July 20, 2020

Dear Chairmen:

North Carolina Session Law 2015-241, Section 12F.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. This requirement is continued under Session Law 2017-57, Section 1IF.2.(c).

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. DMH/DD/SAS sent additional allocation letters to the LME/MCOs in January 2020, to allocate the remainder of the available single stream funds that were not allocated in the December 2019 rebase; however the methodology for how to distribute those dollars was the same as what was used for the December 2019 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 COVID-19 public health crisis may have an impact on spending rates among the LME/MCOs. 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 Dave Richard Ben Money
    Tara Myers Rob Kindsvatter Marjorie Donaldson Jane Chiulli
    Matt Gross Hattie Gawande Joyce Jones Lisa Wilks
    Katherine Restrepo Jared Simmons Luke MacDonald Mark Collins
    Erin Matteson Theresa Matula reports@ncleg.net Jessica Meed
July 20, 2020

SENT VIA ELECTRONIC MAIL

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

Dear Director Trogdon:

North Carolina Session Law 2015-241, Section 12F.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. This requirement is continued under Session Law 2017-57, Section 1IF.2.(c).

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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

FY20 Expenditures of Single Stream Funds by LME/MCO
Report Month: July 2020, Reported Expenditures Through: May 2020

FY20 - Reported Expenditures of Single Stream Funds by LME/MCO
Reported Expenditures through month: May  
Current Month Target %: 91.7% or more

<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>$35,906,410</td>
<td>$45,673,951</td>
<td>$38,535,086</td>
<td>79%</td>
<td>93.2%</td>
</tr>
<tr>
<td>Cardinal</td>
<td>$64,270,811</td>
<td>$87,261,968</td>
<td>$70,113,612</td>
<td>74%</td>
<td>91.7%</td>
</tr>
<tr>
<td>Eastpointe</td>
<td>$24,252,538</td>
<td>$23,131,049</td>
<td>$21,572,071</td>
<td>105%</td>
<td>112.4%</td>
</tr>
<tr>
<td>Partners</td>
<td>$29,139,196</td>
<td>$30,798,429</td>
<td>$30,990,208</td>
<td>95%</td>
<td>94.0%</td>
</tr>
<tr>
<td>Sandhills</td>
<td>$30,276,800</td>
<td>$34,872,503</td>
<td>$25,521,488</td>
<td>87%</td>
<td>118.6%</td>
</tr>
<tr>
<td>Trillium</td>
<td>$42,866,806</td>
<td>$39,000,613</td>
<td>$39,000,613</td>
<td>110%</td>
<td>109.9%</td>
</tr>
<tr>
<td>Vaya</td>
<td>$37,916,490</td>
<td>$45,658,886</td>
<td>$39,285,683</td>
<td>83%</td>
<td>96.5%</td>
</tr>
<tr>
<td>Statewide</td>
<td>$264,629,051</td>
<td>$306,397,399</td>
<td>$265,018,761</td>
<td>86%</td>
<td>99.9%</td>
</tr>
</tbody>
</table>

* Single Stream earnings may exceed allocation, but payments are capped.

Pink Highlights Below Target

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.

6/23/2020