



**FY21 RECOMMENDED BUDGET**  
**June 4, 2020**

**Alliance Healthcare  
Annual Budget  
FY 2020-2021**

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June 4, 2020

Alliance Board Members,

We are pleased to share with you our FY21 recommended budget for your approval.

This budget reflects a few changes from the recommended budget that was presented to you on May 7<sup>th</sup>. To summarize, increases were made in the following areas:

- Overall increase in administration due to adjustments in County funding and increase in the Medicaid rate offer
- Medicaid increase by over \$6M due to the current rate offer. The recommended budget did not include the new FY21 rate offer
- Federal block grant dollars increased by \$200K due to additional program dollars
- Local funding increased by \$1.2M due to adjustments in budgets from the Counties

This budget reflects our focus on serving as many people as possible with quality services and a focus on best practice services. It also allows us to reduce our reliance on our fund balance for ongoing commitments to uninsured individuals. Given the changing environment as it relates to the COVID-19 global pandemic, we will evaluate our budget throughout the year and provide updates as needed.

Thank you for your participation during this budget process. We appreciate your wise counsel and dedication to our members.

Best Regards,

A handwritten signature in black ink that reads "Rob Robinson". The signature is fluid and cursive, with the first name "Rob" and last name "Robinson" clearly legible.

Rob Robinson  
Chief Executive Officer

## Reader's Guide

FY 2020 - 2021 is the ninth annual budget presented for Alliance Health (Alliance). This section is provided to help the reader understand the budget by explaining how the document is organized. This document details the budget for fiscal year 2020-2021 for Alliance's administrative and service operations covering Cumberland, Durham, Johnston and Wake counties. The budget year begins July 1, 2020 and ends June 30, 2021. The document will show how the funds are allocated and how they will be spent.

Alliance Health LME/MCO will have one fund called the General Fund. The General Fund will account for all administrative and service operations and will be divided into functional areas for Administration, Medicaid Services, State Services, Local Services, and Grant Funds, when applicable.

### **Revenues and Expenditures of the General Fund**

The categories of the revenue and expenditures are the same. They include the following:

#### ***Administration***

Alliance Health is administratively funded through a combination of the Medicaid waiver, state LME allocation, and county administrative contribution.

Alliance began the management of Medicaid services under a waiver according to Session Law 2011-264 House Bill 916 on February 1, 2013. These funds refer to the administration dollars allocated under a contract with the NC Division of Medical Assistance, now referred to the Division of Health Benefits. The funds are allocated based on a per member per month (PMPM) basis. The members per month budgeted are based on historical experience and projections.

The NC Division of Mental Health, Developmental disabilities, and Substance Abuse services (NC DMH) continue to allocate funds to administer state and federal block grant dollars for the purposes of serving the non-Medicaid population.

Cumberland, Durham, and Wake counties allocate 1% of the county dollars in administrative support for the management of their dollars in serving consumers in their respective county.

#### ***Miscellaneous***

This category is to account for any funds received during the fiscal year that do not fall into one of the above mentioned categories and are not significant enough to require their own category. The funds roll up into the Administrative budget.

#### ***Medicaid Services***

Alliance Health began the management of Medicaid services under a waiver according to Session Law 2011-264 House Bill 916 on February 1, 2013. These funds refer to the dollars allocated under the contract with the NC Division of Medical Assistance, now referred to the Division of Health Benefits, to provide services to Medicaid enrollees of Cumberland, Durham, Johnston, and Wake counties.

***State Services***

These funds represent state allocated dollars for Cumberland, Durham, Johnston, and Wake communities to provide services for non-Medicaid citizens with mental health, intellectual/developmental disabilities and substance abuse needs. The funds include Federal Block Grant dollars as allocated from the NC DMH.

***Local Services***

These funds represent the Cumberland, Durham, and Wake county allocations to Alliance to provide services for citizens with mental health, intellectual/developmental disabilities, and substance abuse needs in their respective counties.

***Grants***

When applicable, grant funds are those that are specified for a particular project or program.

**Draft Budget Ordinance**

A draft budget ordinance is being included for informational purposes.

**Additional Information**

The basis of accounting and budgeting for Alliance Health is modified accrual per G.S. 159-26. This means that revenues are recorded in the time period in which they are measurable and available. Revenues are recognized when they are received in cash. Expenditures are recognized in the period when the services are received or liabilities are incurred.

This document was prepared by Alliance Health Business Operations and is available online at [www.alliancehealthplan.org](http://www.alliancehealthplan.org). If further information is needed, please contact Kelly Goodfellow, Executive Vice President/CFO, at 5200 W. Paramount Parkway, Suite 200 Morrisville, NC 27560 or by email at [kgoodfellow@alliancehealthplan.org](mailto:kgoodfellow@alliancehealthplan.org).

## Alliance Demographic Information

ALLIANCE REGIONAL POPULATION DATA						
County	Population	Medicaid Eligible	Medicaid %	Medicaid Served	Non-Medicaid Served	Total
<b>Cumberland</b>	332,330	81,219	24.44%	13,379	3,016	16,395
<b>Durham</b>	316,739	52,103	16.45%	8,373	3,437	11,810
<b>Johnston</b>	202,675	37,629	18.57%	5,459	1,674	7,133
<b>Wake</b>	1,092,305	118,888	10.88%	16,172	7,279	23,451
<b>Total</b>	<b>1,944,049</b>	<b>289,839</b>	<b>14.91%</b>	<b>43,383</b>	<b>15,406</b>	<b>58,789</b>

Based on 2018 Statistics, US Census Bureau

PERSONS SERVED BY AGE AND DISABILITY BASED ON CLAIMS PAID BY MEDICAID AND IPRS					
Age Group	County	MH	SA	IDD	Totals
<b>Child/Youth (ages 3-17)</b>	<b>Cumberland</b>	5,647	65	691	6,403
	<b>Durham</b>	3,631	65	357	4,053
	<b>Johnston</b>	2,349	26	314	2,689
	<b>Wake</b>	7,206	123	913	8,242
	<b>Total</b>	<b>18,833</b>	<b>279</b>	<b>2,275</b>	<b>21,387</b>
<b>Adult (ages 18+)</b>	<b>Cumberland</b>	8,359	2,508	781	11,648
	<b>Durham</b>	6,204	2,333	822	9,359
	<b>Johnston</b>	3,783	983	369	5,135
	<b>Wake</b>	12,545	3,376	2,000	17,921
	<b>Total</b>	<b>30,891</b>	<b>9,200</b>	<b>3,972</b>	<b>44,063</b>

PROVIDER BREAKDOWN	
Organization Type	Provider Count
Agencies	248
Hospital/Residential Treatment Facilities	36
Licensed Professionals	2,062
Outpatient Practices	207
<b>Total</b>	<b>2,553</b>

## Division Information

### Clinical Operations Division

Clinical Operations at Alliance Healthcare is a data-informed, collaborative effort that identifies and addresses the full range of medical, functional, social, emotional, and environmental needs across all populations in order to improve health outcomes by focusing on prevention and person-directed care. The Clinical Operations Division is comprised of three teams and receives clinical oversight from the Chief Medical Officer.

