January 17, 2020

The Honorable Josh Dobson, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 307B, Legislative Office Building
Raleigh, NC 27603-5925

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

Dear Chairmen:

North Carolina Session Law 2017-57, Section 11F:2.(c), requires the Department of Health and Human Services (“Department”) to modify the monthly reporting package submitted by the Local Management Entities-Managed Care Organizations (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.

The Secretary of Health and Human Services has the authority to allocate Single Stream Funds to the LME/MCOs and can adjust the specified recurring and nonrecurring reductions among the LME/MCOs. Under this authority, DMH/DD/SAS has, as of December 2019, rebased the single stream funding to equitably spread dollars across the LME-MCOs. Further details on the methodology behind this rebase are in the Department’s report, sent December 17, 2019 to the Joint Legislative Oversight Committee on Health and Human Services and Fiscal Research Division, titled Single Stream Funding Rebase. Before the December 2019 rebase, the LME/MCOs had been receiving monthly Single Stream Fund allocations based on funding levels from State Fiscal Year 2018–19. The Department is working with the LME/MCOs to ensure the new allocations are fully utilized over this fiscal year. However, this recent rebasing can account for some of the current variability in “target” spending rates among the LME/MCOs.
Should you have any questions, please contact Kody Kinsley, Deputy Secretary for Behavioral Health and IDD, at (919) 733-7011.

Sincerely,

Mandy Cohen, MD, MPH
Secretary

Kody H. Kinsley
Deputy Secretary for Behavioral Health & IDD
North Carolina Department of Health and Human Services

cc:  Kody Kinsley
     Susan G. Perry
     Tara Myers
     Rob Kindsvatter
     Matt Gross
     Hattie Gawande
     Katherine Restrepo
     Jared Simmons
     Erin Matteson
     Theresa Matula
     reports@ncleg.net
     Dave Richard
     Marjorie Donaldson
     Joyce Jones
     Deborah Landry
     Mark Collins
     Ben Money
     Zack Wortman
     Lisa Wilks
     Luke MacDonald
     Jessica Meed
January 17, 2020

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

Dear Director Trogdon:

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    Lisa Wilks
    Luke MacDonald
    Jessica Meed
FY20 Expenditures of Single Stream Funds by LME/MCO

Report Month: January 2020, Reported Expenditures Through: November 2019

<table>
<thead>
<tr>
<th>LME/MCO</th>
<th>Reported SS Earnings*</th>
<th>SS Allocation</th>
<th>Service Level Req.</th>
<th>Reported SS as % of Alloc*</th>
<th>Reported SS as % of SVC Level Req</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alliance</td>
<td>$15,418,454</td>
<td>$36,841,186</td>
<td>$38,535,086</td>
<td>42%</td>
<td>40.0%</td>
</tr>
<tr>
<td>Cardinal</td>
<td>$24,463,661</td>
<td>$72,999,035</td>
<td>$70,113,612</td>
<td>34%</td>
<td>34.9%</td>
</tr>
<tr>
<td>Eastpointe</td>
<td>$9,424,396</td>
<td>$21,615,098</td>
<td>$23,572,071</td>
<td>44%</td>
<td>34.7%</td>
</tr>
<tr>
<td>Partners</td>
<td>$14,251,768</td>
<td>$27,034,871</td>
<td>$30,092,208</td>
<td>53%</td>
<td>46.0%</td>
</tr>
<tr>
<td>Sandhills</td>
<td>$14,077,623</td>
<td>$28,695,282</td>
<td>$25,521,488</td>
<td>49%</td>
<td>55.2%</td>
</tr>
<tr>
<td>Trillium</td>
<td>$17,960,550</td>
<td>$39,000,613</td>
<td>$39,000,613</td>
<td>46%</td>
<td>46.1%</td>
</tr>
<tr>
<td>Vaya</td>
<td>$16,525,176</td>
<td>$42,673,313</td>
<td>$39,285,683</td>
<td>39%</td>
<td>42.1%</td>
</tr>
<tr>
<td>Statewide</td>
<td>$112,122,128</td>
<td>$266,897,399</td>
<td>$265,018,761</td>
<td>42%</td>
<td>42.3%</td>
</tr>
</tbody>
</table>

* Single Stream earnings may exceed allocation, but payments are capped. See highlights below target

FY20 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 will always lag at beginning of year when Federal funds are pulled down; as Federal accounts are depleted, rate of State earnings increase.