



Health and
Human Services

Richard O. Brajer
Secretary

Jason E. Vogler, Ph.D., CSSBB
Interim Director, Division of Mental Health, Developmental Disabilities and Substance Abuse Services

August 15, 2016

SENT VIA ELECTRONIC MAIL

The Honorable Marilyn Avila, Co-Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 2217, Legislative Building
Raleigh, NC 27601

The Honorable Josh Dobson, Co-Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 301N, Legislative Office Building
Raleigh, NC 27603-5925

The Honorable Louis Pate
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 1028, Legislative Building
Raleigh, NC 27601

Dear Chairmen:

Section 12F.2.(c) of North Carolina Session Law 2015-241, enacted on September 18, 2015, requires the Department of Health and Human Services ("Department") to modify the monthly reporting package submitted by the 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. Further, the Department is also to submit these reports to the Joint Legislative Oversight Committee on Health and Human Services by the third Monday of each month beginning in October 2015.

The Department appreciates and shares the desire for more detailed, consolidated monthly expenditure reports on the part of LME/MCOs for single stream state funds. As such, the Department's Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMHDDSAS), in coordination with the Division of Medical Assistance (DMA), has initiated the process of revising Schedule D. Draft revisions to the state funded portion of Schedule D2, and the addition of schedules that show unduplicated recipients of mental health disorders, intellectual and developmental disability, and substance use disorder services were





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completed and distributed to the LME/MCOs in December 2015. As the LME/MCOs began to attempt to implement the changes it became apparent that the various financial reporting systems could not be immediately reprogrammed to satisfy the requirements. Therefore, the Department revisited the most appropriate approach to effectively modify the reporting package so that it most accurately satisfies the legislative intent of the reporting requirements.

DMHDDSAS has undertaken the project, in conjunction with the Finance Officers of the LME/MCOs, to revisit the structure of Schedule D for both Medicaid and State fund reporting to bring the two processes into greater alignment and to support the reporting specificity required by the legislation. Unified reporting for Schedule D has been finalized and will be implemented with the reporting of July 2016 expenditures.

At the close of June 2016, the statewide Single Stream spending level for all LME/MCOs was 109% as indicated by the attachment. This surpassed the target of 100% for Single Stream Fund expenditures for the state fiscal year. This target represents whether the LME/MCOs are expending the same amount of funds for services that were spent in the previous state fiscal year. The figures reported in the attachment are considered to be preliminary as final annual close out of accounts and budget reporting for fiscal year end may result in some changes.

DMHDDSAS will continue to monitor all of the legislative requirements from Section 12F and provide updates to the Joint Legislative Oversight Committee monthly.

Should you have any questions, please contact me at (919) 733-7011.

Sincerely,

Jason E. Vogler, Ph.D.

Attachment 1

cc:	Brian Perkins	Hannah Tedder	Andy Munn
	Dave Richard	Rod Davis	Theresa Matula
	Marjorie Donaldson	reports@ncleg.net	Joyce Jones
	Kolt Ulm	Steve Owen	Susan Jacobs
	Pam Kilpatrick	Sarah Pfau	Denise Thomas
	Trey Sutton	Pat Porter	Marta Hester





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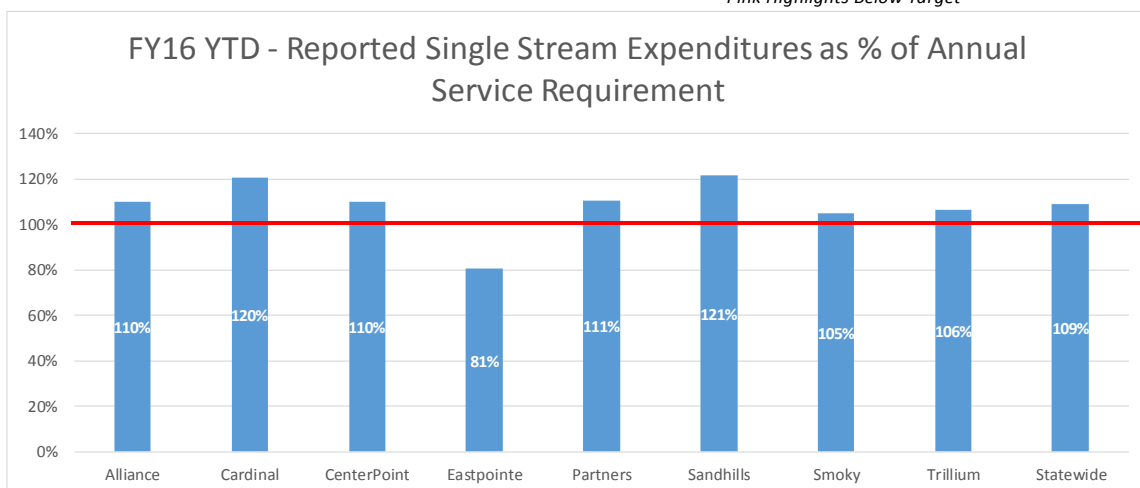
FY16 - Reported Expenditures of Single Stream Funds by LME/MCO

Reported Expenditures through month: **Preliminary Year End**

Target %: 100% or more

LME/MCO	Reported SS Earnings	SS Allocation	Service Level Req.	Reported SS as % of Alloc	Reported SS as % of Svc Level Req
Alliance	\$ 42,354,633	\$ 30,936,495	\$ 38,535,086	137%	110%
Cardinal	\$ 67,248,565	\$ 54,749,103	\$ 55,828,499	123%	120%
CenterPoint	\$ 15,684,335	\$ 13,352,511	\$ 14,285,113	117%	110%
Eastpointe	\$ 20,977,173	\$ 20,993,322	\$ 26,027,763	100%	81%
Partners	\$ 31,418,547	\$ 22,560,038	\$ 28,392,683	139%	111%
Sandhills	\$ 30,979,334	\$ 16,738,209	\$ 25,521,488	185%	121%
Smoky	\$ 43,972,948	\$ 39,868,204	\$ 41,883,208	110%	105%
Trillium	\$ 36,714,463	\$ 34,524,902	\$ 34,544,921	106%	106%
Statewide	\$289,349,999	\$233,722,785	\$265,018,761	124%	109%

Pink Highlights Below Target



Note: The NonUCR portion of Single Stream Earnings is based on unaudited self-report from LME/MCOs.

8/11/2016

Effective with the May report, Trillium's Service Level Req. has been reduced by \$3,745,555, the amount of CoastalCare's services that were paid for by sources other than single stream funding.