#### Brief Description of Department and Units

- Utilization Management (UM) is responsible for authorizing MH/SUD and IDD services and monitoring individuals during an episode of care. Activities include monitoring utilization of services authorized, reviewing effectiveness of treatment interventions and making recommendations to improve the effectiveness of individual treatment plans.
- Care Management is responsible for working with specific high-risk populations identified within the waiver contract and priority populations that have been identified by Alliance, including individuals discharging from inpatient and those identified by advanced data analytics to be at risk for higher levels of services. Care Management assesses individual service and social determinants of health support needs, links individuals to both services and supports and helps eliminate barriers that allow individuals to live as successfully as possible within the community.
  - MH/SUD Care Management is focused on supporting the needs of individuals with serious and persistent mental illness. Their scope is expanding to consider members with co-occurring physical health conditions that may complicate their recovery journey. Part of the MHSUD Care Management program is the Transition to Community Living Settlement agreement. In reach support specialists, Diversion specialists, and Transition Coordinators all assist members with moving from institutional care settings including state psychiatric hospitals and community based adult care homes into supportive housing with individualized services to support their recovery while living in the communities of their choice.
  - IDD Care Management is responsible for working with individuals on the Innovations waiver, as well as those needing short-term coordination of state-funded IDD supports. IDD Care Management educate members about the Innovations waiver, their options of providers, and facilitate the individual plan of care for the Innovations waiver services Liaisons assist with transition support when individuals are wanting to move to the community from long term care facilities like community and state operated ICF-IID facilities. IDD care coordination helps individuals identify the services and supports they need to live the lives they want in the community. TBI Care Management is responsible for working with individuals who are identified as eligible for the TBI Medicaid Waivers. Similar to the IDD Care Management scope of work, TBI Care Management assess member needs, provide education about waiver services and network provider options, and facilitate development of plans of care. In addition, TBI Care Management provide additional face-to-face support to the



population through the waiver enrollment process when the need for this support is identified. These waivers are a pilot unique to Alliance and so additional recommendations regarding workflow development and policy require input from the Care Management teams working directly with members.

- The Medical Team provides guidance and oversight of clinical services including authorization of services, clinical operations and overall clinical direction. The team is responsible for maintaining the clinical integrity of the program, including concurrent reviews of inpatient and rehabilitation services; provision of oversight to utilization management and quality staff; oversight of the Credentialing Program; providing medical/clinical support for care coordination units and the Access to Care unit; and consultation to providers and other community based clinicians, including general practitioners. The Medical Team conducts medical necessity review and recommendations, service denial reviews, grievance issues, medication reviews, and develops clinical best practices guidelines in collaboration with regional experts. The Medical Team is comprised of the Chief Medical Officer, two Associate Medical Directors, a Pharmacist, a Senior Psychologist, the Director of Integrated Care, and one Registered Nurse.

### Accomplishments for FY20

- Continuous efforts within Care management remain to refine existing Jiva workflows. Among these are the addition of the Social Determinates of Health (SDOH) screenings for all population groups which drive plans of care to address social resource disparities, which may impact community living success.
- Formation of Care Teams for Alliance Complete Care has been implemented for the IDD population. Care Teams will be expanded to include MHSUD, TBI, and TCLI programs by 7/1/2020.
- Reorganization of Care Management Directors to align with the Alliance Complete Care model.
- Movement of the TCLI Program Manager from Provider Networks to the Care Management team to better align policy and clinical operations within TCLI.
- Continued downward trend in Intensive In-Home utilization; met target utilization goal for the end of the year and continues to trend downward, keeping individuals in less restrictive, more successful levels of treatment.
- All IDD and TBI Care Management team members have completed national certifications. National Certification options include NACCM (National Academy of Certified Care Managers), NADD (Dual Diagnosis Specialist), CBIS (Certified Brain Injury Specialist).
- Advanced analytics are being used to stratify and proactively intervene for children who have both IDD and complex behavioral health needs.
- Integration of physical health Registered Nurses (RN's) into several IDD and MHSUD care coordination teams. We will further develop this integration as we move toward a tailored plan.
- Implemented and continued four integrated care pilot programs, collecting data on health and service utilization outcomes. The most successful pilot programs were those that incorporated physical health providers within the behavioral health home.
- Substantially improved routine physical health screening rates for individuals with serious mental illness (SMI), to levels expected for populations without SMI.

- Improved rate of metabolic screening for individuals receiving psychotropic medications.
- Pharmacy focused on opiate use disorders and worked closely with providers to communicate and educate on pharmacy prescribing limits for opiate drugs developed by the state.
- Supported implementation and dissemination of medication assisted treatment (MAT) for opiate use disorders.
- Organized efforts to distribute Naloxone kits to treat opiate overdose throughout our catchment area.
- Support and communication with providers on changes in prescribing limits and monitoring for opiate drugs from NC DMA.

### Summary of Goals and Objectives for FY21

- Full implementation of Alliance Complete Care teams in MH/SUD to manage care in an interdisciplinary model and position Alliance for the expectations of Tailored Plan care management.
- New risk stratification to help make care coordination more proactive.
- Implement Alliance Complete Care teams across MH/SUD using innovative population health and integrated health principles in order to improve overall healthcare for individuals.
- Hiring a Medicaid (c) manager to oversee and integrate functions in the Innovations and pilot TBI waiver programs.
- TCLI Program Manager will have oversight of Olmsted liaisons, further aligning TCLI operations and policy.
- Meet state requirements for individuals discharged from MH/SUD facilities to attend a follow-up appointment within seven days and remain engaged in treatment.
- Decrease services that require prior authorization and manage based on data review, including outcome measures.
- Decrease number of individuals with stays beyond expected ranges for highly utilized services.
- Expand use of predictive analytics to other counties and other populations.
- Implement standard assessments and care plans across the organization's care coordination staff.
- Decrease average length of stay (ALOS) of children in Therapeutic Foster Care.
- Increase use of Family Partners, peers, and community health workers for our care teams. These members will help execute care plans developed by licensed clinicians, and they are often most effective at engaging our members.
- Increase the number of physical health RNs to support transition toward integrated care coordination.
- Implement integrated care pilot and evaluate physical and behavioral health data sharing capacity with one integrated provider.
- Invest in one robust integrated care program, with plans to incorporate value based contracting with upside risk sharing.
- Develop the Community Pharmacy network at Alliance to support use and adherence to including Clozapine and long acting injectable drugs.
- Support Alliance's transition to a tailored plan, gaining new responsibility for management of the pharmacy benefit.

## Network and Community Health Division

The role of the Network and Community Health Division is to develop an integrated system of services and community supports to address the unique needs of Alliance members. The Division establishes strategic partnerships with an array of health care providers, social support agencies and community partners to create an accessible systems of care. The Division consists of two departments, Community Health and Well-being and Provider Networks.

