FY20 RECOMMENDED BUDGET
June 6, 2019
# Alliance Health

## Annual Budget

FY 2019-2020

## Board of Directors

Cynthia Binanay, Chair

George Corvin, Vice Chair

<table>
<thead>
<tr>
<th><strong>Durham County</strong></th>
<th><strong>Wake County</strong></th>
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<tbody>
<tr>
<td>Cynthia Binanay</td>
<td>George Corvin, MD</td>
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<tr>
<td>Commissioner Heidi Carter</td>
<td>Commissioner Greg Ford</td>
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<tr>
<td>David Curro</td>
<td>David Hancock</td>
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<tr>
<td>Gino Pazzaglini</td>
<td>Donald McDonald</td>
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<tr>
<td>Pam Silberman</td>
<td>Lynne Nelson</td>
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<td>Lascel Webley, Jr.</td>
<td>McKinley Wooten, Jr.</td>
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<tr>
<th><strong>Cumberland County</strong></th>
<th><strong>Johnston County</strong></th>
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<tr>
<td>Commissioner Glenn Adams</td>
<td>Commissioner Tony Braswell</td>
</tr>
<tr>
<td>Christopher Bostock</td>
<td>Lee Jackson</td>
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<td>Duane Holder</td>
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**Robert Robinson, CEO**
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June 6, 2019

Alliance Board Members,

We are pleased to share with you our FY20 budget for your approval.

The approved budget reflects a few changes from the recommended budget that was presented to you on May 2\textsuperscript{nd}. To summarize, increases were made in the following areas:

- Overall increase in Administration due to adjustments in County funding and increase in the Medicaid PMPM rate offer
- Medicaid by over $1.7M due to the current PMPM rate offer and an adjustment to the TBI budget
- Local funding decrease by $263,000 due to adjustments to the final budgets

As I mentioned in my introduction to the recommended budget document, this budget that we are presenting for your approval reflects our focus for the upcoming year on our preparations to operate as a Tailored Plan as part of our state’s Medicaid transformation. We believe that it will allow Alliance to serve as many people as possible with quality services and a focus on best practice services, to reduce reliance on our fund balance for ongoing commitments to uninsured individuals, and very importantly, to ensure our future sustainability in a changing healthcare landscape.

We thank you for your continued participation and wise counsel during this budget process.

Best Regards,

Rob Robinson
Chief Executive Officer
Reader’s Guide

FY 2019-2020 is the eighth 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 2019-2020 for Alliance’s administrative and service operations covering Cumberland, Durham, Johnston and Wake counties. The budget year begins July 1, 2019 and ends June 30, 2020. 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. The funds are allocated based on a per member per month basis. The members per month budgeted is 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 a percentage 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 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. 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.
## Alliance Demographic Information

### Alliance Regional Population Data

<table>
<thead>
<tr>
<th>County</th>
<th>Population</th>
<th>Medicaid Eligible</th>
<th>Medicaid %</th>
<th>Medicaid Served</th>
<th>Non-Medicaid Served</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cumberland</td>
<td>332,546</td>
<td>80,728</td>
<td>24.28%</td>
<td>12,763</td>
<td>3,367</td>
<td>16,130</td>
</tr>
<tr>
<td>Durham</td>
<td>311,640</td>
<td>53,115</td>
<td>17.04%</td>
<td>8,146</td>
<td>3,649</td>
<td>11,795</td>
</tr>
<tr>
<td>Johnston</td>
<td>196,708</td>
<td>39,000</td>
<td>19.83%</td>
<td>5,405</td>
<td>1,719</td>
<td>7,124</td>
</tr>
<tr>
<td>Wake</td>
<td>1,072,203</td>
<td>122,154</td>
<td>11.39%</td>
<td>16,503</td>
<td>7,699</td>
<td>24,202</td>
</tr>
<tr>
<td>Total</td>
<td>1,913,097</td>
<td>294,997</td>
<td>15.42%</td>
<td>42,817</td>
<td>16,434</td>
<td>59,251</td>
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</tbody>
</table>

