



PARTNERS
Improving Lives. Strengthening Communities.
Board of Directors Meeting
Zoom Meeting
October 15, 2020 - 6:00 PM
AGENDA

- I. CALL TO ORDER – Russ Perkins – Chair**
- II. AGENDA REVISIONS – Russ Perkins**
- III. CITIZEN RECOGNITION – Russ Perkins**
Persons wishing to appear before the Board of Directors during this portion of the meeting shall register their name and the subject they wish to address with the Clerk to the Board prior to the beginning of the meeting.
- IV. Approval of Previous Meeting Minutes – Russ Perkins**
 - A. Approval of September 17, 2020 Board meeting minutes Pgs. 2-8
- V. REPORTS – Russ Perkins**
 - A. Finance Committee Report – **Debra Cheek, Finance Committee Chair**
 - 1. CLA Audit Presentation
 - 2. Action Items
 - a. Approval of previous meeting minutes Pgs.9-11
 - b. Budget Revision #3 FY21 Pg. 12
 - 3. August 2020 Financial Statements – **Susan Lackey** Pgs. 13-21
 - 4. IT Equipment Upgrade – **Susan Lackey**
 - B. CFAC Report – **Linda McCrary**
 - C. Human Rights Committee 2019/2020 Annual Report – **Jane Hinson**
 - D. Provider Council President’s Report – **Beth Brown**
 - E. CEO Report – **Rhett Melton**
- VI. DISCUSSION AGENDA – Russ Perkins**
 - A. County Commissioner Advisory Committee Updates – **Russ Perkins**
 - B. Executive Dashboard Report – August 2020 – **Shireen Stone** Pgs. 22-27
 - C. Tailored Plan Update – **Rhett Melton**
- VII. CLOSED SESSION – Russ Perkins**
Pursuant to NC General Statute, Section 143-318.11, (a)(1); (a)(4); and 122C-126.1
- VIII. ADJOURNMENT – Russ Perkins**

Next Regular Meeting: November 19, 2020 – 6:00 PM



PARTNERS
 Improving Lives. Strengthening Communities.
Partners Board of Directors
Regular Meeting Minutes
September 17, 2020 - 6:00 PM

Partners Board of Directors met by means of a virtual Zoom/conference call for its regular monthly meeting.

Board Member Attendance

Commissioner Susan Allen	A	Mike Hoffman	A
Commissioner Kevin Austin	P	Commissioner Anita McCall	A
Commissioner Kitty Barnes	P	Linda McCrary	P
Beth Brown (non-voting)	A	Henry Morphis - <i>Vice Chair</i>	P
Commissioner Jeffrey Brittain	P	Barry Nelson (non-voting)	P
Hope E. Bryant	P	Commissioner Marvin Norman	A
Debra Cheek - <i>Treasurer</i>	P	David O'Connor	P
Daryl Cook	P	Russ Perkins – <i>Chair</i>	P
Steve Garrison	P	Joseph Ramey	P
Commissioner Bill Goins	P		
Jane Hinson	P		

Partners Staff Present

Rhett Melton	Chief Executive Officer
Shireen Stone	Chief Operating Officer
Susan Lackey	Chief Financial Officer
Andrew Walsh	Chief Legal Officer
Selenna Moss	Chief Performance and Compliance Officer
Tammy Pyles	Clerk to the Board
Kim Powell	Deputy Clerk to the Board

Others Present

Yvonne French	DHHS Liaison
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I. Call to Order

Chair Russ Perkins called the meeting to order at 6:00 p.m. Mr. Perkins stated for the record that Partners Board of Directors meeting is an open meeting and the line is open to the public. He noted that instructions to join the meeting are posted on the public website. A roll call was conducted to confirm attendance and new board member, David O'Connor was introduced. Mr. Perkins acknowledged those members who expressed an interest in and have been newly appointed or reappointed to committee service for FY21 and he presented the membership roster for each committee, which is attached hereto. Mr. Perkins informed the board of the resignation of Dr. Richard Merlo from Surry County.

II. Agenda Revisions

- A. There were no agenda revisions.

III. Citizen Recognition

- A. There were no citizens present for public comment.

IV. Consent Agenda

A. Previous Board Meeting Minutes

Minutes from the August 20, 2020 meeting were included in the board meeting agenda packet for approval. Chair Russ Perkins asked for a motion to approve the previous meeting minutes. Joe Ramey entered a motion and Kitty Barnes seconded. The floor was opened for discussion. There being no discussion, the motion carried unanimously.

V. Reports

- A. Finance Committee Report – Debra Cheek presented the Finance Committee Report which was included in the board meeting agenda packet.

1. Budget Revision #2 FY21 – Susan Lackey reviewed budget revision #2 which received prior approval from the Finance Committee. Debra Cheek set forth for board approval. Russ Perkins called for a vote. Following brief discussion about the distribution of funds related to the CARES Act, the motion carried unanimously.
2. July Financial Statements – Financial statements for July 2020, along with a detailed summary, were included as part of the board meeting agenda packet. Susan Lackey provided an overview of the Balance Sheet and Year-to-Date Income Statements, including Medicaid and non-Medicaid.

- B. Provider Council President's Report – In the absence of Beth Brown, there was no report.

- C. CFAC Report – Linda McCrary provided the following report:

- The CFAC met September 15, 2020, via Zoom.
- Russ Perkins attended the meeting along with Stacey Harward and Wes Rider from the State Community Engagement and Empowerment team. Wes and Stacey provided a training on Making Connections, designed to help CFAC find ways to increase and maintain membership and participation.
- An update to the bylaws was approved.
- A discussion was held regarding the possibility of adding Traumatic Brain Injury (TBI) as a 4th disability to be represented on CFAC. Currently the NC Statutes do not recognize TBI, but it was suggested that Partners CFAC take the lead by adding representation, hoping that the state will follow suit. The Community Involvement Committee, along with a few other members, will begin the exploration process.
- Vacancies remain for Substance Use in Lincoln, Catawba and Surry counties. Mental Health vacancies remain in Cleveland, Yadkin and Surry counties. I/DD vacancies remain in Rutherford and Surry counties.

- D. CEO Report – Rhett Melton provided the following information:

1. Local Updates

- a. Annual External Quality (EQR) Review – Mr. Melton reminded the board of the annual, required state-contracted onsite review that occurred July 29-30. He explained the scoring algorithm and discussed scores achieved in previous years. He commented that barring any conversation or appeals that may affect the final score, Partners did extremely well and achieved a score of ninety-five (95).
- b. National Association of Quality Assurance (NCQA) Review – Mr. Melton also reminded the board of the hard work Partners has done over the last several months in preparation to transition from URAC accreditation to the NCQA, which is the gold standard for managed care organizations, and is a requirement for Tailored Plan operations. The onsite review occurred July 20-21 and Partners achieved a score of ninety-six point seven (96.7), which the NCQA representative noted is one of the highest scores they have seen for an initial review for accreditation of an organization. He

noted this places Partners in a good position for additional levels of accreditation Partners may seek through the NCQA in the future.

- c. Covid-19 – Partners continues in *Partners Stage 1.5* with most people continuing to work remotely, which will continue until the risk is further minimized. He explained the daily Symptom Tracker System implemented by Partners HR Director, Libby McCraw that all staff members complete each day. This has proven to be a valuable tool in identifying risks and limiting the spread of the disease. Seven (7) staff members have tested positive; six (6) have fully recovered; one (1) is still symptomatic; and no staff members are currently hospitalized.
2. State Updates
 - a. CARES Act Funding – Mr. Melton explained that the additional estimated \$8M CARES Act funding will come to Partners through earnings. He discussed the significant reductions in allocations by the state over the last six years which have resulted in reduction of contracts to Partners providers for state funds. He noted that the CARES Act funding has filled the void for this fiscal year and enabled Partners to restore allocations to providers for FY21 to the FY20 levels. He noted that this funding is a one-time occurrence related to the Covid-19 pandemic and that Partners is working aggressively towards a permanent fix for this issue with legislators in preparation for the next fiscal year’s budget.