### Brief Description of Department and Units

- The Provider Network and Evaluation Department is responsible for the continuous review and evaluation of the provider network for accessibility, quality of services, adherence to contract requirements, standards of care and performance, while ensuring a full array of providers is available to meet the needs of our service recipients. It also is responsible to ensure the quality of all Alliance services by reviewing program outcomes and evaluating program effectiveness. The Department actively promotes, develops and implements alternative payment models/value-based contracting models to improve member outcomes, increase provider efficiency and incentivize overall quality. The Department is comprised of three sections:
  - Provider Network Operations has three components:
    - *Provider Networks* is a liaison to providers including managing the communication and dissemination of information to the community of providers, developing and reviewing provider contract scopes of work, and providing or arranging for technical assistance for currently enrolled providers.
    - *Credentialing* assures that all providers in the Alliance network meet agency, State, Federal and accreditation requirements and that credentialing information is reviewed and tracked for continuous and timely review.
    - *Contracts* is responsible for the timely development and distribution of all contracts, amendments, and extensions and ensures coordination of administrative activities including official correspondence with providers, provider education and liaison, and administration of provider contracts.
  - Provider Evaluation
    - Monitoring of providers
    - Collect and analyze provider outcome data
    - Evaluate service and program effectiveness
    - Produce reports and analysis to better manage the provider network and provide information to providers to support quality improvement
    - Support value-based contracting efforts and evaluate models
  - Strategic Initiatives and Special Projects manages the following functions and initiatives:
    - Community Needs Assessment and Network Development Plan
    - New Service Definitions
    - Special Provider Initiatives
    - Provider Collaboratives
    - Requests for Proposals

- Hospital Relations
  - Value-Based Contracting
- Community Health and Well-Being (CHWB) is one of the most varied and diverse departments within Alliance. Recognizing that a local and visible presence is essential to building and sustaining partnerships critical to meeting organizational outcomes, the CHWB teams take an innovative approach to improving the systems that support the effectiveness of services. Teams are continually assessing system and service gaps from multiple vantage points including co-location within other systems, outreach activities to member, stakeholders and advocates, and hosting community collaborative and workgroups. Utilizing a System of Care (SOC) framework, CHWB focuses on the strengths and vulnerabilities of complex public systems, treatment of the “whole person,” and system transformation to improve policy, shared funding, collaboration and best practices. Recognizing that social determinants of health (i.e. homelessness, poverty/inequality, health literacy and lack of education/employment) are key drivers of health care costs, CHWB often plays a tangential role to the MCO functions - improving the environments in which people live increases engagement and retention in services, overall health and wellness, and more meaningful and productive lives that promote recovery.

### Accomplishments for FY20

- Expansion of provider collaboratives to provide technical assistance and improve quality
- Implementation of multiple alternative payment models
- Developed provider scorecards
- Improved process for monitoring provider performance and evaluating provider outcome measures.
- Implemented a shared-savings program
- Began tailored plan preparations
- Developed model for Provider Led Care Management under the tailored plan and started learning collaborative
- Continued expansion of opioid treatment services
- Streamline process for new service development
- Supported greater integration of care efforts
- Developed new network reporting tools to track provider efficiency and outcomes
- Implemented psychiatric rehabilitation service model within Psychosocial Rehabilitation programs
- Implemented HEDIS data analysis at the provider level
- Implemented short-term rental assistance program in each community. Also created a longer term rental assistance program for a higher risk population and specialized supportive housing programs.
- Continue to forge partnerships with landlords, housing authorities and developers to increase access to desirable affordable housing inventory.
- Continue to work with the Corporation for Supportive Housing to incorporate best practice supportive housing practices in TCLI and with enhanced providers. Developed targeted training and technical assistance to increase the supportive housing competency of providers.

- Continue Staying Well initiative with Care Coordination and the Member Engagement to conduct follow up for persons discharged from Care Coordination.
- Successfully implemented a second FEMA crisis outreach program in Cumberland County following Hurricane Florence.
- Developed and implemented a variety of health literacy tools to promote engagement in health decision making for our members.
- Participated on a statewide social determinant advisory group and assisted in a regional application for a multi-year SDOH grant.
- Continue to implement a supportive housing pilot with Duke Healthcare showing significant reductions in ED utilization correlated with housing stability.
- Implemented the first Bridge Housing Program in Wake County.
- Durham, Johnston and Wake have highly successful Crisis Intervention Training (CIT) training programs with designated CIT Coordinators. The CIT Veterans training started in Wake has now expanded to Johnston Co with plans to expand into Cumberland.
- Expanded Mental Health First Aid (MHFA) trainers and now have a CR staff trained on almost every module. Trained the Raleigh and Durham PD's on MHFA with over 1000 participants.
- Completed significant enhancements to Wake and Durham Network of Care.
- Worked with Temple University Community Inclusion Center to implement a Community Inclusion Planning team.
- Funding renewed for two HUD-funded supportive housing programs in Durham.
- All Community Collaborative completed strategic plans outlining SOC priorities.
- Implemented a Justice Involved Supportive Housing Program for persons released from jails and prisons in Durham.

### Summary of Goals and Objectives for FY21

- Expand network crisis services capacity
- Address provider network needs and gaps as specified in network development plan
- Expand use of alternative payment models
- Implement Practice Transformation Team and processes
- Pilot provider led care management through a comprehensive behavioral health entity
- Implement a care management agency training plan
- Build physical health network
- Develop Jiva provider portal to support provider led care management
- Implement Pay for Performance to improve selected HEDIS measures
- Expand a SOC approach to reflect an integrated model of care that will expand partnerships and improve outcomes
- Research and implement health related social needs models that close the gap between clinical care and community resources
- Promote cross-departmental collaboration to improve person and service outcomes.
- Assist in the development of models of care for special and high-risk populations.
- Assist in the development of comprehensive community supports to increase community tenure and quality of life for high-risk adolescents and adults

## Business Operations Division

The Business Operations Division is responsible for the oversight and management of Alliance's financial accountability relating to budgeting, claims, auditing and financial analysis.

### Brief Description of Department and Units

- The Claims Department is responsible for the monitoring and review of all claims processing for all funding sources, analysis of paid and denied claims, special ED claim review, etc. The team consists of Specialists, that assist providers daily on basic billing, and Claims Analysts that work on denials and analysis, encounter claim submission, and large projects. In addition, we have an EDI Specialist who specifically is focused on provider EDI files and EDI files that we send to the State.
- The Financial Operations Department is responsible for planning, organizing, auditing, accounting for and controlling the Organization's finances. The Department is comprised of four units:
  - Accounting is responsible for the Organization's financial transactions, financial reporting, adherence to Generally Accepted Accounting Principles (GAAP), ensuring adequate and effective internal controls, cash receipts, and processing payroll.
  - Budget and Financial Analysis is responsible for the development and monitoring of the Alliance budget and analyzing budget to actual at both the administrative and service level. The team in this unit are also responsible for the review and analysis of Medicaid dollars to include Per Member Per Month (PMPM) spending by category of service and aid, budget vs. actual, individual provider or service trends, etc. Responsibility also includes rate setting for programs, services, and providers.
  - Accounts Payable is responsible for ensuring all providers and vendors are paid accurately and timely.
  - Purchasing is responsible for ensuring all administrative purchases are made in accordance with applicable laws and procedures as well as meet the purchasing needs of the Organization.

### Accomplishments for FY20

- Alliance claims staff continues to provide weekly claims training for providers to ensure updated knowledge of systems and claim information is shared with all providers. All staff were cross trained to allow for more educational opportunities for providers
- Improved denial resolution time with enhanced improvements in the Accounts Receivable (AR) system
- Maintained a nearly consistent 100% in encounter claims approved by the State for both Medicaid and non-Medicaid claims.
- Claims Staff continued to collaborate with IT/Report Development to create reports that provide analysts with paid claims in different categories.
- Assisted in the development of a claims scorecard to monitor staff productivity goals, phone queue statistics, and provider engagement in denial resolution.

