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STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

April 20, 2020

SENT VIA ELECTRONIC MAIL

The Honorable Josh Dobson, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 307B, Legislative Office Building
Raleigh, NC 27603-5925

The Honorable Joyce Krawiec, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 308, Legislative Office Building
Raleigh, NC 27603-5925

The Honorable Donny Lambeth, 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 2017-57, Section 11F.2.(c), requires the Department of Health and Human Services ("Department") to modify the monthly reporting package submitted by the Local Management Entities-Managed Care Organizations (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.

The Secretary of Health and Human Services has the authority to allocate Single Stream Funds to the LME/MCOs and can adjust the specified recurring and nonrecurring reductions among the LME/MCOs. Under this authority, DMH/DD/SAS has, as of December 2019, rebased the single stream funding to equitably spread dollars across the LME/MCOs. Further details on the methodology behind this rebase are in the Department's report, sent December 17, 2019 to the Joint Legislative Oversight Committee on Health and Human Services and Fiscal Research Division, titled *Single Stream Funding Rebase*. DMH/DD/SAS sent additional allocation letters to the LME/MCOs in January 2020, to allocate the remainder of the available single stream funds that were not allocated in the December 2019 rebase; however the methodology for how to distribute those dollars was the same as what was used for the December 2019 rebase. Before the December 2019 rebase, the LME/MCOs had been receiving monthly Single Stream Fund allocations based on funding levels from State Fiscal Year 2018–19.

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The Department is working with the LME/MCOs to ensure the new allocations are fully utilized over this fiscal year. However, this recent rebasing can account for some of the current variability in "target" spending rates among the LME/MCOs.

Should you have any questions, please contact Kody Kinsley, Deputy Secretary for Behavioral Health and IDD, at (919) 733-7011.

Sincerely,

Mandy Cohen, MD, MPH
Secretary

DocuSigned by:
D7816E4CBA6F4A8...
Kody H. Kinsley
Deputy Secretary for Behavioral Health & IDD
North Carolina Department of Health and Human Services

cc:

Kody Kinsley	Susan G. Perry	Dave Richard	Ben Money
Tara Myers	Rob Kindsvatter	Marjorie Donaldson	Zack Wortman
Matt Gross	Hattie Gawande	Joyce Jones	Lisa Wilks
Katherine Restrepo	Jared Simmons	Deborah Landry	Luke MacDonald
Erin Matteson	Theresa Matula	Mark Collins	Jessica Meed
reports@ncleg.net			

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SECRETARY

April 20, 2020

SENT VIA ELECTRONIC MAIL

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

Dear Director Trogdon:

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North Carolina Department of Health and Human Services

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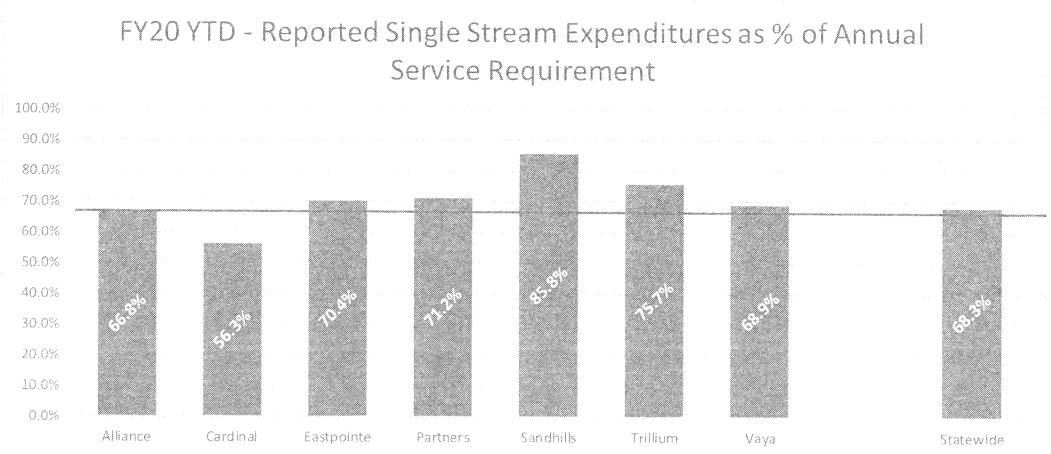
FY20 Expenditures of Single Stream Funds by LME/MCO
Report Month: April 2020, Reported Expenditures Through: February 2020

FY20 - Reported Expenditures of Single Stream Funds by LME/MCO

Reported Expenditures through month: **February** Current Month Target %: 66.7% 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	$ 25,755,107	$ 45,673,951	$ 38,535,086	56%	66.8%
Cardinal	$ 39,473,547	$ 87,261,968	$ 70,113,612	45%	56.3%
Eastpointe	$ 15,192,884	$ 23,131,049	$ 21,572,071	66%	70.4%
Partners	$ 22,066,159	$ 30,798,429	$ 30,990,208	72%	71.2%
Sandhills	$ 21,893,834	$ 34,872,503	$ 25,521,488	63%	85.8%
Trillium	$ 29,538,541	$ 39,000,613	$ 39,000,613	76%	75.7%
Vaya	$ 27,086,267	$ 45,658,886	$ 39,285,683	59%	68.9%
Statewide	**$ 181,006,340**	**$ 306,397,399**	**$ 265,018,761**	**59%**	**68.3%**

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



Notes: The NonUCR portion of Single Stream Earnings is based on unaudited self-report from LME/MCOs. 3/23/2020

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.