



**North Carolina Department of Health and Human Services  
Division of Medical Assistance**

Roy Cooper  
Governor

Dr. Mandy Cohen, M.D., MPH  
Secretary DHHS

Dave Richard  
Deputy Secretary for Medical Assistance

June 29, 2017

Dr. 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 August 1, 2017.

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, VayaHealth, and Trillium.

At this time, based on the attached records, the Division of Medical Assistance (DMA) is attesting that all seven organizations are appropriate for certification. Additionally, the Intradepartmental Monitoring Team (including DMA and 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,

A handwritten signature in blue ink, appearing to read "Dave Richard".

Dave Richard

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Claims Accuracy and Timeliness Review: Summary Findings						
Audit Type	Timeliness of Provider Payment (Within 30 days)		Claims Processing Accuracy		Financial Accuracy	
LME-MCO	Result	Finding	Result	Finding	Result	Finding
Alliance	99.85%	Compliant	99.93%	Compliant	99.96%	Compliant
Cardinal Innovations	99.80%	Compliant	99.76%	Compliant	99.92%	Compliant
Eastpointe	99.97%	Compliant	99.90%	Compliant	99.99%	Compliant
Partners Behavioral Healthcare	99.99%	Compliant	99.96%	Compliant	99.98%	Compliant
Sandhills Center	99.90%	Compliant	99.80%	Compliant	99.96%	Compliant
Vaya Health	99.92%	Compliant	99.87%	Compliant	99.96%	Compliant
Trillium Health Resources	99.95%	Compliant	99.86%	Compliant	99.93%	Compliant

Data is based on a statistical sample of Medicaid claims processed between September 2016 through February 2017 for each LME-MCO.

Solvency Review: Current Ratio Summary Findings												
Month	September		October		November		December		January		February	
LME-MCO	Result	Compliant	Result	Compliant	Result	Compliant	Result	Compliant	Result	Compliant	Result	Compliant
Alliance	3.09	Yes	3.23	Yes	3.68	Yes	2.97	Yes	3.80	Yes	3.87	Yes
Cardinal Innovations	3.53	Yes	3.60	Yes	3.78	Yes	3.23	Yes	3.50	Yes	3.69	Yes
Eastpointe	3.16	Yes	3.20	Yes	3.69	Yes	3.29	Yes	3.63	Yes	3.49	Yes
Partners Behavioral Healthcare	4.53	Yes	4.05	Yes	5.92	Yes	3.67	Yes	4.51	Yes	4.08	Yes
Sandhills Center	8.82	Yes	8.86	Yes	9.35	Yes	7.40	Yes	8.83	Yes	9.10	Yes
Vaya Health	3.32	Yes	3.15	Yes	3.68	Yes	3.22	Yes	3.81	Yes	3.83	Yes
Trillium Health Resources	3.86	Yes	3.68	Yes	3.83	Yes	3.17	Yes	3.64	Yes	3.03	Yes

Data is based on financial information combined for State and Medicaid funds from September 2016 through February 2017 for each LME-MCO.



Solvency Review: Total Expenses to Total Medicaid Revenue Summary Findings												
Month	September		October		November		December		January		February	
LME-MCO	Result	Compliant	Result	Compliant	Result	Compliant	Result	Compliant	Result	Compliant	Result	Compliant
Alliance	95%	Yes	85%	Yes	88%	Yes	111%	No	80%	Yes	9%	Yes
Cardinal Innovations	87%	Yes	89%	Yes	98%	Yes	99%	Yes	91%	Yes	94%	Yes
Eastpointe	90%	Yes	94%	Yes	97%	Yes	92%	Yes	97%	Yes	96%	Yes
Partners Behavioral Healthcare	106%	No	97%	Yes	96%	Yes	97%	Yes	91%	Yes	99%	Yes
Sandhills Center	90%	Yes	93%	Yes	99%	Yes	93%	Yes	98%	Yes	90%	Yes
Vaya Health	95%	Yes	98%	Yes	94%	Yes	92%	Yes	99%	Yes	87%	Yes
Trillium Health Resources	114%	No	102%	No	107%	No	103%	No	108%	No	117%	No

Data is based on financial information combined for State and Medicaid funds from September 2016 through February 2017 for each LME-MCO.

Solvency Review: Defensive Interval Summary Findings												
Month	September		October		November		December		January		February	
LME-MCO	Result	Compliant	Result	Compliant	Result	Compliant	Result	Compliant	Result	Compliant	Result	Compliant
Alliance	100.85	Yes	122.24	Yes	109.10	Yes	102.70	Yes	120.63	Yes	100.78	Yes
Cardinal Innovations	103.27	Yes	110.62	Yes	96.95	Yes	100.69	Yes	104.58	Yes	95.29	Yes
Eastpointe	89.54	Yes	93.38	Yes	81.04	Yes	99.36	Yes	79.31	Yes	79.76	Yes
Partners Behavioral Healthcare	98.10	Yes	100.30	Yes	119.80	Yes	99.51	Yes	95.08	Yes	85.66	Yes
Sandhills Center	182.43	Yes	211.26	Yes	167.27	Yes	185.49	Yes	159.62	Yes	166.30	Yes
Vaya Health	91.99	Yes	94.04	Yes	79.42	Yes	100.75	Yes	90.37	Yes	87.12	Yes
Trillium Health Resources	82.69	Yes	91.91	Yes	79.78	Yes	87.10	Yes	76.09	Yes	60.16	Yes

Data is based on financial information combined for State and Medicaid funds from September 2016 through February 2017 for each LME-MCO.

HIPAA Transaction Review: Summary Findings					
Audit Type	Enrollment (820)	Health Care Claim Transaction Set (837i and 837p)	Health Care Claim Payment / Advice Transaction Set (835)	Benefit Enrollment and Maintenance Set (834)	Health Care Eligibility / Benefit Inquiry and Response (270/271)
LME-MCO	Finding	Finding	Finding	Finding	Finding
Alliance	Compliant	Compliant	Compliant	Compliant	Compliant
Cardinal Innovations	Compliant	Compliant	Compliant	Compliant	Compliant
Eastpointe	Compliant	Compliant	Compliant	Compliant	Compliant
Partners Behavioral Healthcare	Compliant	Compliant	Compliant	Compliant	Not Compliant
Sandhills Center	Compliant	Compliant	Compliant	Compliant	Compliant
Vaya Health	Compliant	Compliant	Compliant	Compliant	Compliant
Trillium Health Resources	Compliant	Compliant	Compliant	Compliant	Compliant

Data is based on a statistical sample of Medicaid claims processed from September 2016 through February 2017 for each LME-MCO.

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