- The HMS audits for September 2018 through February 2019 and March 2019 through August 2018 in average high scores of 98.77% in timeliness of provider payment, 99.7% in claims processing accuracy, and 99.75% in financial accuracy.
- Began testing physical health claims using real fee for service data and provider information as seen in NC TRACKs.
- Restructured team to allow for growth opportunities in the department as well as prepare for Tailored Plan claims processing
- Assisted in the completion of the gaps analysis of the current claim system
- Implemented electronic processing of purchase requests.
- Continued our focused efforts on monitoring the Medical Loss Ratio (MLR) so that all allowable expenses are included in the calculation.
- Completed another successful independent financial statement audit and compliance audit receiving no material weaknesses, significant deficiencies and no required adjustments.
- Implemented a chart of accounts conversion to incorporate the Organization's recent reorganization into our reporting and budgeting.
- Review and realign month end tasks to make the month end close process more efficient.
- Continued the departmental focused administrative budgets, as well as budget to actual reports, to allow for budget ownership and flexibility of spending. This includes enhancing the process we use for projections.
- Developed budget to actual reporting tools for the Provider Network team

### Summary of Goals and Objectives for FY21

- Continue to exceed the encounter requirement to have 95% approved claims. Evaluate processes to determine modifications and efficiencies needed for Tailored Plan efforts.
- Focus on claim system development as it relates to physical health claims in preparation for the Tailored Plan
- Collaborate with leadership to complete the Tailored Plan RFA and prepare for readiness reviews.
- Create test scenarios for the purposes of evaluating the success of physical health claims processing in our test system
- Participate in discussions with the Core System Development Team for the Alliance Claims System
- Improve reporting and monitoring of state required Client Data Warehouse (CDW) transaction submissions
- Work with IT to continue to make improvements in the AR system so that we can maintain accurate accounting of all outstanding NC TRACKs submitted claims
- Continue to work with staff on operational improvements and provider reporting in an effort to streamline work in preparation of the Tailored Plan
- Evaluate internal processes for potential efficiencies in preparation for the Tailored Plan
- Evaluate our General Ledger system for potential growth and enhancement opportunities. The Tailored Plan financial requirements will be assessed and considered in this evaluation.
- Collaborate with Core Systems Development Team to evaluate changes related to financial transactions in the new Alliance Claims System

- Continue to enhance our reporting and analysis of our services especially in the area of Medicaid drilling down to the population level, Medicaid eligible lives, and category of service.
- Continue engagement with consultants to assist with higher level reporting and forecasting. Specific efforts will be put forward as it relates to our PMPM rate for Standard Plan “Go Live” dates as well as Tailored Plan implementation date.
- Continue to enhance training and development so that staff are fully trained and have the tools they need to do their job. We will focus on claims processing and management of physical health claims and diversifying staff knowledge and expertise
- Begin arrangement with a new actuary and work towards a goal of improving PMPM analysis in preparation for future rate negotiations.

## Organizational Performance Division

The Organizational Performance division’s primary focus is on driving and supporting the infrastructure requirements of the other divisions within the organization. The goal is to maximize the organization’s performance and achieve operational excellence. This is accomplished through the alignment of divisional departments including Communications, Project Portfolio Management, Government Relations, Access Center, Quality Management, Information Technology and Analytics.

### Brief Description of Department and Units

- The Project Portfolio Management Office (PPMO) is chartered to manage the Alliance portfolio of Strategic Initiatives This supports leadership's need to closely manage investment funds, staff resources, and business priorities in an effort to tightly manage projects that affect the strategy, health, and profitability of the company.
- The Alliance Communications Unit has oversight of all internal and external organizational communications to multiple stakeholders within our catchment area. This broad scope of work includes all organizational marketing development and production, organizational branding efforts, content maintenance of a complex website and highly regarded social media program.
- The Access and Information Center (the Alliance 24/7 call center) links consumers to a range of services in the community and ensures that callers in need of crisis services are provided with timely access and follow-up. In addition to screening and referral activities, the call center provides information to general healthcare providers, CCNCs and to crisis providers to help coordinate the care of consumers needing routine services or during an after-hours crisis. It handles general information requests for Alliance as well.
- Quality Management is responsible for creating a culture of continuous quality improvement across Alliance and assuring quality within the agency. Quality Management has four teams:
  - Quality Improvement oversees our Quality Improvement Projects (QIPs); performs quality reviews to identify opportunities for improvement; and develops quality management standards and training.
  - Data and Reporting assists Alliances departments with developing operational metrics to focus on effective and efficient work; develops and validates reports for Alliance management, committees and the state; facilitate the completion and analysis of network-wide surveys to identify strengths and opportunities.



- Grievances, Appeals and Incidents investigates and resolves incidents and complaints; ensure members appeals are appropriately handled, and analyzes data related to individual-level concerns to ensure that Alliance responds effectively to issues and trends.
- Accreditation ensures that Alliance meets NCQA accreditation requirements by conducting gap analyses and serving as an internal consultant to assist business owners in closing any identified gaps.
- The Information Technology (IT) Department is comprised of five distinct teams:
  - Application Development and Quality Engineering is responsible for internal application development and support, including SharePoint and the corporate Intranet. Manages all quality assurance and user acceptance testing and documentation, including the AlphaMCS system. Manages database security, file downloads, and IT Project Management.
  - Core Systems Development is responsible for software development and support of the Alliance Claims System, including the transition of the software to allow processing of Physical Health claims for the Tailored Plan implementation.
  - Product Management and Support provides support for the AlphaMCS system hosted by WellSky and management of Alliance configuration services for the JIVA – Population Health/Care Management platform.
  - Data Analytics/Business Intelligence is comprised of the business intelligence and data science teams, this group is responsible for the engineering and management of the Alliance Enterprise Data Warehouse and the utilization of the key software platforms of Microsoft SQL Server, and MicroStrategy. They are additionally responsible for developing and deploying data actionable reports, dashboards and other data products to meet the advanced analytics and other informational needs of the organization.
- Government Relations objectives are to interpret and influence this shifting policy landscape and support Alliance’s organizational strategic planning through deliberate legislative policy planning, purposeful outreach to key stakeholders, and focused monitoring and analysis of policies affecting the organization. Alliance is operating in a changing and often uncertain healthcare landscape in North Carolina. This uncertainty demands that we plan for and develop the ability to adapt to various potential policy scenarios that will dictate our existence into the future.

### Accomplishments for FY20

- Collaborated with Alliance leadership to develop the strategic direction for Tailored Plan Implementation.
- Developed 3-month PPM staff allocation forecasting reports to identify staff Completed gap analysis of business processes, policies, procedures, and programs across all departments within the organization which resulted in identifying nearly 200 gaps to be addressed prior to the release of the Tailored Plan RFA.
- Created and launched a new Community Health and Well-Being website pulling together the multiple ways Alliance reaches into our communities, including housing initiatives,

innovative partnerships and collaboration, and stigma reduction efforts, thus highlighting the tremendous cumulative impact Alliance has on the people we serve.