VI. Discussion Agenda

A. County Commissioner Advisory Committee – Behavioral Health Focused Updates

1. **Burke County** – Commissioner Jeff Brittain requested information about CFAC and Linda McCrary provided an overview on the purpose and functions of the Consumer and Family Advisory Committee (CFAC). Mr. Melton added historical points and noted that Partners, from its inception, recognized the significant value in the feedback and guidance from CFAC to Partners work and established an integral advisory relationship with CFAC long before it became a formal requirement. He acknowledged the CFAC representatives on Partners Board and thanked them for their service and value they bring to the organization.
Commissioner Brittain provided the following report:
 - a. After an interruption to this service, a Partners staff therapist has been embedded in the county’s department of social services. He added that the county is very pleased with this service.
2. **Catawba County** – Commissioner Kitty Barnes provided the following report:
 - a. The county continues to address Covid-19 issues, has received the CARES Act funds and have determined the 25% for various municipalities.
 - b. There are currently 2,895 positive cases; 51 deaths which were mainly people over age 75; and 15 people are currently hospitalized.
 - c. The county continues to see increased mental health issues, instability and frustration related to the pandemic and these folks are being referred to providers.
3. **Cleveland County** – In the absence of Commissioner Susan Allen no report was provided.
4. **Gaston County** – Commissioner designee Joseph Ramey provided the following report:
 - a. Covid-19 percentages are trending in the right direction; down to 8.1% after being as high as 11.5%.
 - b. A new program, Gaston Saves, has been rolled out to teach people about the importance of the CDC guidelines such as wearing a mask and hand washing, maintaining social distance, etc.
 - c. He is working with the Superior Court and Public Defender’s Office to have a Drug Court in place in the next 60 days.
5. **Iredell County** – In the absence of Commissioner Marvin Norman no report was provided.
6. **Lincoln County** – In the absence of Commissioner Anita McCall no report was provided.
7. **Rutherford County** – County Manager Steve Garrison provided the following report:
 - a. As with all counties, Rutherford continues to deal with Covid-19 continuity and planning. The county is fully exploring the new Community Development Block Grant (CDBG) CV (Coronavirus) Program to determine what opportunities exist for Rutherford County, which continues to be a

Tier 1 Commerce County with many needs, one of the biggest being substance addiction. He noted this concern was part of the transition to Partners and he requested that if Partners or any of the county representatives on Partners Board could share experiences and examples of what they are doing and who they are partnering with related to CDBG, writing and managing grants, etc. He asked that you send him a quick email about the multi-tiered CDBG Program, that provides funding for housing and other assistance and how your counties are utilizing the program. He mentioned that Burke and Rutherford Counties are members of the Gateway Foundation, a subsidiary of Dogwood Health Trust and he cited Pisgah Legal Services that other counties may be associated with. He noted that Rutherford County is taking a look at the Appalachian Regional Commission's INSPIRE initiative (Investments Supporting Partnerships in Recovery Ecosystems), and that the county is wanting to make sure that Rutherford can take advantage of programs that are available.

8. **Surry County** – Commissioner Bill Goins provided the following report:
 - a. The county continues to deal with the Covid-19 pandemic. He reported 1250 cases; 22 deaths; 1184 have recovered; and the health director feels good that the numbers are leveling off.
 - b. The county remains concerned about the impact Covid-19 has had on people staying at home and related increases in substance abuse, the opioid plight and overdoses.
9. **Yadkin County** – Commissioner Kevin Austin provided the following report:
 - a. He responded to Steve Garrison and suggested that Mr. Garrison contact Paige Worsham with NCACC.
 - b. He reported 700 Covid-19 cases which is a little more than 2% of the county's population. Of those 700 cases, 1% have passed away. The county has paid attention to the demographics of the people who have been affected and have reached out to vulnerable communities in the county.
 - c. Presently, the county is addressing back to school issues as schools are open. The county discussed the impact of in-person attendance at school on children's mental health and schools are being monitored for symptomatic people, positives, exposures and contact tracing.
- B. **Tailored Plan Update** – Rhett Melton stated that the Tailored Plan Request for Application (RFA) will be released on November 2, 2020 and is due back to the state on January 19, 2021. The Partners team has and will continue to work on the document through the holidays and expects the response to include 20 bound copies of 2,000-plus pages of the completed application. Although the time frame to completion of the RFA is short, the team is ready to compile and finalize the document for submission to the state. Work continues on large elements such as finalize decisions about a health plan partner, Pharmacy Benefit Manager (PBM) vendor relationship and Information Technology (IT) infrastructure - which is critical. Due diligence on these decisions continues to progress. The state has indicated they will announce their decision in mid-to-late May 2021 on awarding the 5-7 Tailored Plan contracts. He discussed expansion of services to additional counties if all seven current LME/MCOs are not awarded a Tailored Plan contract. He also explained the two books of business, including the NC Medicaid contract and the NC State Block Grant money which defines the distinction between the MCO status and the LME, as well as how those activities will be addressed in the Tailored Plan RFA. Lastly, he reported on identification and filling of key positions to round out the team in preparation for Tailored Plan operations. Brief discussion ensued about the number and process of Tailored Plan contracts that may be awarded by the state.
- C. **Executive Dashboard Report-July 2020** – The report was included as part of the board meeting agenda packet. Shireen Stone stated that not much has changed since the last report. She provided an overview of the dashboard, including annualized penetration rates by county and she explained increases in Medicaid penetration rates in Surry, Lincoln and Rutherford County compared to July 2019. She reviewed Super Measures data: Transitions to Community Living (TCL), Innovations, and Post-discharge Follow Up. She noted efforts to overcome hurdles related to Covid-19 that have impacted TCL and Post-discharge Follow Up, as well as claims. Brief discussion ensued and Shireen and Rhett explained transition of Usual and Customary Rates (UCR) to non-UCR dollars, block funds and related effects on claims data. Shireen noted that Partners continues to assist providers with corrections to claims so they can be paid.

- D. FY21 Strategic Plan Update – The report was included as part of the board meeting agenda packet. Chair Russ Perkins commented that Partners Strategic Plan updates will be provided to the board on a routine basis, with the next update due preferably in January 2021. Rhett Melton provided a global report on the elements of the plan and he noted for future reports the format will be a more user-friendly version. He provided an update on each of the eight goals, how each goal is measured, the status for the month of July, the effects of Covid-19 and he explained Partners efforts to achieve each goal. Brief discussion ensued, including a request for presentations by Partners to catchment area BOCC's. Mr. Melton stated presentations are provided at the pleasure of the BOCC's based on their requests for specific topics. Additional discussion items included value-based contracting; emergency department use related to Covid-19 and identifying alternative resources for members; social determinants of health for members who will be covered under a Tailored Plan contract; and how Partners staff volunteers are identified at community events.

VII. Adjournment

With there being no further discussion, Chair Russ Perkins asked for a motion to adjourn. At 7:33 p.m., Joe Ramey entered a motion and Jeff Brittain seconded. The motion carried unanimously.

