



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

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
DAVE RICHARD • Deputy Secretary, NC Medicaid

December 15, 2020

Mandy Cohen, M.D., MPH
Secretary
North Carolina Department of Health and Human Services
101 Blair Drive
2001 Mail Service Center
Raleigh, NC 27699

Dear Secretary Cohen:

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 February 1, 2021.

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, Cardinal Innovations, Eastpointe, Partners, Sandhills, Vaya Health, and Trillium.

At this time, based on the attached records, the Division of Health Benefits (DHB) is attesting that all seven organizations are appropriate for certification. Additionally, the Intradepartmental Monitoring Team (including DHB and the Division of Mental Health, Developmental Disabilities and Substance Abuse Services staff) determines that all seven LME-MCOs have made adequate provisions against the risk of insolvency based on quarterly financial reports submitted to DHHS.

Sincerely,

Dave Richard
Deputy Secretary, NC Medicaid

Attachments

NC MEDICAID
NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH BENEFITS

LOCATION: 1985 Umstead Drive, Kirby Building, Raleigh NC 27603
MAILING ADDRESS: 2501 Mail Service Center, Raleigh NC 27699-2501
www.ncdhhs.gov • TEL: 919-855-4100 • FAX: 919-733-6608

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

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	99.62%	Compliant	99.99%	Compliant	99.99%	Compliant
Cardinal Innovations	99.99%	Compliant	99.86%	Compliant	99.93%	Compliant
Eastpointe Behavioral Health	100%	Compliant	99.91%	Compliant	99.90%	Compliant
Partners Health Management	100%	Compliant	100%	Compliant	100%	Compliant
Sandhills Center	100%	Compliant	99.89%	Compliant	99.96%	Compliant
Trillium Health Resources	100%	Compliant	99.94%	Compliant	99.96%	Compliant
Vaya Health	99.92%	Compliant	99.24%	Compliant	99.82%	Compliant

Data is based on a statistical sample of Medicaid claims processed between March 2020 through August 2020 for each LME/MCO.

Solvency Review: Current Ratio Summary Findings

Month	March		April		May		June		July		August	
LME/MCO												
Alliance Health	2.56	Yes	2.59	Yes	2.37	Yes	2.90	Yes	2.61	Yes	3.00	Yes
Cardinal Innovations	1.93	Yes	1.87	Yes	2.02	Yes	1.99	Yes	2.26	Yes	2.18	Yes
Eastpointe Behavioral Health	2.03	Yes	1.93	Yes	1.77	Yes	1.56	Yes	1.57	Yes	1.67	Yes
Partners Health Management	1.03	Yes	1.31	Yes	1.51	Yes	2.11	Yes	2.16	Yes	2.20	Yes
Sandhills Center	3.14	Yes	3.39	Yes	3.31	Yes	4.12	Yes	3.24	Yes	3.08	Yes
Trillium Health Resources	1.41	Yes	1.31	Yes	1.39	Yes	1.77	Yes	1.69	Yes	1.79	Yes
Vaya Health	3.40	Yes	3.15	Yes	2.74	Yes	3.73	Yes	3.13	Yes	2.99	Yes

Data is based on a statistical sample of Medicaid claims processed between March 2020 through August 2020 for each LME/MCO.

Solvency Review: Total Expenses to Total Medicaid Revenue Summary Findings												
Month	March		April		May		June		July		August	
LME/MCO												
Alliance Health	87%	Yes	98%	Yes	105%	No	76%	Yes	86%	Yes	85%	Yes
Cardinal Innovations	89%	Yes	84%	Yes	79%	Yes	98%	Yes	87%	Yes	93%	Yes
Eastpointe Behavioral Health	98%	Yes	96%	Yes	98%	Yes	103%	No	93%	Yes	87%	Yes
Partners Health Management	99%	Yes	97%	Yes	98%	Yes	79%	Yes	93%	Yes	90%	Yes
Sandhills Center	105%	No	99%	Yes	111%	No	98%	Yes	98%	Yes	95%	Yes
Trillium Health Resources	106%	No	108%	No	97%	Yes	80%	Yes	97%	Yes	92%	Yes
Vaya Health	101%	No	98%	Yes	99%	Yes	76%	Yes	89%	Yes	90%	Yes

Data is based on a statistical sample of Medicaid claims processed between March 2020 through August 2020 for each LME/MCO.

Solvency Review: Defensive Interval Summary Findings												
Month	March		April		May		June		July		August	
LME-MCO												
Alliance Health	53.48	Yes	50.02	Yes	54.25	Yes	53.40	Yes	59.42	Yes	64.00	Yes
Cardinal Innovations	44.62	Yes	48.70	Yes	42.44	Yes	55.28	Yes	62.39	Yes	62.58	Yes
Eastpointe Behavioral Health	36.82	Yes	32.27	Yes	30.94	Yes	24.40	No	35.67	Yes	35.89	Yes
Partners Health Management	27.98	No	38.07	Yes	46.31	Yes	47.09	Yes	62.05	Yes	62.37	Yes
Sandhills Center	72.98	Yes	73.59	Yes	67.98	Yes	55.74	Yes	70.44	Yes	75.90	Yes
Trillium Health Resources	27.45	No	28.02	No	34.32	Yes	31.71	Yes	37.57	Yes	41.81	Yes
Vaya Health	57.24	Yes	59.87	Yes	66.21	Yes	68.88	Yes	76.65	Yes	83.24	Yes

Data is based on a statistical sample of Medicaid claims processed between March 2020 through August 2020 for each LME/MCO.

HIPAA Transaction Review: Summary Findings

Audit Type	Premium Payment Transactions (X12N 820)	Enrollment Transactions (X12N 834)	Health Care Claim Transactions (X12N 837I, 837P)	Remit Processing Transactions (X12N 835)	Eligibility Inquiry & Response (X12N 270/271)
LME-MCO					
Alliance Health	Compliant	Compliant	Compliant	Compliant	Compliant
Cardinal Innovations	Compliant	Compliant	Compliant	Compliant	Compliant
Eastpointe Behavioral Health	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 between March 2020 through August 2020 for each LME/MCO.

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