Based on 2017 Statistics, US Census Bureau

### Persons Served by Age and Disability

#### Based on Claims Paid by Medicaid and IPRS

<table>
<thead>
<tr>
<th>Age Group</th>
<th>County</th>
<th>MH</th>
<th>SA</th>
<th>IDD</th>
<th>Totals</th>
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<tbody>
<tr>
<td>Child/Youth</td>
<td>Cumberland</td>
<td>5,488</td>
<td>92</td>
<td>623</td>
<td>6,203</td>
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<tr>
<td></td>
<td>Durham</td>
<td>3,706</td>
<td>75</td>
<td>368</td>
<td>4,149</td>
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<td></td>
<td>Johnston</td>
<td>2,331</td>
<td>27</td>
<td>328</td>
<td>2,686</td>
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<tr>
<td></td>
<td>Wake</td>
<td>7,697</td>
<td>127</td>
<td>941</td>
<td>8,765</td>
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<tr>
<td></td>
<td>Total</td>
<td>19,222</td>
<td>321</td>
<td>2,260</td>
<td>21,803</td>
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<tr>
<td>Adult</td>
<td>Cumberland</td>
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<td>6,149</td>
<td>2,343</td>
<td>838</td>
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<td></td>
<td>Johnston</td>
<td>3,690</td>
<td>1,055</td>
<td>380</td>
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<tr>
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<td>Wake</td>
<td>12,325</td>
<td>3,362</td>
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<tr>
<td></td>
<td>Total</td>
<td>30,220</td>
<td>9,195</td>
<td>4,006</td>
<td>43,421</td>
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### Provider Breakdown

<table>
<thead>
<tr>
<th>Organization Type</th>
<th>Provider Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agencies</td>
<td>285</td>
</tr>
<tr>
<td>Hospital/Residential Treatment Facilities</td>
<td>36</td>
</tr>
<tr>
<td>Licensed Professionals</td>
<td>1,613</td>
</tr>
<tr>
<td>Outpatient Practices</td>
<td>249</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,183</strong></td>
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</table>
Departmental Information

Clinical Operations Division
Clinical Operations at Alliance Health 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, early intervention, and person-directed care. The Clinical Operations Division is responsible for the smooth and efficient operation of Alliance’s clinical and service delivery system. Division goals include maintaining high quality, cost effective and integrated behavioral healthcare.

Care Management/Care Coordination

Brief Description of Department and Units
Clinical Operations is comprised of four units and receives clinical oversight from the Alliance Chief Medical Officer.

- MH/SUD and IDD Utilization Management (UM) are responsible for authorizing services and monitoring and managing 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.

- MH/SUD Care Coordination 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 Coordination links individuals with both services and supports and helps eliminate barriers that allow individuals to live as successfully as possible within the community. MH/SUD Care Coordination is extending their ability to better address the needs of individuals with serious and persistent mental illness with co-occurring physical health conditions.

- IDD Care Coordination is responsible for working with individuals on the Innovations waiver, as well as those needing periodic coordination of state-funded IDD supports. IDD care coordination helps individuals identify the services and supports they need to live the lives they want in the community. Additional IDD care coordination staff are focused on addressing the behavioral health needs of these individuals, as well as in helping them to transition out of facilities and into the community.

- The Medical 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 team is comprised of physicians, senior clinicians, and a pharmacist.