Respectfully submitted,

Tammy Pyles
Clerk to the Board

DRAFT



**FY 2021
Board Officers and Committee Assignments**

Board Officers

Russ Perkins - *Chair*
Henry Morphis – *Vice Chair*
Debra Cheek – *Treasurer*

Executive Committee

Russ Perkins - *Chair*
Henry Morphis - *Vice Chair*
Debra Cheek - *Treasurer*
Steve Garrison
Linda McCrary
Vacant – *Immediate Past Chair*

Human Rights Committee

Jane Hinson - *Chair*
Kitty Barnes
Mike Hoffman
Russ Pekins – *Ex-officio*

Nominating Committee

Henry Morphis, *Chair*
Jeffrey C. Brittain
Hope E. Bryant
Joe Ramey
Russ Perkins - *Ex-officio*

Finance Committee

Debra Cheek - *Chair*
Kevin Austin
Daryl Cook
David O’Connor
Joe Ramey
Russ Perkins – *Ex-officio*

PARTNERS BOARD OF DIRECTORS- STANDING COMMITTEES SCHEDULE			
COMMITTEE/PARTNERS STAFF REPRESENTATIVE	TIME	WHEN	WHERE
Finance Committee Terri Morton 704-842-6481 tmorton@partnersbhm.org	5:00 p.m.	2nd Thursday of each month	1985 Tate Blvd., SE, Hickory or Teleconference from Gastonia (Currently Teleconference)

Human Rights Committee Keshia Sandidge 704-884-2698 KSandidge@partnersbhm.org	6:00 p.m.	3 rd Tuesday in the months of (usually) August, November, February and May	1985 Tate Blvd. SE Hickory Basement Multipurpose Rm. (Currently Teleconference)
Executive Committee Tammy Pyles 704-884-2625 tpyles@partnersbhm.org	-	Schedule as needed	-
Nominating Committee Tammy Pyles 704-884-2625 tpyles@partnersbhm.org	-	Schedule as needed	-

If you are unable to attend a meeting of a committee you are assigned to, please contact the staff representative to the committee, or Tammy Pyles, Clerk to the Board at (704) 884-2625 or tpyles@partnersbhm.org.



PARTNERS BEHAVIORAL HEALTH MANAGEMENT
FINANCE COMMITTEE MEETING
 Teleconference

September 10, 2020 | 5:00 PM

MINUTES

A = Absent P = Present

FINANCE COMMITTEE MEMBERS	
Debra Cheek	P
Joseph Ramey	P
Kevin Austin	A
Daryl Cook	P
David O'Connor	A

PARTNERS BHM STAFF		
Susan Lackey	Chief Financial Officer	P
Elizabeth Biggerstaff	Finance Director	P
Alan Smith	Internal Auditor	P
Terri Morton	Executive Assistant	P

GUESTS PRESENT:

None

CALL TO ORDER:

Debra Cheek called for a roll call of Committee Members at 5:03 pm, and the presence of a quorum was established.

AGENDA REVISIONS:

NA

JULY 2020 FINANCIAL STATEMENTS:

Elizabeth Biggerstaff provided an overview of the July 2020 Financial Statements, which were included as part of the agenda packet. Elizabeth reviewed the contents of the Balance Sheet and Income Statement, each reflecting data up to July 31, 2020. Total assets and liabilities are \$ 133,224,662 (please note, under current liabilities you will see negative \$207,130 under the current portion of compensated absences.) This is simply because the auditors have not completed our audit for this year.

Income Statement

Total operating revenues \$35,278,898; Total expenses \$31,739,471, which gives us an operating gain of \$3,539,427. Adding loss of interest income this month, we have a total operating gain of \$3,497,958. In July we used fund balance in the amount of \$230,292.

JULY 2020 DASHBOARD REPORTS:

Susan Lackey provided an overview of the July 2020 Dashboard. The following items were noted: The Service Penetration Rate as of July 31, 2020, was 16.4%. This number does not vary much from year to year. At this time last year our penetration rate was 16.1%. Unduplicated members receiving services is at 8.1% and last year at this time we were at 7.6%. The annualized non-Medicaid penetration rate is 11.6% and last year we were at 12%. The 12-Month Average Member months is 160,961 members, and last year at this time we had 158,000 members.

Financial Ratios

Medicaid Service Expense Ratio including fund balance is 92.5%. State/IPRS Service Expense Ratio including fund balance is 63.2%. It is not uncommon for this number to be low for the month of July. Last year at this time we were at 70.4%. We receive a large amount of billing during the month of June and this drives the claims volume lower for the month of July.

Financial Ratios

Total Medicaid Expense Ratio is 94.9%; Medical Loss Ratio is 87% (the benchmark for this measure is 85%); last year at this time Medical Loss Ratio was 83.8%. Our Consolidated Current Ratio is 2.22 and Defensive Interval days of cash is 67.1 days.

Medicaid Services by Categories of Service year to date for the month of July is \$983,000 under budget total. IPRS services by category of service in July we were \$1 million under budget. These dollars are capitated, and we could see this under budget throughout the year until these dollars are spent. For the twelve months ending in June there were 71 grievances against providers and 24 grievances against the MCO. We are well within our minimum to resolve informal and formal grievances in a timely manner.

Super Measures:

As of the end of July we lost three housing placements, putting us at a negative for the month of July. Our goal for FY21 is 61 members housed. As of now we are 64 below our target. Due to the COVID pandemic our staff are not allowed on-site at Adult Care Homes to move members out into the community.

Access to primary care measure 95.9% with a performance standard of 90%. Supermeasure for Inpatient Ambulatory follow up (numbers reported as of May): Medicaid MH 53.9% (April 45.3%). Medicaid Substance Use 46.2% (April 39.4); State Mental Health 20.5% (April 12.8%); State Substance Use 25.6% (April 17.3%).

With regard to State timely follow up, the State gave us the option to move dollars from UCR to non UCR for provider's use during COVID. A lot of the claims that would have counted toward timely follow up visits were invoiced rather than going up stream. We have been working with Providers to rekey those claims at \$0.01 so they can go upstream and be counted for timely follow up. You will see these numbers come back up as these claims are processed.

Claims Processing, Authorizations and Program Integrity

Listed under claim denials you will note services not authorized is \$841,000. We are working with providers to ensure they understand they must receive authorizations in advance for rendering services.

You will note \$253,000 listed under Invalid Units. We have a provider who is struggling to get their billing in timely and accurately, which is driving up this number. We have had two technical work sessions with this provider, and hopefully they will be able to bill their claims accurately going forward.

BUDGET REVISION #2

Budget Revision #2 was reviewed by Susan Lackey and includes an increase to the current budget of \$9,625,524. Chief Ramey entered a motion to approve BR #2, and motion was seconded by Daryl Cook. Hearing no objection, Budget Revision #2 will be forward to the full Board for Approval.

COMMITTEE MEETING SCHEDULE

The Finance Committee Meeting Schedule for FY20-21 was distributed with the Agenda Packet. You will note the October 8, 2020 (Audit Presentation) and May 13, 2021 (Budget Presentation) will be held via Zoom. A meeting invite will be distributed to committee members prior to those meetings.

ADJOURNMENT:

Debra Cheek called for any final questions or comments from the Finance Committee. Hearing none, Chief Ramey made a motion to adjourn and Daryl Cook seconded. Having no further business, Debra Cheek adjourned the meeting at 5:13 pm.

Minutes Submitted By: **Terri Morton**

Next Regularly Scheduled Meeting October 8, 2020 (via Zoom).

PARTNERS BHM
 BUDGET REVISION NO.3 FY21
 October 8, 2020

		Description
<u>REVENUES</u>		
Beginning Budget	<u>\$ 430,786,793</u>	
	\$ 163,546	Letter #17 CCP-ISP Funding
	299,108	Letter #22 TBI Funding
	410,245	Letter # 23 Group Home Funding related to COVID-19
	4,375,407	Letter # 24 CARES ACT Funding
	280,000	Letter # 25 Youth in Foster Care
	<u>\$ 5,528,306</u>	
Revised Budget	<u>\$ 436,315,099</u>	
 <u>EXPENSES</u>		
Beginning Budget	<u>\$ 430,786,793</u>	
	<u>\$ 5,528,306</u>	NON UCR Expense
Revised Budget	<u>\$ 436,315,099</u>	



September 30, 2020

To: Finance Committee
From: Finance Team

RE: Review of August 2020 Financial Statements and Dashboard Results

Summary:

Two months into FY21 Partners has positive results overall. As of August 31, we were below budgeted levels for both Medicaid and non-Medicaid funding with a net surplus overall of \$6,725,664 including fund balance.