- Coordinated a successful sponsored media initiative on WRAL.com in which we shared six headline articles on topics including social drivers, TBI, Medicaid transformation, and the opioid epidemic, as well as hundreds of thousands of banner impressions.
- Built on Alliance’s historical standing among local media as the “go to” experts in our field by coordinating extensive media exposure for our Chief Medical Officer during the COVID-19 crisis.
- Awarded Full URAC Health Call Center accreditation.
- Promoted Behavioral Health Urgent Care for easier access to medications and improve access to care for urgent Behavioral Health needs which helps maintain a low ED admission rate.
- Collaborated with other Alliance Departments on TBI waiver. Streamlined process to reduce the number of call backs for members seeking information about TBI services.
- Streamlined IDD service referrals for eligible members thus lessening the wait for Non-Innovations services.
- Increased cost savings by ending a paid vendor’s contract and establishing a new Interflow Call Center contract with Vaya Health.
- Awarded three Behavioral Health Crisis Line (BHCL) contracts from NC Standard Plans to perform their Behavioral Health Crisis Line.
- Awarded one contract to perform urgent medical necessity reviews for one Standard Plan after hours.
- Restructured the Continuous Quality Improvement (CQI) committee to shift focus from departmental work towards functional subcommittees that are charged with improving specific aspects of quality across departments. This change will also allow Alliance to include member and provider voices in additional sub-committees.
- The Data Science Department contributed to the analytic support for a cross-departmental group focused on preparing for Tailored Plan implementation. The primary focus was identification of high-risk sub-populations across a wide array of behavioral, physical, and pharmaceutical factors.
- Purchased the AlphaMCS Claims System software to support the Alliance Tailored Plan claims processing initiatives and installed on a Development and User Acceptance Testing environment to allow internal development and testing of physical health claims to begin.
- Developed Alliance’s legislative priorities for CY2019 and obtained approval from our Board to communicate them to legislators, our county partners, and other key stakeholders.
- Successfully advocated for DHHS to update Single-Stream Funding allocations among LME/MCOs to more accurately account for the uninsured across our state. Him
- Created and submitted to DHHS a blueprint for a statewide, regionally-based behavioral health crisis system for Medicaid Transformation that was agreed to among Alliance, Trillium, and Vaya.
- Devised policy recommendations submitted to DHHS regarding Medicaid Transformation issues including TP eligibility, PMPM rate setting, and integrated health data sharing.

## Summary of Goals and Objectives for FY21

- Collaborate with leadership to develop the strategic direction to complete the Tailored Plan RFA and prepare for readiness reviews.
- Collaborate across the organization to plan and execute a major website overhaul designed to create an application with greater value and utility for priority users, incorporating member and provider portals plus enhanced utility for non- and not-yet members, to include a self-assessment tool.
- Continue to enhance the Alliance profile in our community as the expert in our industry, including the creation of a podcast featuring the CMO
- Maintain URAC accreditation.
- Prepare for NCQA MBHO accreditation.
- Prepare for a successful launch of Standard Plan Behavioral Health Crisis Lines and after hour Urgent Authorization reviews.
- Continue to improve access to care for routine and urgent appointments by using a new vendor-Health Crowd. They will utilize texting for appointment reminders. New vendor to increase member engagement.
- Continue to use Non-Emergency Medical Transportation to assist members to access treatment and pharmacy needs.
- Work to align the annual evaluation and plan development of the Quality Management and Utilization Management plans.
- Explore additional Disaster Recovery systems and test plans to provide the needed levels of redundancy for all critical Alliance systems and servers.
- Develop and internal Provider Search website that will allow Alliance staff access to additional information on provider clinician languages, specialties and accurate referral information.
- Complete all required enhancements to the Alliance Claims System to support physical health claims processing.
- Extend Alliance data exchange capabilities to include capabilities to exchange data with Advanced Medical Homes+ (AMH+), Care Management Agencies (CMA's) and other clinical providers.
- Support IT and data initiatives to meet NCQA MBHO Accreditation.
- Continue coordinating Alliance's feedback to DHHS on initiatives regarding the development of Behavioral Health IDD Tailored Plans and our preparation to implement a Tailored Plan in alignment with state law and DHHS' strategic direction.
- Continue advocating for the NC General Assembly to stop the cuts to State Single-Stream Funding. While we were successful in urging DHHS to update Single-Stream Funding allocations among LME/MCOs to more accurately account for the uninsured across our state, the annual Single Stream allocation Alliance receives is still less than the corresponding service level requirement we have to meet.
- Develop Alliance's legislative priorities for NC General Assembly's 2020 short session and 2021 long session and obtain Board approval of such legislative agendas in order to communicate them to legislators, our county partners, and other key stakeholders.
- Build relationships with key NC General Assembly members in order to advance our legislative priorities. In addition to having connection with legislators that are on relevant

healthcare committees and/or represent portions of our catchment area, we aim to establish a few key legislators as “go-to” legislators for our priorities.

- Advance initiatives to boost Alliance’s collective advocacy for public MCOs and for the individuals with significant behavioral health conditions, I/DD, and TBI we each serve through LME/MCO collaborations, such as a proposed trade association, and/or partnerships with our providers.

## Office of Compliance Division

### Brief Description of Department and Units

The Alliance Office of Compliance focuses on the prevention, detection and correction of identified violations of federal and state laws and regulations, and fraud control and unethical conduct, and encourages an environment where employees can report compliance concerns without fear of retaliation. It includes sixteen employees in the Special Investigations Unit and Claims Audit Unit, which together make up the Program Integrity Department, and the Corporate Compliance Unit, which also includes Health Information.

### Accomplishments for FY20

- Received 50 new fraud and abuse allegations in the first 6 months of FY20, 14 new investigations were started and 13 cases were referred to NC Medicaid Office of Compliance and Program Integrity for determination of credible allegation of fraud.
- Conducted internal audits and monitoring activities.
- Monitored all office sites for HIPAA Privacy compliance and conducted telecommuting monitoring.
- Issued and tracked 66 actions and sanctions to providers in response to Network compliance issues in the first 6 months of FY20.
- Identified over \$211,000 in overpayments through the Corporate Compliance Committee process in the first 6 months of FY20.
- Managed five requests for reconsideration of actions against providers in the first 6 months of FY20.
- Audited 3% of adjudicated claims as well as inpatient and ED claims weekly.
- Conducted internal investigations and developed remediation plans where applicable, monitored remediation plans to ensure successful implementation.
- Conducted new hire orientation, annual compliance and HIPAA training to all employees, compliance training to Board of Directors, and published informational materials related to compliance, fraud and abuse to a variety of stakeholder groups.
- Conducted Compliance and Program Integrity training to Network Providers.
- Coordinated activities to celebrate Corporate Compliance and Ethics Week organization-wide at each site with the purpose to increase compliance awareness.

### Summary of Goals and Objectives for FY21

- Our goal is to embed compliance, fraud control, and business ethics into Alliance day-to-day operations through the use of procedures, infrastructures and tools designed to help achieve compliance with federal, state, and local laws and regulations, contracts and accreditation standards. We will achieve these goals through ongoing efforts of:

- Employee and stakeholder training and information sharing
- Policy and procedure oversight and management
- Internal audits and compliance monitoring
- Privacy and security audits, annual security risk assessment
- Random and targeted claims audits
- Fraud and abuse investigations to detect and deter fraud and abuse in the Alliance Network, prioritizing areas of highest risk
- Investigation and correction of non-compliance
- Development and implementation of risk mitigation plans
- Identification and resolution of provider compliance issues
- An annual work plan and audit plan developed as a result of the annual risk assessment drives major compliance operations. Items selected for the work plan pose risk to Alliance. The updated plan is reflective of the current risk environment in which Alliance operates.
- Provide specialized training to department staff to promote professional development.

