



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Health Benefits

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

DAVE RICHARD • Deputy Secretary, NC Medicaid

July 28, 2020

Secretary Mandy Cohen, M.D., MPH
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, 2020.

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, Vaya Health, and Trillium.

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

DocuSigned by:

Dave Richard

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Dave Richard

Deputy Secretary for NC Medicaid

Attachments

NC MEDICAID

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH BENEFITS

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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 Health	99.80%	Compliant	99.92%	Compliant	99.97%	Compliant
Cardinal Innovations	99.99%	Compliant	99.98%	Compliant	99.99%	Compliant
Eastpointe Behavioral Health	100%	Compliant	100%	Compliant	100%	Compliant
Partners Behavioral Healthcare	99.99%	Compliant	99.99%	Compliant	99.99%	Compliant
Sandhills Center	100%	Compliant	100%	Compliant	100%	Compliant
Trillium Health Resources	100%	Compliant	99.90%	Compliant	99.96%	Compliant
Vaya Health	100%	Compliant	99.99%	Compliant	100%	Compliant

Data is based on a statistical sample of Medicaid claims processed between September 2019 through February 2020 for each LME/MCO.

Solvency Review: Current Ratio Summary Findings												
Month	September		October		November		December		January		February	
LME/MCO												
Alliance Health	2.12	Yes	2.30	Yes	2.11	Yes	2.03	Yes	2.17	Yes	2.22	Yes
Cardinal Innovations	2.12	Yes	2.00	Yes	2.27	Yes	2.29	Yes	2.27	Yes	2.31	Yes
Eastpointe Behavioral Health	3.68	Yes	3.33	Yes	3.03	Yes	3.24	Yes	1.75	Yes	1.74	Yes
Partners Behavioral Healthcare	1.10	Yes	1.06	Yes	.96	No	1.02	Yes	1.03	Yes	1.03	Yes
Sandhills Center	4.67	Yes	4.60	Yes	4.37	Yes	3.78	Yes	3.77	Yes	3.97	Yes
Trillium Health Resources	2.23	Yes	1.90	Yes	1.82	Yes	1.54	Yes	1.55	Yes	1.68	Yes
Vaya Health	2.95	Yes	3.01	Yes	2.99	Yes	2.80	Yes	2.97	Yes	2.88	Yes

Data is based on financial information combined for State and Medicaid funds from September 2019 through February 2020 for each LME/MCO.

Solvency Review: Total Expenses to Total Medicaid Revenue Summary Findings												
Month	September		October		November		December		January		February	
LME/MCO												
Alliance Health	100%	Yes	93%	Yes	102%	No	94%	Yes	91%	Yes	92%	Yes
Cardinal Innovations	94.91%	Yes	106.74%	No	92.77%	Yes	99.81%	Yes	101.91%	No	93.28%	Yes
Eastpointe Behavioral Health	97%	Yes	95%	Yes	97%	Yes	97%	Yes	101%	No	97%	Yes
Partners Behavioral Healthcare	99%	Yes	99%	Yes	103%	No	98%	Yes	102%	No	103%	No
Sandhills Center	97%	Yes	110%	No	91%	Yes	98%	Yes	101%	No	87%	Yes
Trillium Health Resources	93%	Yes	116%	No	93%	Yes	99%	Yes	105%	No	90%	Yes
Vaya Health	97%	Yes	101%	No	96%	Yes	98%	Yes	99%	Yes	95%	Yes

Data is based on financial information combined for State and Medicaid funds from September 2019 through February 2020 for each LME/MCO.

Solvency Review: Defensive Interval Summary Findings												
Month	September		October		November		December		January		February	
LME-MCO												
Alliance Health	47.67	Yes	50.42	Yes	48.03	Yes	56.94	Yes	54.17	Yes	50.74	Yes
Cardinal Innovations	40.06	Yes	36.16	Yes	51.15	Yes	52.55	Yes	50.75	Yes	54.12	Yes
Eastpointe Behavioral Health	84.33	Yes	62.42	Yes	71.10	Yes	87.83	Yes	33.54	Yes	32.00	Yes
Partners Behavioral Healthcare	34.58	Yes	30.17	Yes	26.67	No	32.32	Yes	29.63	No	29.82	No
Sandhills Center	103.39	Yes	89.74	Yes	89.33	Yes	89.40	Yes	83.77	Yes	84.38	Yes
Trillium Health Resources	56.64	Yes	44.69	Yes	43.19	Yes	42.49	Yes	37.00	Yes	41.51	Yes
Vaya Health	66.45	Yes	63.52	Yes	62.54	Yes	65.71	Yes	64.73	Yes	62.54	Yes

Data is based on financial information combined for State and Medicaid funds from September 2019 through February 2020 for each LME/MCO.

HIPAA Transaction Review: Summary Findings					
Audit Type	Enrollment (820)	Benefit Enrollment and Maintenance Set (834)	Health Care Claim Transaction Set (837i and 837p)	Health Care Claim Payment / Advice Transaction Set (835)	Health Care Eligibility / Benefit Inquiry and Response (270/271)
LME-MCO					
Alliance Health	Compliant	Compliant	Compliant	Compliant	Compliant
Cardinal Innovations	Compliant	Compliant	Compliant	Compliant	Compliant
Eastpointe Behavioral Health	Compliant	Compliant	Compliant	Compliant	Compliant
Partners Behavioral Healthcare	Compliant	Compliant	Compliant	Compliant	Compliant
Sandhills Center	Compliant	Compliant	Compliant	Compliant	Compliant
Trillium Health Resources	Compliant	Compliant	Compliant	Compliant	Compliant
Vaya Health	Compliant	Compliant	Compliant	Compliant	Compliant

Data is based on a statistical sample of Medicaid claims processed from September 2019 through February 2020 for each LME/MCO.

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