The Honorable Josh Dobson, Chair  
Joint Legislative Oversight Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 301N, Legislative Office Building  
Raleigh, NC 27603-5925

The Honorable Louis Pate, Chair  
Joint Legislative Oversight Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 311, Legislative Office Building  
Raleigh, NC 27603-5925

Dear Chairmen:

North Carolina Session Law 2015-241, Section 12F.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. This requirement is continued under Session Law 2017-57, Section 11F.2.(c).

The information provided identifies Single Stream Fund expenditures by LME-MCO with a State average and benchmark for spending expectations through October 2018. The benchmark for the expected single stream funding expenditure for this portion of the fiscal year is 33% of the total annual allocation. The statewide average at this time is 35.7%. 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.

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.
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
    Marta T. Hester
    Susan Perry-Manning
    Deborah Landry
    LT McCrimmon
    Marjorie Donaldson
    Steve Owen
    Denise Thomas
    Theresa Matula
    Mark Collins
    Dave Richard
    reports@ncleg.net
    Lisa Wilks
    Leah Burns
    Zack Wortman
    Jessica Meed
    Rod Davis
    Joyce Jones
    Erin Matteson
    Mark Benton
    Tara Myers
State of North Carolina
Department of Health and Human Services

December 17, 2018

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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    Mark Benton
    Tara Myers
FY19 Expenditures of Single Stream Funds by LME/MCO
Report Month: December 2018, Reported Expenditures Through: October 2018

<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>$ 15,656,014</td>
<td>$ 13,372,873</td>
<td>$ 38,535,086</td>
<td>117%</td>
<td>40.6%</td>
</tr>
<tr>
<td>Cardinal</td>
<td>$ 26,567,075</td>
<td>$ 42,169,478</td>
<td>$ 70,113,612</td>
<td>63%</td>
<td>37.9%</td>
</tr>
<tr>
<td>Eastpointe</td>
<td>$ 6,013,090</td>
<td>$ 17,077,566</td>
<td>$ 23,424,987</td>
<td>35%</td>
<td>25.7%</td>
</tr>
<tr>
<td>Partners</td>
<td>$ 10,923,497</td>
<td>$ 22,858,068</td>
<td>$ 28,392,683</td>
<td>48%</td>
<td>38.5%</td>
</tr>
<tr>
<td>Sandhills</td>
<td>$ 10,969,592</td>
<td>$ 13,376,954</td>
<td>$ 25,521,488</td>
<td>82%</td>
<td>43.0%</td>
</tr>
<tr>
<td>Vaya (Smoky)</td>
<td>$ 16,942,504</td>
<td>$ 45,719,163</td>
<td>$ 41,883,208</td>
<td>37%</td>
<td>40.5%</td>
</tr>
<tr>
<td>Trillium</td>
<td>$ 7,603,483</td>
<td>$ 50,633,839</td>
<td>$ 37,147,697</td>
<td>15%</td>
<td>20.5%</td>
</tr>
<tr>
<td>Statewide</td>
<td>$ 94,675,255</td>
<td>$ 205,207,941</td>
<td>$ 265,018,761</td>
<td>46%</td>
<td>35.7%</td>
</tr>
</tbody>
</table>

* Single Stream earnings may exceed allocation, but payments are capped Pink 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.

11/27/2018