Accomplishments for FY19

- A Care Management Software (Jiva) Platform was implemented for Care Coordination in October 2018. Configuration of the UM module is currently in process. The tool standardizes efforts, promotes increased quality and efficiency, and offers enhanced tracking of cases, activities, and outcomes.
• Implementation of Alliance Complete Care, a transition to a multi-disciplinary team approach to care management building on the success of the Complex Integrated Care Team. IDD Care Coordination will transition to this new model by the end of the fiscal year.
• Implementation of Social Determinants of Health assessment within Jiva to assist in creation of care plans to address those barriers and support collaboration with Community Health and Well-Being department.
• Implementation of an advance analytics model to identify risk factors for members and assist with assignment to care teams to address most effectively address the member’s needs.
• The TCLI team took leadership for developing a statewide in-reach learning collaborative to improve quality of service.
• TCLI is implementing a nationally recognized Community Inclusion initiative with ACTT and TMS providers and utilizing incentive payments to support implementation.
• Developed systems and strategies that address physical health care and promote whole person care by funding two pilot projects. The first uses risk stratification to identify individuals with significant behavioral and physical health needs and works with providers supports providers with useful clinical data and standard clinical interventions. The second pilot works with a primary care practice using an enhanced primary care home model and are working toward development of a value based funding model to support these enhanced services.
• Continued to support staff to complete and pass their national exam for NACCM certification. The certification enhances the quality of IDD care coordination professionals.
• Integrated physical health Registered Nurses (RNs) into several IDD and MHSUD care coordination teams.
• Implemented medication assisted treatment (MAT) in office based setting in Durham and coordinated with pharmacies to support the model.

Summary of Goals and Objectives for FY20
Complete implementation of Jiva care management platform for UM and for a provider portal. Begin implementation of a member portal.
• Full implementation of care teams in for MH/SUD. Complete implementation of Alliance Complete Care across the agency.
• 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.
• Use predictive analytics across all populations.
• Implement standard assessments and care plans
• Decrease average length of stay (ALOS) for inpatient and Psychiatric Residential Treatment Facilities (PRTF).
• Increase the number of physical health RNs and pharmacy technicians to support transition toward integrated care coordination.
• Expand MAT in office settings across all counties and remove barriers to implementation.

Network and Community Health
The Network and Community Health Division is comprised of the Provider Network and Evaluation Department and the Department of Community Health and Well-Being. The primary purposes of the division is to ensure that there is an high quality, accessible network of community treatment providers that offer culturally and linguistically competent services that are part of an overall system of care.
Additionally, the Division is responsible to provide education to members and stakeholders, develop systems to address health disparities and address social determinants of health. The Division is also responsible to evaluate the effectiveness of clinical services offered through the Alliance provider network as well as community level interventions and supports provided or led by Community Health and Well-Being.

**Provider Network and Evaluation**

**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 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 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.

- **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

- **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

**Accomplishments for FY19**

- Expansion of provider collaboratives to provide technical assistance and improve quality
- Implementation of additional value based service contracts in treatment foster care, assertive community treatment and family centered treatment.
- Inclusion of outcome measures in all provider contracts
- Improved process for monitoring provider performance and evaluating provider outcome measures.
• Expansion of Behavioral Health Urgent Care service model to address gaps in the crisis continuum
• Expand capacity of opioid treatment services
• Implemented new Peer Bridging program
• Implemented provider profiling tools
• Streamline process for new service development
• Developed new provider expectations for psychiatric residential treatment facilities

Summary of Goals and Objectives for FY20
• Expand network crisis services capacity
• Implement psychiatric rehabilitation service model within Psychosocial Rehabilitation programs
• Implement provider scorecards
• Establish practice transformation unit within the Strategic Initiatives and Special Projects section of the department
• Develop and pilot behavioral health home model
• Evaluate effectiveness of incentive based contracts
• Pilot a shared risk service contract
• Improve processes for data sharing with providers
• Implementation of HEDIS data analysis at the MCO level and provider level
• Improve relationships with and contract management of hospitals/health systems, including identifying opportunities to improve billing
• Address provider network needs and gaps as specified in network development plan
• Focus provider collaborative efforts on implementation of evidence based practices