The August Executive Dashboard:

Service Penetration Rate:

The service penetration rate calculation is on a rolling 12-month calendar basis. Between September 2019 and August 2020, Partners' catchment area had 190,947 unduplicated Medicaid-eligible members and 31,118 members received at least one billable service during the year, or a 16.3% penetration rate.

Partners received a capitation payment for 157,837 member months in August, based on the month of payment rather than the month of eligibility. We continue to experience inconsistencies between eligibility data and the member count in our capitation payments and are reconciling these differences each month, retroactively, and reporting them to DMA for corrections. The NCTracks system recoups any PMPM that is within a given time span if **any** additional payment or change is needed. If the span is from January to July and only July needs an adjustment, January to July is recouped and repaid. We are also working with DMA on the eligibility corrections related to members moving from one catchment area to another. Currently when a member moves in Partners catchment the first month of eligibility in our catchment is not paying. There is another issue identified that is not paying when the Medicaid eligibility code changes from a non-covered code to a covered one. The 24-month estimated account receivable (AR) capitation we reported to DMA for August 2020 was \$2,203,892. We use 24 months because DMA will only allow us that amount of time to resolve unpaid eligibility issues.

An increasing trend has been observed recently in the unduplicated count of eligible Medicaid members. This increasing trend began in March 2020 with the start of COVID. The state is looking into what may be driving these numbers upward and what the future impact may be.

The comparison between the number of members served in a specific Category of Aid (or County of Medicaid Eligibility) to the total Medicaid-eligible population in the same Category of Aid (or County) is the Average Penetration Rate by Category of Aid (or County) and is tracked on a rolling 12-month basis.

The overall penetration rate (both by Category of Aid and by County) is remains stable at 16.3% when compared to this period last year. Burke, Catawba, Gaston, Iredell, Lincoln and Yadkin all saw slight decreases in penetration rate. Rutherford and Surry saw increases. Cleveland was unchanged when comparing year over year penetration rate. The larger increase seen in Rutherford is due to the ramp up period of the Rutherford transition.

Financial Statements:

Overall Comments

Partners shows an overall net income of \$6,725,664 as of August 31. There is a Medicaid net income of \$4,499,673. The non-Medicaid category has a net surplus of \$2,225,989 for the fiscal year to date August 31, 2020 including fund balance.

Service Expense

Service Cost: Medicaid service cost consists of paid claims adjusted for estimated outstanding claims or incurred but not reported (IBNR) claims. Our IBNR estimate for August was \$18,603,784. For the month of August Partners had \$24,628,722 in paid claims.

Service Expense Ratio: The Medicaid Service Expense Ratio for fiscal year to date was 91.6% (including Fund Balance if any).

The State/IPRS Service Expense Ratio was 82.9% (including maintenance of effort (MOE) if any).

The MOE graph was removed for FY21. We do not expect the need for MOE due to the CARES Act funding.

The Total Medicaid Expense Ratio consists of Medicaid service and administrative expense compared to Medicaid revenue, exclusive of risk reserve funds. The Total Medicaid Expense Ratio for August 2020 is 91.8%. The benchmark for this measure is 85%.

The Medical Loss Ratio is a comparison of the capitation payment against the expenditures that improve the quality of service and care (Intellectual/Developmental Disability or I/DD and Mental Health/Substance Use or MH/SU Care Management treatment planning), medical claim expenses, payments made outside of the claim system, and the IBNR estimate. The benchmark for this measure is 85%. As of August 31, 2020, the Medical Loss Ratio was 87.7%.

Key Balance Sheet Ratios:

Given the solvency formula in SB99, the MCO's financial ratios are viewed on a consolidated basis, so we are only including one year-end estimate for each ratio. The reduction of our Medicaid fund balance by funding non-Medicaid services takes away any meaningful use of the Medicaid fund balance compared to the total fund balance. We do not, in fact, really have a State fund balance related to income. That has been used up early in the Legislative single stream reduction process. Any cash related to State fund balance is only a residual left over from MOE transfers from Medicaid to State.

Current Ratio

The Consolidated Current Ratio for Partners as of August 31, 2020, is 2.28 to 1. The current ratio includes long-term investments. The minimum solvency requirement is 1 to 1. The internal FY21 year-end estimate for Partners is 2.0.

Defensive Interval

As of August 31, 2020, Partners had 63.9 days of consolidated service expenses in cash. The defensive interval includes long-term investments. The legislated minimum requirement is 30 days. The internal year-end estimate for Partners is 60 days. The basis of this calculation is total cash to total operating expenses, adjusted for non-cash expenses. The expected decrease in our financial ratios are the Legislative-Mandated Maintenance of Effort and Medicaid Reimbursement expenditures.

Grievances:

Grievances against Partners remain relatively low and timely resolved. The total number of grievances reported in September for July was 6 with (0) being against the MCO and 67% (4) against Providers, and 33% (2) were for other. In the past year (08/01/2019-07/31/2020), there have been 93 grievances, only 21 (23%) of which have been against Partners; 73 of all contacts were immediately resolved, did not become grievances, and were taken for information and referral within Partners. On average, in July, Partners took 25 calendar days to resolve formal grievances with the benchmark being 30 days and 13 days to resolve informal grievances with a benchmark of 15 days. The State requires formal grievance resolutions to be reported in calendar days.

Super Measures:

There will not be penalties associated with the Super Measures during and for one quarter after the state of emergency. Partners is, however, still tracking our activities during this time.

Transition to Community Living Initiative (TCLI):

Partners relies on internal counts for to report TCLI activity. The TCLI graph is current through August 2020. For FY21 Partners is required to have a net increase of 61 individuals housed for the fiscal year. In August 2020 Partners successfully housed 7 members bringing the Fiscal Year net to 4. Partners experienced an unusually high number of members losing housing last year. We developed an aggressive plan to rehouse those members and move new members into housing in early 2020. Unfortunately, we were unable to fully execute this plan due to the COVID pandemic. Our focus shifted to supporting the members currently in housing while they were not able to participate in behavioral health services to the extent prior to COVID. Another hindrance is that staff were not allowed on-site at Adult Care Homes to move members out into the community.

Innovations Integrated Care Super Measure:

The Innovations Integrated Care measure looks at the percentage of continuously enrolled Medicaid enrollees under the Innovations Waiver who received a primary care or preventive health service. For persons ages 3 to 6 and ages 20 through 64, the person received the service during the measurement period. For persons ages 7 to 19, the person received the service during the measurement period OR the year prior to the measurement period.

For the period from September 2019 through August 2020, the grand total of Innovations members eligible for services across all our counties was 618 with 594 receiving services for an overall percentage of 95.9%. The performance standard is 90% of the eligible population will have received a primary care or preventive health service within the measurement period.

Ambulatory Follow Up:

Ambulatory follow up looks at those members with Inpatient discharges who have a follow-up service (from paid claims) within 1-7 days of the date of discharge from inpatient care. This is an evidence-based best practice that reduces recidivism of inpatient care. We report on two primary disabilities (Mental Health and Substance Use). There is a **two-month lag**, which means this report is based on June 2020 data.

Unfortunately, the COVID-19 pandemic is having a negative impact on Partners' ambulatory follow up performance. Partners has converted some UCR dollars to non-UCR and that change causes claims to not go upstream (those claims are paid outside of the claims billing system). When that happens, the encounter data that drives the ambulatory follow up rate is lost. Our Provider Network and Claims departments are working with providers to bill the encounter data upstream so the follow up claims will hit NCTracks and count towards the measure.

