STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER  MANDY COHEN, MD, MPH
GOVERNOR  SECRETARY

April 15, 2019

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 Chairman:

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 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 information provided identifies Single Stream Fund expenditures by LME-MCO with a State average and benchmark for spending expectations through February 2019. The benchmark for the expected single stream funding expenditure for this portion of the fiscal year is 67% of the total annual allocation. The statewide average at this time is 71.1%. Expenditures in the early part of the fiscal year are designed to draw from federal funds prior to the use of state single stream funding. The reports of spending are consistent with state funding expenditures in previous years for this timeframe and the Department anticipates the single stream funding will be accessed increasingly during the year. Due to Hurricane Florence and Michael, Trillium and Eastpointe saw depressed claims for approximately 6 weeks while the hurricane disrupted services. However, we expect a significant amount of catch-up claims in the wake of the storm, and for the next several months.

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. The statewide average for spending is above the target for this portion of the fiscal year.

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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER
Should you have any questions, please contact Kody Kinsley, Deputy Secretary for Behavioral Health and Intellectual/Developmental Disabilities, at (919) 733-7011.

Sincerely,

Mandy Cohen, MD, MPH
Secretary

cc:        Matt Gross
          Kody Kinsley
          Katherine Restrepo
          Denise Thomas
          Susan Perry-Manning
          Jessica Meed

          LT McCrimmon
          Marjorie Donaldson
          Steve Owen
          Mark Benton
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          reports@ncleg.net

          Dave Richard
          Rob Kindsvatter
          Lisa Wilks
          Theresa Matula
          Deborah Landry

          Rod Davis
          Joyce Jones
          Erin Matteson
          Tara Myers
          Mark Collins
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DEPARTMENT OF HEALTH AND HUMAN SERVICES

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GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

April 15, 2019

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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    Susan Perry-Manning  Zack Wortman  Deborah Landry  Mark Collins
    Jessica Meed  reports@ncleg.net
FY19 Expenditures of Single Stream Funds by LME/MCO
Report Month: April 2019, Reported Expenditures Through: February 2019

FY19 - Reported Expenditures of Single Stream Funds by LME/MCO
Reported Expenditures through month: February    Current Month Target %: 67% or more

<table>
<thead>
<tr>
<th>LME/MCO</th>
<th>Reported SS Earnings *</th>
<th>SS Allocation</th>
<th>Service Level Req.</th>
<th>Reported SS as % of Alloc*</th>
<th>Reported SS as % of Svc Level Req</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alliance</td>
<td>$29,469,430</td>
<td>$13,372,873</td>
<td>$38,535,086</td>
<td>220%</td>
<td>76.5%</td>
</tr>
<tr>
<td>Cardinal</td>
<td>$52,038,989</td>
<td>$42,169,478</td>
<td>$70,113,612</td>
<td>123%</td>
<td>74.2%</td>
</tr>
<tr>
<td>Eastpointe</td>
<td>$13,602,395</td>
<td>$17,077,566</td>
<td>$21,572,071</td>
<td>80%</td>
<td>63.1%</td>
</tr>
<tr>
<td>Partners</td>
<td>$21,208,097</td>
<td>$22,858,068</td>
<td>$28,392,683</td>
<td>93%</td>
<td>74.7%</td>
</tr>
<tr>
<td>Sandhills</td>
<td>$23,144,373</td>
<td>$13,376,954</td>
<td>$25,521,488</td>
<td>173%</td>
<td>90.7%</td>
</tr>
<tr>
<td>Vaya (Smoky)</td>
<td>$29,882,932</td>
<td>$45,719,163</td>
<td>$41,883,208</td>
<td>65%</td>
<td>71.3%</td>
</tr>
<tr>
<td>Trillium</td>
<td>$19,064,542</td>
<td>$50,633,839</td>
<td>$39,000,613</td>
<td>38%</td>
<td>48.9%</td>
</tr>
<tr>
<td>Statewide</td>
<td>$188,410,738</td>
<td>$205,207,941</td>
<td>$265,018,761</td>
<td>92%</td>
<td>71.1%</td>
</tr>
</tbody>
</table>

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

FY19 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.
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.