Community Health and Well-Being

Brief Description of Department and Units
Community Health and Well-Being 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 Community Health and Well-Being 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 stakeholders and advocates, and hosting community collaborative and workgroups. Utilizing a System of Care (SOC) framework, Community Health and Well-Being 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 and lack of education/employment) are key drivers of health care costs, Community Health and Well-Being 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 FY19
• Realignment of department functions to that included a name change from Community Relations to Community Health and Well-Being
• Implemented short-term rental assistance program (ILI) in each community. Also created a longer term rental assistance program for a higher risk population. On track to expend full allotment of ILI funds.
• Implemented a comprehensive landlord recruitment strategy that has almost tripled our housing placements in private units for TCLI participants.
• Enterprise Consulting completed an assessment of all affordable housing properties in our counties to increase access to safe and affordable housing.
• Implemented a Staying Well initiative with Care Coordination and the Office of Individual and Family Affairs to conduct follow up for persons discharged from Care Coordination.
• Successfully implemented a FEMA crisis outreach program in Cumberland County.
• Implemented a standardized SDOH screening tool with Jiva.
• Participated on a statewide social determinant advisory group.
• Beginning to implement a variety of health literacy strategies.
• Implemented a supportive housing pilot with Duke Healthcare.
• Implemented the first Bridge Housing Program in Wake County.
• In partnership with Durham Housing Authority and the City of Durham secured funding for 2 supportive housing positions and 20 vouchers to implement a Justice Involved Supportive Housing Program.
• Partnered with the Durham Housing Authority to apply for HUD Mainstream vouchers specifically designated for permanent housing for persons with disabilities. Received almost 15 vouchers.
• Implemented transportation pilot program.
• 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.
• Implemented Care Review in each community and expanded to include a Homeless Care Review Team in each county.
• Funding renewed for two HUD-funded supportive housing programs in Durham.
• All Community Collaborative completed strategic plans outlining SOC priorities.

Summary of Goals and Objectives for FY20
• 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.
• Identify activities of Community Health and Well-Being (i.e. housing, Care Review) and develop key performance indicators to show the impact and return on investment.
• Fully implement a variety of health literacy strategies.
• Develop a more comprehensive residential continuum that enhances permanent supportive housing capacity.
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.

Claims Processing
Brief Description of Department and Units
Claims Processing 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.

Accomplishments for FY19
- Alliance claims staff continues to provide weekly claims training for providers to ensure updated knowledge of systems and claim information is shared will all providers.
- Continued to make improvements in the Accounts Receivable (AR) system including regular reporting of outstanding claims and write-offs. This has greatly improved the ability to research and identify claims to rebill and write off.
- Maintained a nearly consistent 100% in encounter claims approved by the State.
- Claims Staff continued to collaborate with IT/Report Development to create reports that provide analysts with paid claims in different categories. This year’s report success included percentage of paid/denied by specific provider and reason codes to better educate why claims deny which has helped in working with the provider.
- Claims continue to receive positive and outstanding remarks in Customer Service.
- The HMS audit for March 2018 through August 2018 resulted in high scores of 98.03% in timeliness of provider payment, 99.91% in claims processing accuracy, and 99.91% in financial accuracy.

Summary of Goals and Objectives for FY20
- Maintain high focus on meeting and exceeding 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.
- 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 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.

Financial Operations
Brief Description of Department and Units
- Accounting - responsible for the agency's financial transactions, financial reporting, adherence to Generally Accepted Accounting Principles (GAAP), ensuring adequate and effective internal controls, etc.
• Budget and Financial Analysis - responsible for the development and monitoring of the Alliance budget and analyzing budget to actual at both the administrative and service level. The staff 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 – responsible for ensuring all providers and vendors are paid accurately and timely.
• Purchasing – 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 FY19
• Redesigned the Budget and Finance Committee to incorporate review of our Medicaid Per Member Per Month (PMPM) service expense. This allowed for a more cohesive review of our financial position and allowed for conversation on service initiatives.
• Collaborated with the claims and IT teams to improve reporting to providers to enhance their internal reconciliations related to Alliance payments.
• Continued our focused efforts on monitoring the Medical Loss Ratio (MLR) so that all allowable expenses are included in the calculation. The MLR increased by 5.9 % in FY19.
• Evaluated and implemented a new payroll system which allowed for greater integration with HR and more effective payroll reporting
• 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.
• Continued the departmental focused administrative budgets, as well as budget to actual reports, to allow for budget ownership and flexibility of spending.

