



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

July 28, 2020

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

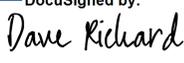
Dear Secretary Cohen:

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 August 1, 2020.

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,

DocuSigned by:  
  
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**Dave Richard**  
Deputy Secretary for NC Medicaid

Attachments

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

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<b>Claims Accuracy and Timeliness Review: Summary Findings</b>						
<b>Audit Type</b>	<b>Timeliness of Provider Payment (Within 30 days)</b>		<b>Claims Processing Accuracy</b>		<b>Financial Accuracy</b>	
<b>LME/MCO</b>						
<b>Alliance Health</b>	99.80%	Compliant	99.92%	Compliant	99.97%	Compliant
<b>Cardinal Innovations</b>	99.99%	Compliant	99.98%	Compliant	99.99%	Compliant
<b>Eastpointe Behavioral Health</b>	100%	Compliant	100%	Compliant	100%	Compliant
<b>Partners Behavioral Healthcare</b>	99.99%	Compliant	99.99%	Compliant	99.99%	Compliant
<b>Sandhills Center</b>	100%	Compliant	100%	Compliant	100%	Compliant
<b>Trillium Health Resources</b>	100%	Compliant	99.90%	Compliant	99.96%	Compliant
<b>Vaya Health</b>	100%	Compliant	99.99%	Compliant	100%	Compliant

Data is based on a statistical sample of Medicaid claims processed between September 2019 through February 2020 for each LME/MCO.

<b>Solvency Review: Current Ratio Summary Findings</b>												
<b>Month</b>	<b>September</b>		<b>October</b>		<b>November</b>		<b>December</b>		<b>January</b>		<b>February</b>	
<b>LME/MCO</b>												
<b>Alliance Health</b>	2.12	Yes	2.30	Yes	2.11	Yes	2.03	Yes	2.17	Yes	2.22	Yes
<b>Cardinal Innovations</b>	2.12	Yes	2.00	Yes	2.27	Yes	2.29	Yes	2.27	Yes	2.31	Yes
<b>Eastpointe Behavioral Health</b>	3.68	Yes	3.33	Yes	3.03	Yes	3.24	Yes	1.75	Yes	1.74	Yes
<b>Partners Behavioral Healthcare</b>	1.10	Yes	1.06	Yes	.96	No	1.02	Yes	1.03	Yes	1.03	Yes
<b>Sandhills Center</b>	4.67	Yes	4.60	Yes	4.37	Yes	3.78	Yes	3.77	Yes	3.97	Yes
<b>Trillium Health Resources</b>	2.23	Yes	1.90	Yes	1.82	Yes	1.54	Yes	1.55	Yes	1.68	Yes
<b>Vaya Health</b>	2.95	Yes	3.01	Yes	2.99	Yes	2.80	Yes	2.97	Yes	2.88	Yes

Data is based on financial information combined for State and Medicaid funds from September 2019 through February 2020 for each LME/MCO.

<b>Solvency Review: Total Expenses to Total Medicaid Revenue Summary Findings</b>												
<b>Month</b>	<b>September</b>		<b>October</b>		<b>November</b>		<b>December</b>		<b>January</b>		<b>February</b>	
<b>LME/MCO</b>												
<b>Alliance Health</b>	100%	Yes	93%	Yes	102%	No	94%	Yes	91%	Yes	92%	Yes
<b>Cardinal Innovations</b>	94.91%	Yes	106.74%	No	92.77%	Yes	99.81%	Yes	101.91%	No	93.28%	Yes
<b>Eastpointe Behavioral Health</b>	97%	Yes	95%	Yes	97%	Yes	97%	Yes	101%	No	97%	Yes
<b>Partners Behavioral Healthcare</b>	99%	Yes	99%	Yes	103%	No	98%	Yes	102%	No	103%	No
<b>Sandhills Center</b>	97%	Yes	110%	No	91%	Yes	98%	Yes	101%	No	87%	Yes
<b>Trillium Health Resources</b>	93%	Yes	116%	No	93%	Yes	99%	Yes	105%	No	90%	Yes
<b>Vaya Health</b>	97%	Yes	101%	No	96%	Yes	98%	Yes	99%	Yes	95%	Yes

Data is based on financial information combined for State and Medicaid funds from September 2019 through February 2020 for each LME/MCO.

<b>Solvency Review: Defensive Interval Summary Findings</b>												
<b>Month</b>	<b>September</b>		<b>October</b>		<b>November</b>		<b>December</b>		<b>January</b>		<b>February</b>	
<b>LME-MCO</b>												
<b>Alliance Health</b>	47.67	Yes	50.42	Yes	48.03	Yes	56.94	Yes	54.17	Yes	50.74	Yes
<b>Cardinal Innovations</b>	40.06	Yes	36.16	Yes	51.15	Yes	52.55	Yes	50.75	Yes	54.12	Yes
<b>Eastpointe Behavioral Health</b>	84.33	Yes	62.42	Yes	71.10	Yes	87.83	Yes	33.54	Yes	32.00	Yes
<b>Partners Behavioral Healthcare</b>	34.58	Yes	30.17	Yes	26.67	No	32.32	Yes	29.63	No	29.82	No
<b>Sandhills Center</b>	103.39	Yes	89.74	Yes	89.33	Yes	89.40	Yes	83.77	Yes	84.38	Yes
<b>Trillium Health Resources</b>	56.64	Yes	44.69	Yes	43.19	Yes	42.49	Yes	37.00	Yes	41.51	Yes
<b>Vaya Health</b>	66.45	Yes	63.52	Yes	62.54	Yes	65.71	Yes	64.73	Yes	62.54	Yes

Data is based on financial information combined for State and Medicaid funds from September 2019 through February 2020 for each LME/MCO.

<b>HIPAA Transaction Review: Summary Findings</b>					
<b>Audit Type</b>	<b>Enrollment (820)</b>	<b>Benefit Enrollment and Maintenance Set (834)</b>	<b>Health Care Claim Transaction Set (837i and 837p)</b>	<b>Health Care Claim Payment / Advice Transaction Set (835)</b>	<b>Health Care Eligibility / Benefit Inquiry and Response (270/271)</b>
<b>LME-MCO</b>					
<b>Alliance Health</b>	Compliant	Compliant	Compliant	Compliant	Compliant
<b>Cardinal Innovations</b>	Compliant	Compliant	Compliant	Compliant	Compliant
<b>Eastpointe Behavioral Health</b>	Compliant	Compliant	Compliant	Compliant	Compliant
<b>Partners Behavioral Healthcare</b>	Compliant	Compliant	Compliant	Compliant	Compliant
<b>Sandhills Center</b>	Compliant	Compliant	Compliant	Compliant	Compliant
<b>Trillium Health Resources</b>	Compliant	Compliant	Compliant	Compliant	Compliant
<b>Vaya Health</b>	Compliant	Compliant	Compliant	Compliant	Compliant

Data is based on a statistical sample of Medicaid claims processed from September 2019 through February 2020 for each LME/MCO.

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