



STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

July 25, 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 April 2018. The benchmark for the expected single stream funding expenditure for this portion of the fiscal year is 83% of the total annual allocation. The statewide average is on target at 86.4%.

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. The attached addendum provides additional explanation for the status of the single stream funding for Trillium as the LME/MCO with the least apparent single stream funds expenditures.

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 Senior Director for the Division of Mental Health, Developmental Disabilities and Substance Abuse Services, at (919) 733-7011.

Sincerely,



b6- Mandy Cohen, MD, MPH
Secretary

Attachment

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



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SENT VIA ELECTRONIC MAIL

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

Dear Director Trogon:

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FY18 Expenditures of Single Stream Funds by LME/MCO
Report Month: June 2018, Reported Expenditures through: April 2018

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

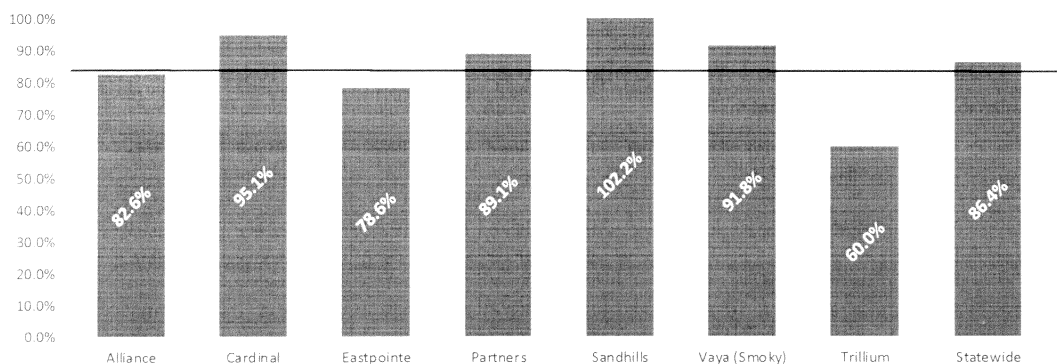
Reported Expenditures through month: **April**

Current Month Target %: **83% 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	\$ 31,819,557	\$ 23,081,665	\$ 38,535,086	138%	82.6%
Cardinal	\$ 66,669,997	\$ 64,241,755	\$ 70,113,612	104%	95.1%
Eastpointe	\$ 18,412,754	\$ 18,058,472	\$ 23,424,987	102%	78.6%
Partners	\$ 25,308,794	\$ 25,095,611	\$ 28,392,683	101%	89.1%
Sandhills	\$ 26,086,358	\$ 15,167,753	\$ 25,521,488	172%	102.2%
Vaya (Smoky)	\$ 38,438,283	\$ 43,186,473	\$ 41,883,208	89%	91.8%
Trillium	\$ 22,274,348	\$ 40,175,266	\$ 37,147,697	55%	60.0%
Statewide	\$ 229,010,090	\$ 229,006,995	\$ 265,018,761	100%	86.4%

* 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.

5/21/2018

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.

June 2018 Addendum

The June 2018 Single Stream report, which depicts data from expenditures through April of 2018, reports that the Trillium MCO has spent fifty-five percent (55%) of the Single Stream funds allocated for services. This is in contrast to the other LME/MCOs, which have met, or exceeded, the target expenditure percentage for this portion of the fiscal year. This apparent reduction in use of Single Stream funds is attributable to two (2) key factors and does not represent that services have been reduced. Trillium has budgeted funds to invest in innovative pilot Medicaid services funded from their reserves, and prioritized services in response to the opioid crisis.

In SFY18, Trillium was allocated \$14.9 million more for services than the previous fiscal year. The make-up of the funds was an additional \$11.7 million in Single Stream funding appropriated as a rebalance of previous funding reductions, \$2.4 million in federal Opioid State Targeted Response (STR)

grant dollars, and \$856,627 more in regular substance abuse block grant funds. Only Cardinal received more STR funding.

The federal STR funds to address the opioid crisis are only available for a limited time and the spending of these funds for substance abuse services was identified as the top priority within the DDHS billing hierarchy. Trillium used these funds to serve 1,278 persons who were not previously receiving services for opioid use disorders. Federal block grant funds are identified as the second priority for spend within the services payment system. Single Stream funding is always the “funding of last resort” meaning that all of the STR and federal block grant funds must be expended for services prior to the LME/MCOs ability to demonstrate payment of services with Single Stream funding.

Trillium worked in conjunction with the Division of Medical Assistance (DMA) to establish a pilot for expanding services to assist consumers with IDD. The addition of these services expanded services to recipients that were not currently receiving Medicaid services. Trillium utilized Medicaid earnings from prior year to off-set this additional expense. The additional services served over 348 adults with IDD who were previously receiving services paid for through Single Stream Funding.

By April of 2018 Trillium had expended all of the STR and block grant funding allocated for services. In order to support the ongoing treatment commitment represented by those funds, payments for STR and block grant funds supported services provided in May and June will draw from their Single Stream Funds allocation. Trillium is contracting for housing supports to be available to adults with IDD, and strategically considering other sustainable services and supports for the citizens in their catchment area. Given these efforts to provide maximum service to the citizens in their catchment area it is difficult, at this time, to calculate how much of the Single Stream Funds may remain at the close of the fiscal year.