## Human Resources Division

### Brief Description of Department and Units

The primary focus of Alliance’s Human Resources Department is its people; recruiting, developing, training and retaining a talented diverse workforce. The main areas include Benefits Administration, Employee Relations and Policy Administration, Compensation and Classification, Talent Management, and Organizational Development and Learning (ODL). Together, the staff within the HR department address the various needs of both internal and external customers, often serving as an initial face of Alliance. Organization committees developed by Alliance staff work in tandem with the HR and ODL teams to promote a culture of self-improvement, employee engagement, and staff appreciation, and to move the organization closer to becoming an employer of choice.

### Accomplishments for FY20

- Posted 96 vacancies; Hired 83 (22 Internal 27%, 61 External 73%) candidates
- Created 27 new positions
- Implemented Human Resources modules within UltiPro; Recruiting/Onboarding, Benefits, Performance Management, Compensation and Perceptions
- Launched two Employee Engagement check-ins incorporating analysis of overall organizational and division/department results
- First Annual Benefits Open Enrollment configured and completed via UltiPro
- Developed Exit Interview template within UltiPro Perceptions
- Conducted organizational Market Study for Compensation and Benefits
- Configured UltiPro to automate issuance of management leave and to notify Payroll of cell phone reimbursements
- Began implementation of organizational retention plan
- Hosted our first all staff conference on Cultural, Change and Citizenship (C3) with 441 staff in attendance. C3 included presentations, sensing groups and learning activities.
- Hosted the first micro-learning event which offered staff an opportunity to attend various presentations including mini-training sessions, team enrichment and coaching activities.

### **Summary of Goals and Objectives for FY21**

- Expand usage of UltiPro by incorporating workflow paths to process employee changes and eliminate paper approval processes
- Implement Employee Referral Program
- Enhance staff retention plan to mitigate unwanted turnover. Develop process within UltiPro and create training to implement Succession Planning for key positions and roles.
- In partnership with ODL, offer leadership trainings for HR topics like Recruitment, Coaching and Discipline, and Compensation.
- Modify onboarding processes including New Employee Orientation and New Employee Manager Orientation.

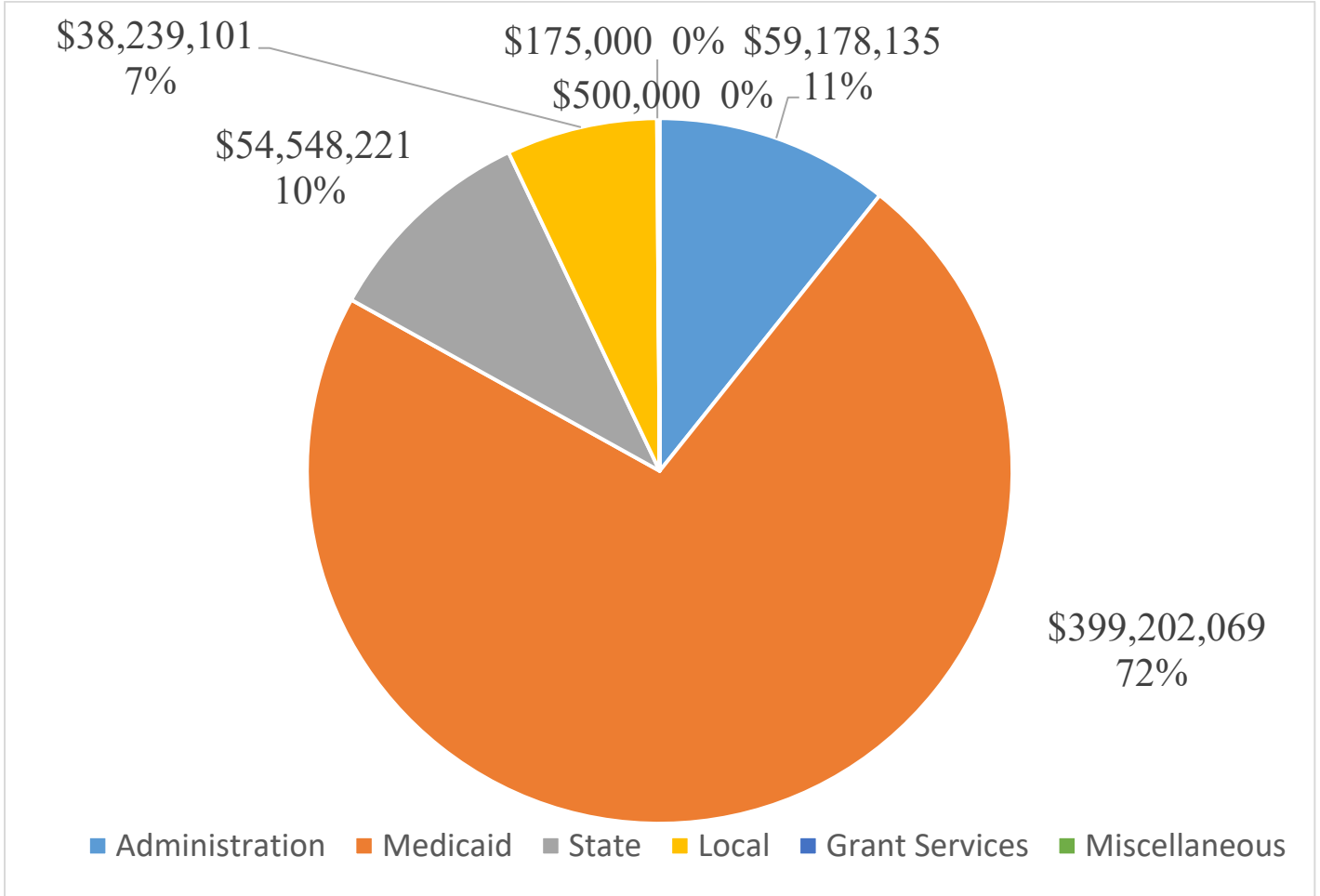
### **Summary of Goals and Objectives for FY21**

- Expand the usage of UltiPro by incorporating workflow paths to process employee changes and eliminate paper approval processes
- Utilize functionality within Succession Planning module to identify and address skill gaps throughout organization
- Offer benefits premium differential in FY20 Open Enrollment by implementing Health Assessments and other wellness related initiatives
- Complete implementation of Human Resource modules (Benefits, Perception/Reporting); evaluate and modify processes to maximize efficiency and system functionality
- Create and install workforce demographics on manager's dashboard within UltiPro

**General Fund Revenues**  
 FY2020-2021 Recommended Budget  
**Total General Fund Revenues: \$551,842,526**

Administrative	\$ 59,178,135
Medicaid Services	399,202,069
Alliance	
State	37,295,004
Federal	6,213,253
Cumberland	
State	1,103,538
Federal	145,228
Local	4,790,720
Durham	
State	3,079,392
Federal	561,659
Local	6,311,948
Johnston	
State	1,661,743
Federal	20,000
Wake	
State	3,258,889
Federal	1,209,515
Local	27,136,433
Grants	175,000
Miscellaneous	500,000
<b>Total</b>	<b>\$ 551,842,526</b>

