



## DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

May 21, 2018

**SENT VIA ELECTRONIC MAIL**

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, Co-Chair  
Joint Legislative Oversight Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 311, Legislative Office Building  
Raleigh, NC 27603-5925

The Honorable Donny Lambeth, Co-Chair  
Joint Legislative Oversight Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 303, Legislative Office Building  
Raleigh, NC 27603-5925

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 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 11F.2.(c).

The information provided identifies Single Stream Fund expenditures by LME-MCO with a State average and benchmark for spending expectations by March 2018. The benchmark for the expected single stream funding expenditure for this portion of the fiscal year is 75% of the total annual allocation. The statewide average is on target at 77.7%.

The Department has contacted each of the three LME-MCOs with totals below the target: Alliance, Eastpointe and Trillium. One factor that continues to affect all three is the increase in federal funds associated with the opioid crisis response. The funding hierarchy requires federal dollars to be expended first. These three LME-MCOs have a higher percentage of federal funding, thereby requiring additional time authorizing services paid for with federal funds prior to using single stream funding.

Trillium has spent \$3,574,282 through March 31, 2018 in Medicaid funds for services for clients with Intellectual Developmental Disabilities who were previously receiving State funded services (IDD funds that were decreased). These funds were spent from Trillium's fund balance and have allowed the same individuals

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TEL 919-855-4800 • FAX 919-715-4645

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to continue with basically the same services, through a Division of Medical Assistance (DMA) approved "in lieu of" service.

The Department continues to work with all LME-MCOs and to monitor their use of single stream funds. The attached graph for the report demonstrates the individual LME-MCOs performance compared to the static targeted expenditures expectation.

Should you have any questions, please contact Kody Kinsley, Interim Director for the Division of Mental Health, Developmental Disabilities and Substance Abuse Services, at (919) 733-7011.

Sincerely,



 Mandy Cohen, MD, MPH  
Secretary

Attachment

|     |                     |                    |                      |               |
|-----|---------------------|--------------------|----------------------|---------------|
| cc: | Matt Gross          | LT McCrimmon       | Dave Richard         | Rod Davis     |
|     | Kody Kinsley        | Marjorie Donaldson | reports@ncleg.net    | Joyce Jones   |
|     | Kolt Ulm            | Steve Owen         | Lisa Wilks           | Erin Matteson |
|     | Marta T. Hester     | Denise Thomas      | Leah Burns           | Mark Benton   |
|     | Susan Perry-Manning | Theresa Matula     | Christen Linke Young |               |



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SECRETARY

May 21, 2018

### SENT VIA ELECTRONIC MAIL

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

Dear Director Trogon:

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 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 11F.2.(c).

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Sincerely,

*Mark T. Benton*

*for* Mandy Cohen, MD, MPH  
Secretary

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## FY18 - Reported Expenditures of Single Stream Funds by LME/MCO

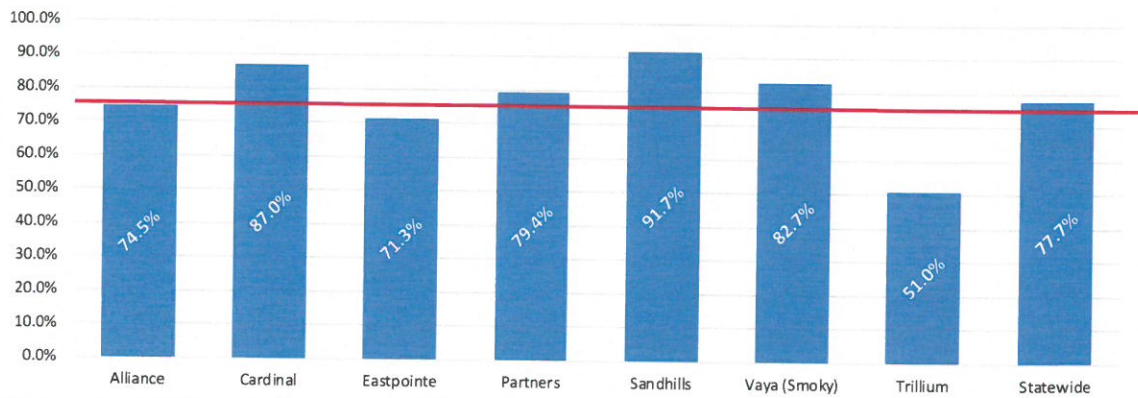
Reported Expenditures through month: **March**

Current Month Target %: **75% 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         | \$ 28,726,087          | \$ 23,081,665         | \$ 38,535,086         | 124%                       | 74.5%                             |
| Cardinal         | \$ 61,031,634          | \$ 64,241,755         | \$ 70,113,612         | 95%                        | 87.0%                             |
| Eastpointe       | \$ 16,705,358          | \$ 18,058,472         | \$ 23,424,987         | 93%                        | 71.3%                             |
| Partners         | \$ 22,545,579          | \$ 25,095,611         | \$ 28,392,683         | 90%                        | 79.4%                             |
| Sandhills        | \$ 23,406,581          | \$ 15,167,753         | \$ 25,521,488         | 154%                       | 91.7%                             |
| Vaya (Smoky)     | \$ 34,649,868          | \$ 43,186,473         | \$ 41,883,208         | 80%                        | 82.7%                             |
| Trillium         | \$ 18,928,287          | \$ 40,175,266         | \$ 37,147,697         | 47%                        | 51.0%                             |
| <b>Statewide</b> | <b>\$ 205,993,395</b>  | <b>\$ 229,006,995</b> | <b>\$ 265,018,761</b> | <b>90%</b>                 | <b>77.7%</b>                      |

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

### FY18 YTD - Reported Single Stream Expenditures as % of Annual Service Requirement



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

4/20/2018

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.