The performance standard for this measure for both Medicaid and State services is that at least 40% of individuals discharged shall receive a follow-up visit within 1-7 days after discharge. Partners has an internal benchmark of 75%.

In June 2020, 152 Medicaid members were discharged from Inpatient MH services and 48.7% (74) had follow up services within 1-7 days. During this same reporting period, 52 Medicaid members were discharged from Inpatient SU services and 53.8% (28) had services within 1-7 days. Partners exceeded the external benchmark for both measures.

In June 2020, 31 State members were discharged from Inpatient MH services and 61.3% (19) had follow up services within 1-7 days. During the same reporting period, 101 State members were discharged from Inpatient SU services and 64.4% (65) had follow up services within 1-7 days. Partners exceeded the external benchmark for both measures.

For State-funded members, discharge information is based on paid claims data for Facility-Based Crisis and 3-Way services.

Claims Processing:

In August, Partners processed \$30,255,373 in claims. We paid out \$24,628,722 in claims, or 81.4% of those that were processed. In August, there were \$5,626,651 (18.6%) in denied or pending claims. On average, Partners is paying claims within 8.7 days from the received date and Providers are submitting claims for payment 23.8 days from the date of service. Overall, Partners paid Providers within 32.5 days from the date of service.

The top five reasons for denials make up approximately \$3.2 million of total denied claims for August. Claims submitted without authorization, duplicate claim submission, claims submitted after the billing period, claims submitted where there is no coverage available for the patient/service/provider combination, and claims submitted for a room and board service where one already exists make up the top 5 reasons for claims denials in August. The Claims department is researching the hospital billing associated with the room and board claim denials.

Service is not authorized	\$1,296,816.13
Duplicate Claim	861,391.58
Claim received after billing period	533,191.81
No coverage available for Patient/Service/Provider combo	372,077.28
R&B service already exists - cannot bill another one	177,465.64
Total	\$3,240,942.44

Service Authorization Request Processing:

In August the Utilization Management (UM) Department processed 100% of Standard Service Authorization Requests within 14 days. UM approved 96.5% of authorizations. Of those denied in August 29.9% were for administrative reasons and 70.1% were for clinical reasons.

Innovations Slot Tracking:

Partners Innovations entered a new waiver year on July 1, 2020. Partners slot availability for August was 1,607. As of August 31, 6 Regular Slots remain unassigned. The Emergency, CAP-C and Money Follows the Person (MFP) Slots make up the 18 Reserved Slot allocation that Partners receives at the beginning of the Waiver Year. Of the 18 reserved slots, 0 Emergency slots, 1 CAP-C Transition slots, and 8 MFP slots were unassigned. Members must meet specific criteria to receive one of the reserved slots.

Program Integrity:

Case Activity

As of August 2020, there were 57 open investigations, two less than last month. Program Integrity opened one new investigation and closed three investigations in August. There were zero cases reopened.

Recovery Activity

As of August 2020, on a fiscal year-to-date basis, there was one overpayment to a provider identified. We have included two rows on the recovery activity. The first is Total Amount Reduced by Settlement Offer and the second is Total Amount Reduced by Dispute Panel Review. This will help us to better track/calculate our metrics around TNO reductions and should allow for more transparency in our overpayment activities.

FYTD PI has collected \$41,641 against outstanding overpayments, and \$721 from provider self-audits.

The total outstanding balance of overpayments is \$6,016,713, inclusive of any amounts that may have remained unpaid to Partners at the end of prior fiscal years. About 3% of the outstanding balance is for identified overpayments **from providers who are under settlement agreements or payment plans**. The remaining balance is from providers, most of whom are no longer in Partners network. Once out of our network, these companies generally no longer have a revenue stream, greatly complicating our ability to collect these funds.

Services:

Medicaid

On a fiscal year-to-date basis, Partners has overspent Medicaid service dollars by \$165,595 (including IBNR), which is (0.3%) over compared to our FY21 budgeted numbers and inclusive of recoveries and Medicaid Reinvestment in services. The Medicaid categories of service that are over budget by more than 10% at the end of August 2020 Psych Rehab (51%), Case Management (188%), Inpatient (34%), and Long-Term Residential (22%). Partners Clinical and Finance leadership meet monthly to monitor any overages and take appropriate action.

State

On a fiscal year to date basis, Partners has underspent State service dollars by \$1,094,603, or 15.4% (including \$396,624 in non-UCR expenses). The IPRS categories of service that are over budget by 10% or more at the end of August 2020 are Inpatient (181%), Crisis Services (46%), Long Term Residential (11%) and ACTT (10%).

Partners Behavioral Health Management
Balance Sheet
For the Two Months Ending Monday, August 31, 2020

ASSETS

Current Assets

Cash and Cash Equivalents	\$67,808,977
Accounts Receivable, Net	4,988,059
Short-Term Investments	
Prepaid Expenses	907,598
TOTAL CURRENT ASSETS	73,704,634

Noncurrent Assets

Restricted Cash and Cash Equivalents	44,273,447
Long Term Investments	1,228,070
Capital Assets:	
Land	1,563,042
Other Capital Assets, Net of Depreciation	7,927,569
Total Capital Assets	9,490,611
Total Noncurrent Assets	54,992,128
TOTAL ASSETS	128,696,762

Deferred Outflows of Resources

Defined Benefit Plan	7,645,217
Other Postemployment Benefits	1,463,768
Total Deferred Outflows of Resources	9,108,985

TOTAL ASSETS AND OUTFLOWS OF RESOURCES

\$137,805,747

LIABILITIES

Current Liabilities

Accounts Payable and Other Current Liabilities	5,342,253
Liability for Claims Incurred, but not Reported	18,603,784
Compensated Absences - Current Portion	(323,330)
Total Current Liabilities	23,622,706

Noncurrent Liabilities

Compensated Absences - Long Term	2,730,229
Other Post Employment Benefits	1,417,965
Defined Benefit Pension Plan Liability	9,275,153
Total Noncurrent Liabilities	13,423,347

Deferred Inflows of Resources

Defined Benefit Plan	48,007
Other Postemployment Benefits	10,748
Total Deferred Inflows of Resources	58,755

Fund Equity

Net Investment in Capital Assets	9,538,291
Other - NonSpendable	1,035,290
Restricted:	
Medicaid Risk Reserve	44,024,670
State Statute and Prepays	8,352,195
Other	46,696,961
Total Restricted	99,073,826
Medicaid Earnings Prior Years	(21,184,255)
Unrestricted	12,237,788
Total Fund Equity	100,700,940

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY

\$137,805,747

Partners Behavioral Health Management
Income Statement
For the Two Months Ending Monday, August 31, 2020

OPERATING REVENUES

Intergovernmental:	
Federal	\$513,671
State	8,026,798
Local	595,527
Medicaid	63,753,627
Other	<u>1,103,335</u>
Total Operating Revenues	<u>73,992,958</u>

EXPENSES

Personnel	6,599,980
Professional Services	376,592
Supplies and Materials	305,881
Current Obligations and Services	2,210,813
Fixed Charges and Expenses	253,380
Nondepreciable Capital Outlay	5,032
Depreciation	151,126
Contracts and Grants	57,075,638
Medicaid Savings Reinvestment	36,766
Pension Expense	
Other	<u>253,037</u>
Total Expenses	<u>67,268,244</u>