**General Fund Revenues**  
 FY2020-2021 Recommended Budget  
**Total General Fund Revenues: \$551,842,526**

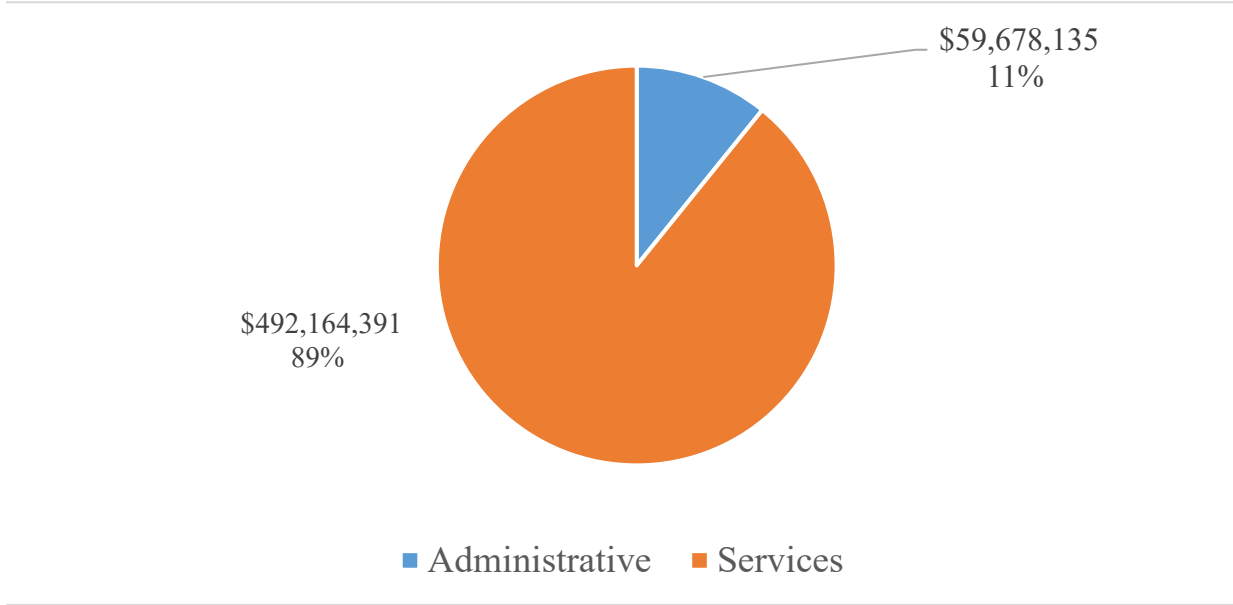




**General Fund Expenditures**  
FY2020-2021 Recommended Budget  
**Total General Fund Expenditures: \$551,842,526**

Administrative	\$ 59,178,135
Medicaid	399,202,069
State	54,548,221
Local	38,239,101
Grant Services	175,000
Miscellaneous	500,000
<b>Total</b>	<b>\$ 551,842,526</b>

**General Fund Expenditures**  
FY2020-2021 Recommended Budget  
**Total General Fund Expenditures: \$551,842,526**



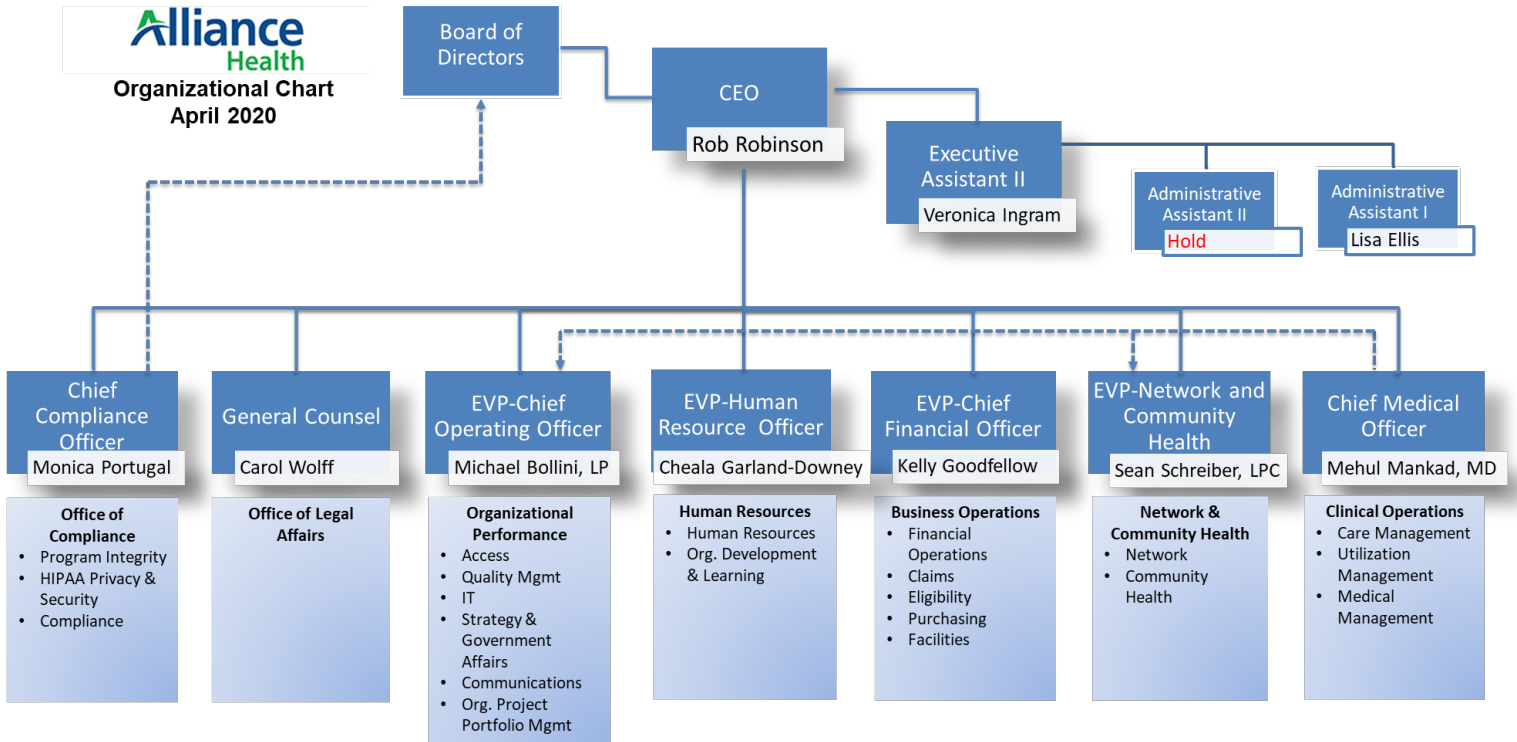
**Budget Comparison**

**Budgeted Revenue**

**Budgeted Expenditures**

	<b>FY20</b>	<b>FY21</b>		<b>FY20</b>	<b>FY21</b>
Administrative	\$ 57,348,078	\$ 59,178,135	Administrative	\$ 57,348,078	\$ 59,178,135
Medicaid Services	385,741,463	399,202,069	Medicaid Services	385,741,463	399,202,069
Alliance			State & Federal Services	53,383,119	54,548,221
State	38,881,499	37,295,004			
Federal	4,408,173	6,213,253	Local Services	38,787,140	38,239,101
Cumberland			Grants	-	175,000
State	778,248	1,103,538	Miscellaneous	500,000	500,000
Federal	145,228	145,228			
Local	4,792,226	4,790,720			
Durham					
State	3,119,228	3,079,392			
Federal	333,993	561,659			
Local	6,310,489	6,311,948			
Johnston					
State	1,735,233	1,661,743			
Federal	20,000	20,000			
Wake					
State	3,324,021	3,258,889			
Federal	637,496	1,209,515			
Local	27,684,425	27,136,433			
Grants	-	175,000			
Miscellaneous	500,000	500,000			
<b>TOTAL</b>	<b>\$ 535,759,800</b>	<b>\$ 551,842,526</b>		<b>\$ 535,759,800</b>	<b>\$ 551,842,526</b>

