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 August 2021 report includes information on the LME/MCO’s Single Stream Fund expenditures through June 2021, though it does not include allowable administrative expenses. The allocations and service expenditures below incorporate the $88M in CARES Act funding allocated to DMHDDSAS for service provision in response to the COVID-19 pandemic. See Session Law 2020-97, Section 3.3 (114F) and Session Law 2020-88, Section 3(b). Although the pandemic has caused some disruptions in service spending, particularly at the beginning of the state fiscal year, we are actively working with the LMEMCOs to ensure North Carolinians continue to access needed behavioral health and I/DD services and that we are maximizing the impact of public service dollars.
Should you have any questions, please contact Victor Armstrong, Director, Division of Mental Health, Developmental Disability and Substance Abuse Services, at 984-236-5000.

Sincerely,

Mandy Cohen, MD, MPH
Secretary

Kody H. Kinsley
Chief Deputy Secretary for Health
North Carolina Department of Health and Human Services

cc: Kody Kinsley  Victor Armstrong  Dave Richard  Jessica Meed
    Tara Myers  Rob Kindsvatter  Marjorie Donaldson  Jane Chiulli
    Matt Gross  Meisha Evans  Joyce Jones  Lisa Wilks
    Katherine Restrepo  Jared Simmons  Luke MacDonald  Mark Collins
    Erin Matteson  Theresa Matula  Susan G. Perry  reports@ncleg.gov
August 16, 2021

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

Dear Director Trogdon:

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.

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Erin Matteson  Theresa Matula  Susan G. Perry  reports@ncleg.gov
FY20 Expenditures of Single Stream Funds by LME/MCO
Report Month: August 2021, Reported Expenditures Through: June 2021

<table>
<thead>
<tr>
<th>LME/MCO</th>
<th>Reported SS + CRF Earnings *</th>
<th>SS + CRF Allocation</th>
<th>sfy2015 Service Level Req.</th>
<th>Reported Earned as % of Alloc*</th>
<th>Reported Earned as % of old Svc Level Req</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alliance</td>
<td>$44,057,367</td>
<td>$48,060,755</td>
<td>$38,535,086</td>
<td>92%</td>
<td>114.3%</td>
</tr>
<tr>
<td>Cardinal</td>
<td>$79,391,727</td>
<td>$85,868,456</td>
<td>$70,113,612</td>
<td>92%</td>
<td>113.2%</td>
</tr>
<tr>
<td>Eastpointe</td>
<td>$28,682,927</td>
<td>$31,850,510</td>
<td>$21,572,071</td>
<td>90%</td>
<td>133.0%</td>
</tr>
<tr>
<td>Partners</td>
<td>$35,896,226</td>
<td>$40,982,794</td>
<td>$30,990,208</td>
<td>88%</td>
<td>115.8%</td>
</tr>
<tr>
<td>Sandhills</td>
<td>$32,693,987</td>
<td>$40,401,378</td>
<td>$25,521,488</td>
<td>81%</td>
<td>128.1%</td>
</tr>
<tr>
<td>Trillium</td>
<td>$66,903,952</td>
<td>$62,736,783</td>
<td>$39,000,613</td>
<td>107%</td>
<td>171.5%</td>
</tr>
<tr>
<td>Vaya</td>
<td>$50,279,789</td>
<td>$54,496,724</td>
<td>$39,285,683</td>
<td>92%</td>
<td>128.0%</td>
</tr>
</tbody>
</table>

* Single Stream earnings may exceed allocation, but payments are capped Pink Highlights Below Target

Statewide | $337,905,976 | $364,397,400 | $265,018,761 | 93% | 127.5%

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.

FY21 - Reported Expenditures of Single Stream Funds plus Covid Relief Funds by LME/MCO
Reported Expenditures through month: June

Svc Lvl Percentage Target: 100.0% or more

FY21 YTD - Reported SSF and CRF Expenditures as % of Annual Service Requirement