OPERATING GAIN/(LOSS) 6,724,714

NONOPERATING INCOME

Interest Income	<u>951</u>
Total Nonoperating Income	<u>951</u>

TOTAL OPERATING GAIN/(LOSS) 6,725,664

FUND BALANCE USED \$619,250



Executive Dashboard Report August 31, 2020

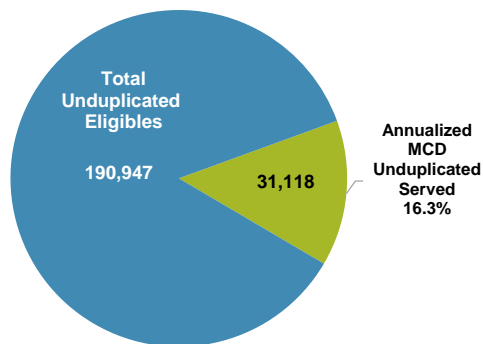
Access to Services | Report as of August 31, 2020

12-Month Average Member Months
157,837

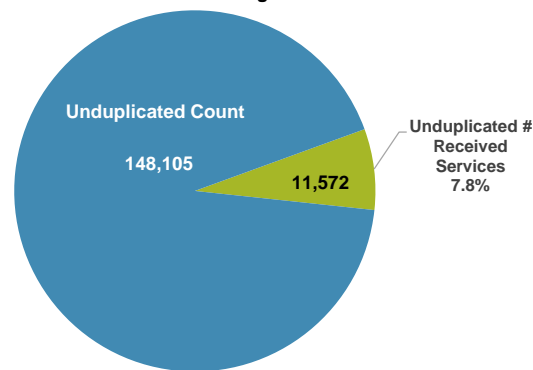
Annualized Penetration Rate by County of Eligibility

Month: August	Served	Eligible	Penetration Rate	Change from Prior Year
Burke	2,891	17,834	16.2%	-1.3%
Catawba	4,501	28,581	15.7%	-0.5%
Cleveland	4,252	25,661	16.6%	0.0%
Gaston	8,117	45,479	17.8%	-0.4%
Iredell	3,957	26,982	14.7%	-0.1%
Lincoln	2,459	13,534	18.2%	-0.1%
Rutherford	2,271	14,204	16.0%	7.2%
Surry	2,114	15,364	13.8%	0.6%
Yadkin	918	6,694	13.7%	-0.6%

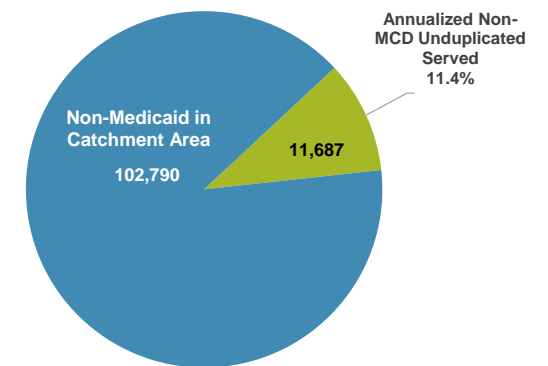
Annualized Medicaid Penetration Rate



Members Receiving Services for the month of August 2020



Annualized Non-Medicaid Penetration Rate



Financial Statements

Report as of August 31, 2020

Partners Behavioral Health Management
Balance Sheet as of August 31, 2020

	Assets		Liabilities and Fund Balance	
	Medicaid	Total	Medicaid	Total
Cash	\$60,553,786	\$67,808,977	Accounts Payable	\$660,772 \$777,379
Other Current Assets	2,030,241	5,895,657	IBNR-Claims Payable	18,603,784 18,603,784
Total Current Assets	62,584,027	73,704,634	Other Current Liabilities	9,131,139 13,516,696
			Total Current Liabilities	28,395,695 32,897,859
Net Property and Equipment	3,068,473	9,490,611	Other Liabilities	3,575,907 4,206,949
			Fund Balance:	
Long-Term Investments	1,228,070	1,228,070	Investment in Fixed Assets	0 9,538,291
Other Assets	0	9,108,985	Other Non-Spendable	0 1,035,290
Risk Reserve	44,273,447	44,273,447	Restricted	86,744,509 99,073,825
			Accumulated Net Surplus (Deficit)	(21,184,255) (21,184,255)
			Unreserved	13,622,162 12,237,788
				79,182,416 100,700,939
Total Assets	\$111,154,017	\$137,805,747	Total Liabilities and Fund Balance	\$111,154,018 \$137,805,747

Partners Behavioral Health Management
Income Statement
For Two Months Ending August 31, 2020

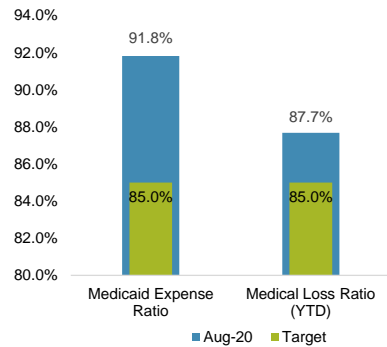
	Medicaid	Non-Medicaid	Combined Total	YTD Budget	Variance
Service:					
Revenue	\$54,704,810	\$8,072,220	\$62,777,030	\$58,479,899	(\$4,297,131)
Expense	50,654,543	6,457,866	57,112,409	58,671,858	1,559,449
Net Service	4,050,267	1,614,354	5,664,621	(191,959)	(5,856,580)
Administrative:					
Revenue	7,804,994	1,083,479	8,888,473	8,451,685	(436,788)
Expense	7,424,451	777,605	8,202,056	10,347,070	2,145,014
Intergovernmental Transfers	319,144	0	319,144		(319,144)
Tailored Plan Readiness	390,814	0	390,814		(390,814)
Net Administrative	(329,415)	305,874	(23,541)	(1,895,385)	(1,871,844)
Net Operating Income	3,720,852	1,920,228	5,641,080	(2,087,344)	(7,728,424)
Other:					
Risk Reserve Revenue	1,243,823	0	1,243,823	1,174,650	(69,173)
Other Income/Revenue	159,572	305,761	465,333	620,142	154,809
Other Financing Resources	619,250	0	619,250	1,467,189	847,939
Total Other	2,022,645	305,761	2,328,406	3,261,981	933,575
Risk Reserve Expense	1,243,823	0	1,243,823	1,174,650	(69,173)
Net Other	778,822	305,761	1,084,583	2,087,331	1,002,748
Net Income (Loss)	\$4,499,673	\$2,225,989	\$6,725,664	\$0	(\$6,725,664)

Financial Risk Report as of August 31, 2020

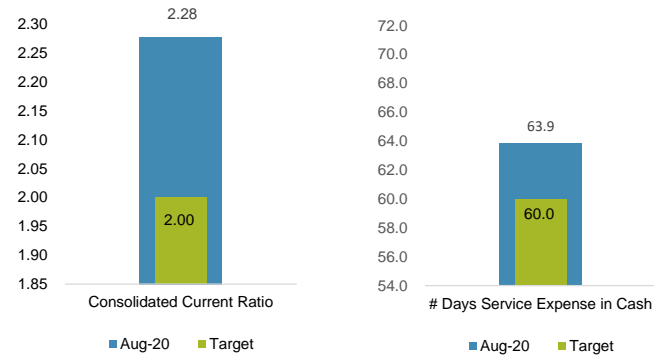
Financial Ratios (YTD):

Medicaid Service Expense Ratio (includes Fund Balance)	91.6%
Medicaid Net Service (Over)/Under	\$4,050,267
State Service Expense Ratio (includes Fund Balance, if any)	82.9%
State Net Service (Over)/Under excluding Fund Balance	\$1,201,317

Financial Ratios



Key Financial Indicators (Includes Long-Term Investments)

