



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Medical Assistance

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

DAVE RICHARD • Deputy Secretary

June 20, 2018

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, 2018.

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,

Dave Richard
Deputy Secretary for Medical Assistance

Attachments

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF MEDICAL ASSISTANCE

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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						
Alliance	99.86%	Compliant	99.97%	Compliant	99.94%	Compliant
Cardinal Innovations	99.90%	Compliant	99.97%	Compliant	99.97%	Compliant
Eastpointe	99.93%	Compliant	100.00%	Compliant	100.00%	Compliant
Partners Behavioral Healthcare	99.94%	Compliant	100.00%	Compliant	100.00%	Compliant
Sandhills Center	99.96%	Compliant	99.93%	Compliant	99.96%	Compliant
Vaya Health	99.97%	Compliant	100.00%	Compliant	99.98%	Compliant
Trillium Health Resources	100.00%	Compliant	99.41%	Compliant	99.66%	Compliant

Note: Data is based on a statistical sample of Medicaid claims processed between September 2017 through February 2018 for each LME-MCO.

Solvency Review: Current Ratio Summary Findings												
Month	September		October		November		December		January		February	
LME-MCO												
Alliance	3.43	Yes	3.78	Yes	3.75	Yes	3.23	Yes	3.54	Yes	3.72	Yes
Cardinal Innovations	4.15	Yes	4.44	Yes	4.12	Yes	4.05	Yes	3.75	Yes	3.95	Yes
Eastpointe	3.09	Yes	3.26	Yes	3.03	Yes	2.66	Yes	2.92	Yes	2.71	Yes
Partners Behavioral Healthcare	4.46	Yes	5.06	Yes	4.70	Yes	3.82	Yes	4.78	Yes	4.23	Yes
Sandhills Center	7.61	Yes	8.31	Yes	7.93	Yes	6.44	Yes	8.50	Yes	8.85	Yes
Vaya Health	3.22	Yes	3.42	Yes	3.44	Yes	2.83	Yes	3.27	Yes	3.31	Yes
Trillium Health Resources	2.57	Yes	2.67	Yes	2.36	Yes	2.14	Yes	1.84	Yes	1.88	Yes

Note: Data is based on financial information combined for State and Medicaid funds from September 2017 through February 2018 for each LME-MCO.

Solvency Review: Total Expenses to Total Medicaid Revenue Summary Findings												
Month	September		October		November		December		January		February	
LME-MCO												
Alliance	99%	Yes	100%	No	90%	Yes	92%	Yes	109%	No	90%	Yes
Cardinal Innovations	95%	Yes	100%	Yes	103%	No	95%	Yes	105%	No	97%	Yes
Eastpointe	91%	Yes	96%	Yes	93%	Yes	97%	Yes	96%	Yes	94%	Yes
Partners Behavioral Healthcare	93%	Yes	94%	Yes	100%	No	101%	No	99%	Yes	109%	No
Sandhills Center	90%	Yes	111%	No	93%	Yes	86%	Yes	103%	No	77%	Yes
Vaya Health	100%	No	96%	Yes	93%	Yes	101%	No	100%	Yes	97%	Yes
Trillium Health Resources	96%	Yes	108%	No	111%	No	94%	Yes	123%	No	70%	Yes

Note: Data is based on financial information combined for State and Medicaid funds from September 2017 through February 2018 for each LME-MCO.

Solvency Review: Defensive Interval Summary Findings												
Month	September		October		November		December		January		February	
LME-MCO												
Alliance	105.20	Yes	91.67	Yes	95.68	Yes	103.59	Yes	92.44	Yes	96.37	Yes
Cardinal Innovations	52.37	Yes	96.17	Yes	91.58	Yes	107.08	Yes	87.72	Yes	88.71	Yes
Eastpointe	105.85	Yes	103.46	Yes	108.22	Yes	117.68	Yes	109.64	Yes	105.35	Yes
Partners Behavioral Healthcare	101.80	Yes	94.21	Yes	95.72	Yes	98.64	Yes	92.16	Yes	85.00	Yes
Sandhills Center	163.33	Yes	154.10	Yes	162.33	Yes	195.85	Yes	163.21	Yes	177.11	Yes
Vaya Health	85.11	Yes	84.33	Yes	86.24	Yes	89.56	Yes	84.28	Yes	90.21	Yes
Trillium Health Resources	60.01	Yes	56.66	Yes	55.91	Yes	75.01	Yes	48.03	Yes	52.30	Yes

Note: Data is based on financial information combined for State and Medicaid funds from September 2017 through February 2018 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					
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	Compliant
Sandhills Center	Compliant	Compliant	Compliant	Compliant	Compliant
Vaya Health	Compliant	Compliant	Compliant	Compliant	Compliant
Trillium Health Resources	Compliant	Compliant	Compliant	Compliant	Compliant

Note: Data is based on a statistical sample of Medicaid claims processed from September 2017 through February 2018 for each LME-MCO.

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