.94	Yes	1.87	Yes	1.92	Yes	1.91	Yes

Analysis based on data submitted to DHB through standard monthly financial reporting templates for September of 2023 through February of 2024 for each LME/MCO (Eastpointe and Sandhills ceased operations in January of 2024).

Solvency Review: Total Expenses to Total Medicaid Revenue Summary Findings												
Month	September		October		November		December		January		February	
LME/MCO												
Alliance Health	89%	Yes	90%	Yes	92%	Yes	84%	Yes	93%	Yes	84%	Yes
Eastpointe	78%	Yes	138%	No	92%	Yes	428%	No	137%	No	-	-
Partners Health Management	112%	No	108%	No	109%	No	101%	No	88%	Yes	93%	Yes
Sandhills Center	107%	No	114%	No	77%	Yes	187%	No	97%	Yes	-	-
Trillium Health Resources	104%	No	101%	No	103%	No	98%	Yes	109%	No	109%	No
Vaya Health	96%	Yes	113%	No	96%	Yes	96%	Yes	101%	No	89%	Yes

Analysis based on data submitted to DHB through standard monthly financial reporting templates for September of 2023 through February of 2024 for each LME/MCO (Eastpointe and Sandhills ceased operations in January of 2024).

Solvency Review: Defensive Interval Summary Findings												
Month	September		October		November		December		January		February	
LME-MCO												
Alliance Health	124.06	Yes	120.74	Yes	93.54	Yes	146.87	Yes	114.51	Yes	103.94	Yes
Eastpointe	68.76	Yes	35.16	Yes	49.60	Yes	11.62	No	12.33	No	-	-
Partners Health Management	51.83	Yes	51.34	Yes	50.38	Yes	53.88	Yes	62.59	Yes	50.77	Yes
Sandhills Center	73.72	Yes	62.59	Yes	67.09	Yes	38.01	Yes	65.31	Yes	-	-
Trillium Health Resources	74.26	Yes	65.46	Yes	62.39	Yes	86.63	Yes	55.99	Yes	28.40	No
Vaya Health	82.19	Yes	66.98	Yes	65.67	Yes	79.56	Yes	72.94	Yes	68.96	Yes

Analysis based on data submitted to DHB through standard monthly financial reporting templates for September of 2023 through February of 2024 for each LME/MCO (Eastpointe and Sandhills ceased operations in January of 2024).

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 a statistical sample of Medicaid claims processed from March of 2023 through August of 2023 for each LME/MCO.

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