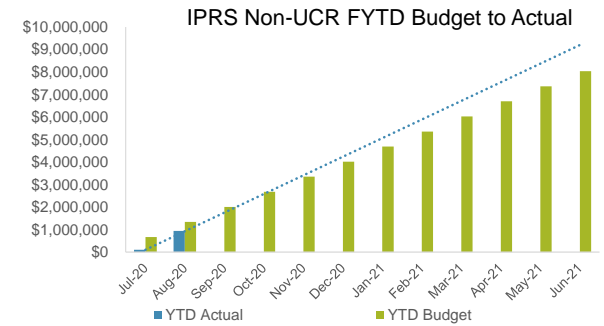


Medicaid Report as of August 31, 2020

Fiscal Year Medicaid Services Cost (includes IBNR)	Annual Budget	Monthly			Fiscal YTD		
		Budget	Actual	Variance	Budget	Actual	Variance % Variance
Inpatient	\$10,251,489	\$854,291	\$1,204,495	(\$350,205)	\$1,708,582	\$2,297,670	(\$589,089) (34%)
Community Support	1,636,399	136,367	141,625	(5,259)	272,733	286,240	(13,507) (5%)
BH Long-Term Residential	17,851,288	1,487,607	1,785,997	(298,390)	2,975,215	3,633,556	(658,342) (22%)
PRTF	10,797,544	899,795	834,529	65,266	1,799,591	1,751,265	48,326 3%
Case Management	439,010	36,584	152,552	(115,967)	73,168	210,904	(137,735) (188%)
Outpatient	34,727,896	2,893,991	3,281,779	(387,788)	5,787,983	6,177,588	(389,605) (6.7%)
ACTT	9,465,150	788,763	921,247	(132,484)	1,577,525	1,809,102	(231,577) (15%)
MST	1,041,118	86,760	20,263	66,497	173,520	59,906	113,614 65%
IIHS/FCT	11,137,941	928,162	995,913	(67,751)	1,856,324	1,989,885	(133,562) (7%)
Part Hosp/Day Treatment	6,848,585	570,715	533,031	37,684	1,141,431	1,053,653	87,778 8%
Psych Rehab	4,866,099	405,508	532,294	(126,786)	811,017	1,227,537	(416,520) (51%)
Crisis Services	3,306,462	275,539	204,969	70,570	551,077	387,632	163,445 30%
Innovations	94,884,737	7,907,061	7,497,459	409,603	15,814,123	14,996,652	817,471 5%
ICF-MR	83,425,103	6,952,092	7,950,201	(998,110)	13,904,184	14,044,747	(140,563) (1%)
Peer Support	6,798,495	566,541	7,260	559,281	1,133,083	11,447	1,121,636 99%
1915(b)(3)	4,770,111	397,509	324,826	72,684	795,019	708,950	86,068 11%
Medicaid Reinvestment	685,661	57,138	25,307	31,831	114,277	36,766	77,511 68%
Recoveries	0	0	(20,213)	20,213	0	(28,963)	28,963
Total	\$302,933,088	\$25,244,424	\$26,393,536	(\$1,149,112)	\$50,488,848	\$50,654,543	(\$165,695) (0.3%)

IPRS Report as of August 31, 2020

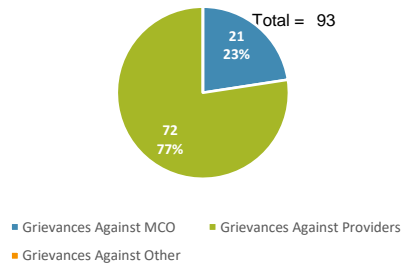
Fiscal Year IPRS Services Cost	Monthly			Fiscal YTD				
	Annual Budget	Budget	Actual	Variance	Budget	Actual	Variance %	Variance
Inpatient	\$169,260	\$14,105	\$48,666	(\$34,561)	\$28,210	\$79,356	(\$51,146)	(181%)
Community Support	5,485,149	457,096	246,767	210,329	914,192	395,426	518,765	57%
BH Long-Term Residential	7,229,666	602,472	808,699	(206,227)	1,204,944	1,341,603	(136,659)	(11%)
Outpatient	8,631,492	719,291	522,259	197,032	1,438,582	1,127,241	311,341	22%
ACTT	962,831	80,236	90,326	(10,091)	160,472	176,694	(16,222)	(10%)
Part Hosp/Day Treatment	189,159	15,763	13,248	2,515	31,527	20,304	11,223	36%
Psych Rehab	314,471	26,206	2,726	23,480	52,412	6,859	45,552	87%
Crisis Services	3,683,576	306,965	372,225	(65,261)	613,929	899,397	(285,468)	(46%)
3-Way Hospitals	7,916,350	659,696	818,250	(158,554)	1,319,392	1,022,673	296,719	22%
Non-UCR (excluding County)	8,036,114	669,676	841,843	(172,167)	1,339,352	942,728	396,624	30%
Total	\$42,618,068	\$3,551,506	\$3,765,011	(\$213,505)	\$7,103,011	\$6,008,408	\$1,094,603	15.4%



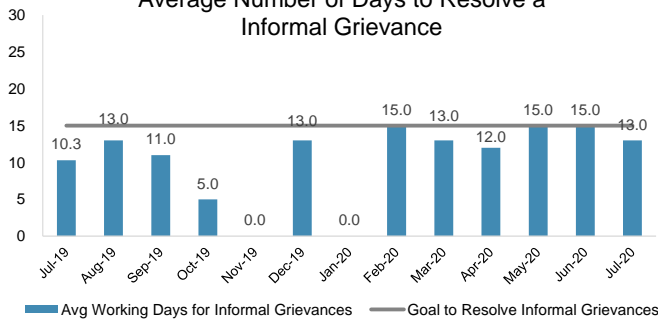
Quality Improvement Feedback Report as of August 31, 2020

Grievances: * Grievance data reported on a 1-month delay (following State reporting specs)

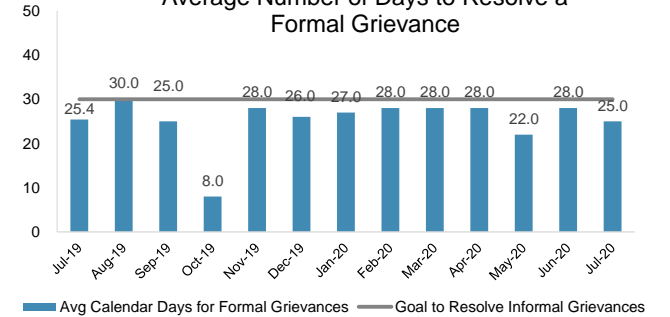
Grievances
12 Months Ending June 30, 2020



Average Number of Days to Resolve a Informal Grievance



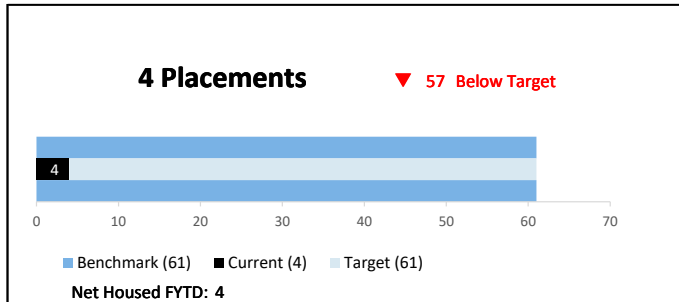
Average Number of Days to Resolve a Formal Grievance



Super Measures

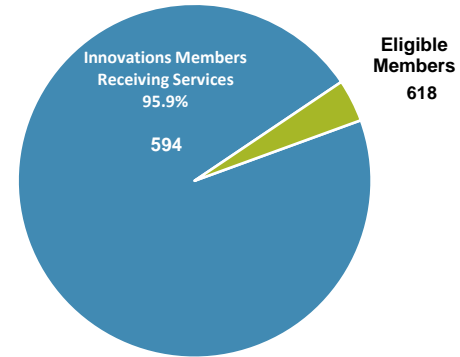
Ambulatory Follow Up Reported on 2-Month Lag