# Functional Organization Chart



**ANNUAL BUDGET ORDINANCE  
ALLIANCE HEALTH  
FY 2020 - 2021**

WHEREAS, the proposed budget and budget message for FY 2020 - 2021 was submitted to the Alliance Health Area Board on May 7, 2020 by the Budget Officer; was filed with the Executive Secretary to the Board;

WHEREAS, on June 4, 2020, the Alliance Health Area Board held a public hearing pursuant to NC G.S. 159-12 prior to adopting the proposed budget;

BE IT ORDAINED by the Alliance Health Area Board that for the purpose of financing the operations of Alliance Health, for the fiscal year beginning July 1, 2020 and ending June 30, 2021, there is hereby appropriated funds the following by function:

**Section 1: General Fund Appropriations**

Administration	\$ 59,178,135
Medicaid Services	\$ 399,202,069
State Services	\$ 54,548,221
Local Services	\$ 38,239,101
Grant Services	\$ 175,000
Miscellaneous	\$ 500,000
<b>TOTAL</b>	<b>\$ 551,842,526</b>

**Section 2: General Fund Revenue**

Administration	\$ 59,178,135
Medicaid Services	\$ 399,202,069
State Services	\$ 54,548,221
Local Services	\$ 38,239,101
Grant Services	\$ 175,000
Miscellaneous	\$ 500,000
<b>TOTAL</b>	<b>\$ 551,842,526</b>

**Section 3: Authorities**

A. The LME/MCO Board authorizes the Budget Officer to transfer \$25,000 or less between appropriations without prior approval.

B. Subject to the prior written approval from the Chief Executive Officer, transfers between appropriations of \$25,001 - \$100,000 per transaction, may be made if allowed by the funding source subject to a report to the Board Finance Committee at its next scheduled meeting. The report to the finance committee shall contain the reason and justification for the transfer. Consistent with N.C.G.S. §159-15, the Finance Committee will report these transfers to the Board at its next regular meeting for information and entry into the minutes.

C. The CEO may enter into the following within budgeted funds:

1. Form and execute grant agreements within budgeted appropriations;
2. Execute leases for normal and routine business;
3. Enter into consultant, professional, maintenance, provider, or other service agreements;
4. Approve renewals for of contracts and leases;
5. Purchase of apparatus, supplies, materials or equipment and construction or repair work;
6. Reject any and all bids and re-advertise to receive bids.

## Budget and Amendment Process

### Overview

The purpose of the budget and amendment process is to ensure that public dollars are spent in the manner as intended and in an effort to meet the needs of the citizens in relation to mental health, intellectual/developmental disabilities, and substance abuse needs. Through the budget, Alliance Health aims to fulfill its mission as granted by NC G.S. 122-C.

### Governing Statutes

Alliance Health abides by the North Carolina Local Government Budget and Fiscal Control Act. It is the legal framework in which all government agencies must conduct their budgetary processes. NC G.S. 159 provides the legislation which includes several key dates such as:

- 159-10 - By April 30, Departments must submit requests to the Budget Officer
- 159-11(b) - By June 1, the Recommended Budget must be submitted the Board
- 159-12(b) - A public hearing must be held
- 159-13(a) - From 10 days after submitting to the Board, but by July 1, a balanced budget must be adopted

### Budget Process

FY 2020-2021 is the ninth recommended budget representing Alliance Health as a multi-county Area Authority. The budget represents services for Cumberland, Durham, Johnston and Wake counties.

The administrative budget for this fiscal year was driven by our Per Member Per Month (PMPM) rate, FY21 projected costs, FTE positions, Department of Health and Human Services contract requirements, and costs related to the operating the Medicaid waiver.

The Medicaid service budget was created based on historical experience and projections into the next fiscal year. Alliance will review the need for a budget amendment if the projection of lives has changed based on payments received.

The State and Local services budget was developed by gathering service information for each area based on the claims trends and information from staff. The FY21 allocations and benefit packages were reviewed and staff worked together to ensure all services were appropriately planned to be consistent with current services.

### Amendment Process

The budget ordinance is approved at a function/appropriation level. The Budget Officer is authorized to transfer budget amounts \$25,000 or less between appropriations without prior approval. Subject to the prior written approval from the Chief Executive Officer (CEO), transfers between appropriations of \$25,001 - \$100,000 per transaction, may be made if allowed by the funding source subject to a report to the Board Finance Committee at its next scheduled meeting. The CEO may enter into the following within budgeted funds:

1. Form and execute grant agreements within budgeted appropriations;
2. Execute leases for normal and routine business;
3. Enter into consultant, professional, maintenance, provider, or other service agreements;

4. Approve renewals for contracts and leases;
5. Purchase of apparatus, supplies, materials or equipment and construction or repair work;
6. Reject any and all bids and re-advertise to receive bids.

Per G.S. 159-15, the governing board may amend the budget ordinance at any time after the ordinance's adoption in any manner, so long as the ordinance, as amended, continues to satisfy the requirements of G.S. 159-8 and 159-13.

### Budget Calendar

By Thursday, May 7, 2020	FY 2020-2021 recommended budget presented at LME/MCO Board meeting
By Friday, May 15, 2020	Notice of June 4, 2020 Public Hearing published
By Thursday, June 4, 2020	Public Hearing
By Tuesday, June 30, 2020	LME/MCO Board adoption of FY 2020-2021 Budget Ordinance
By Wednesday, July 1, 2020	Budget is available in the General Ledger system

### Glossary of Terms

LME	Per G.S. 122C-3(20b), Local Management Entity or LME means an area authority, county program, or consolidated human services agency. It is a collective term that refers to functional responsibilities rather than governance structure.
MCO	Managed Care Organization; LMEs that have adopted the financial risk and service review functions of the 1915(b) and 1915(c) waivers. LME-MCOs carry out the function of an LME and also act as health plans that provide health care in return for a predetermined monthly fee and coordinate care through a defined network of providers, physicians and hospitals.
Medicaid Waiver	States can submit applications to the federal Centers for Medicare and Medicaid Services, asking to be exempt from certain requirements. If granted a “1915(b)” waiver, a state can limit the number of providers allowed to serve consumers, easing the state’s administrative burden and saving money. If granted a “1915(c)” waiver, a state can offer more services focused on helping an intellectually or developmentally disabled consumer continue living in his or her home, rather than a group home.