**Transitions to Community Living
as of August 31, 2020**



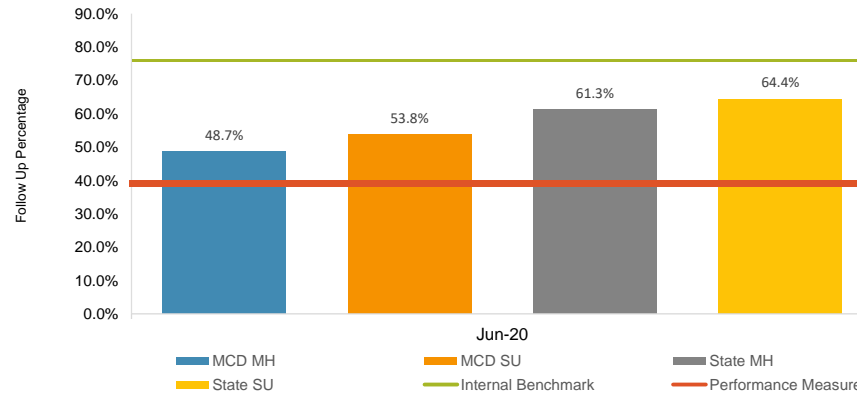
Source: TCLI Manager

**Access to Primary/Preventive Care for Individuals
Under the Innovations Waiver as of August 31, 2020**



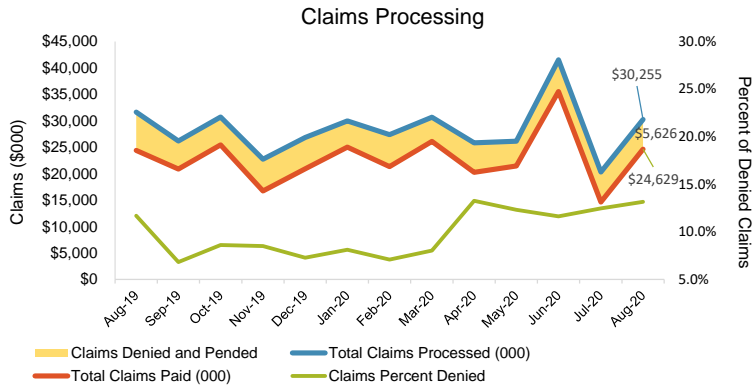
Performance Standard = 90%
Source: Innovations Super Measure (Reports Manager - DMA-DMH)
Super Measures: DMA Innovations Integrated Care Super Measure

**Inpatient Ambulatory Follow Up
(from Claims Data)**

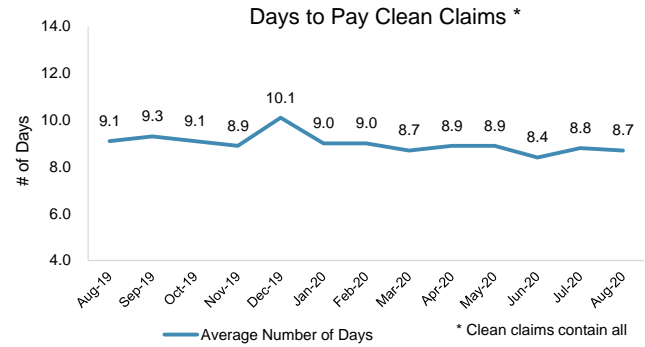


Operational Performance Report as of August 31, 2020

Claims:



Calculation of percentage of denied claims does not include claims denied for either of the following reasons:
 - Non-Billable Service
 - Non-Covered Ancillary Services



Number of Days to Process and Pay All Claims:

	Jun '20	Jul'20	Aug'20
Service Date to Received Date	23.2	21.7	23.8
Received Date to Paid Date	8.4	8.8	8.7
Service Date to Paid Date	31.6	30.5	32.5

Top 5 Reasons for Denied Claims:

	Jun '20	Jul'20	Aug'20
Duplicate Claim	\$ 985,071.70	\$ 655,619.74	\$ 861,391.58
Service is not authorized		\$ 841,911.25	\$ 1,296,816.13
Claim received after billing period	\$ 510,761.47	\$ 773,641.42	\$ 533,191.81
No coverage available for Patient/Service/Pr	\$ 574,205.43	\$ 451,856.12	\$ 372,077.28
Client has other covered insurance (COB)	\$ 372,084.58		
Invalid Units		\$ 253,338.83	
Weekly frequency exceeded	\$ 348,444.75		
R&B service already exists - cannot bill another one			\$ 177,465.64
Total	\$ 2,790,568	\$ 2,976,367	\$ 3,240,942
	#1 Denial Code	#2 Denial Code	#3 Denial Code
	#4 Denial Code	#5 Denial Code	

Treatment Authorization Requests (TAR):

Authorization Requests	Jun-20	Jul-20	Aug-20
Total Number of Auth Requests Received	2,982	3,970	3,580
% Processed in 14 Days	100.0%	100.0%	100.0%
# Auth Requests requiring Expedited Decisions, inclusive of Inpatient	49	166	194
% Processed in 3 Days	100.0%	100.0%	100.0%
Total % of Auth Requests Processed in Required Timeframes	100.0%	100.0%	100.0%
# of Auth Requests Denied for Clinical Reaso	23	69	89
# of Administrative Denials	32	42	38
Total # of Auth Requests Denied	55	111	127
% of Total Auth Requests Approved	98.2%	97.2%	96.5%

Innovations Slot Tracking

PMPM Slot Tracking			
Slot Description	Available	Assigned	Unassigned
Regular Slots	1,589	1,583	6
Emergency	8	8	0
CAP-C Transition	2	1	1
MFP	8	0	8
Total	1,607	1,592	15

Entered new waiver year on 7/1/2020

Emergency, CAP-C, and Money Follows Person (MFP) Slots are Reserved to meet specific qualifications - We have 18 Reserved slots each Waiver Year

Program Integrity

TNO	Prior Years	FY19	FY20	FY21 TD
Initial TNO Amount	\$ 6,984,885	\$ 2,651,069	\$ 1,809,834	\$ 948
No. of TNO's Issued	181	31	21	1
Total Amount Reduced by Dispute Panel Review	\$ -	\$ -	\$ 10,116	\$ -
Total Amount Reduced by Settlement Offer	\$ -	\$ -	\$ 1,529,431	\$ -
Adjusted TNO Amount	\$ 5,511,530	\$ 2,228,087	\$ 270,286	\$ 948
% Reduction of Initial TNO	-21%	-16%	-85%	0%
Amount Collected during the Fiscal Year*	\$ 939,010	\$ 237,991	\$ 794,866	\$ 41,641
Total Amount of Adjusted TNO Recouped**	\$ 935,092	\$ 978,590	\$ 80,454	\$ -
% of Adjusted TNO Recouped	16.97%	43.92%	29.77%	0.00%
FY Outstanding Balance	\$ 4,576,437	\$ 1,249,497	\$ 189,832	\$ 948

** Actual Recoument: Amount received during the fiscal year. (Some recouments are from TNOs issued in previous fiscal years)

** Total amount of the Fiscal Year TNO that was recouped.

Note: TNO recouments are reported on a Cash Basis.

For FY20 there have been \$1.5m in reductions from the initially identified overpayment amount in return for significant recoveries, saved litigation costs, preserved provider network adequacy and added protections such as indemnifications and plans of correction. Separately tracking Settlement Offers and Disputes Panel Review adjustment amounts started in FY2020 and is being tracked for TNOs issued in FY20.

Total TNO Outstanding Balance	\$6,016,713
Total Self-Audit Recoveries YTD	\$721
New Cases	1
Closed Cases	3
Reopened	0
Total Open Cases	57