Summary of Goals and Objectives for FY20
• 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.
• 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
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 Organizational Effectiveness, Human Resources, Customer Service/Access Center, Quality Management, Information Technology and Analytics.

Organizational Effectiveness Department

Brief Description of Department and Units

The Organizational Effectiveness Department (OED) powers our organizational performance by integrating Alliance’s enterprise level projects, our people, our systems, and our leadership, and aligning all with our organizational mission, vision, and strategy. This dynamic department brings together the Communications unit, Facilities unit, Organizational Project Portfolio Management Office (OPPMO), and the Organizational Development and Learning (ODL) team to 1) facilitate positive change within the organization that is in alignment with our strategic plan; and 2) enhance and support a healthy organizational culture in alignment with our values. There are 16 staff in OED and together they support and drive Alliance’s change, growth and development.

- The Organizational Project Portfolio Management Office (OPPMO) 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.
- Organizational Development & Learning (ODL) strives to engage employees, promote learning, transform leaders, enhance culture, build teams and measure effectiveness by providing quality learning interactions, leadership development programs, and building a culture of continuous learning. ODL also supports the Recovery University learning platform for our community, which is a free resource for our members and others in our communities.
- The Facilities team is responsible for the management of multiple construction projects, property management of Alliance’s Crisis Facilities, and day-to-day facility management of Alliance’s four office sites. Health and Safety also falls within this unit, as does the Emergency Action Plan.

Accomplishments for FY19

- Successfully implemented the multi-year Strategic Facilities Plan that consolidated the Durham Office, Home Office and Call Center into one office building.
- Expanded the Facilities team to include a Facilities Director in a cost neutral way, to be accountable for the growing responsibilities created through our expansion.
- Facilitated two-day planning session with the Joint Leadership Team to design a 3-year, multi departmental project plan for transition to Tailored Plan.
- Led the Phase 1 development of the Tailored Plan Project Plan including Complete Care project for integrated care, Jiva, our platform to transform Care model, and a new HR system, UltiPro.
- Launched comprehensive, evidence based Change Management program for all staff, to support the people side of change to a Tailored Plan, certifying two staff in the Prosci Change Management model.
• In collaboration with HR, developed and launched Employee Engagement survey to provide insights and direction to assist with company culture and staff retention
• As a result of the Engagement survey, led the Telecommuting Initiative to implement alternative Work Options at Alliance, in an effort to build organizational culture and engagement.
• Created and implemented a wide variety of learning opportunities for all staff, to prepare them for the future:
  o Technical Skills Academy (TSA) to provide employees with training on Microsoft Office tools such as Word, Excel, PowerPoint, Skype, and others
  o Change Champion program to assist employees in adapting to and navigating organizational changes and imbedding change competencies within the organization.
  o Team Building interventions to assist supervisors with improved communication, increased collaboration and building trust among team members.
  o Peer Success Coach program to help employees expand and refine their skills through mentoring by other Alliance SMEs.
  o Peer Advisory Leader (PAL) mentoring program geared to assist new employees with their transition to the organization.
  o Learning Labs consisting of one-hour trainings for employees on topics such as the Medicaid Transformation, Skills for Success, and Whole Person Care to prepare staff for the future.
• Launched a new Thought Leadership component of the Alliance website designed to highlight the innovation and forward-thinking of staff across the organization, including Complete Care, housing initiatives, community empowerment, and leadership development.
• Partnered with the Government Relations Team and a local pharmaceutical company to coordinate the strategic distribution of over 18,000 pouches used to safely dispose of unused opioids and other prescription drugs as part of our “Alliance for Action on Opioids” campaign.
• Created a high-quality organizational interactive newsletter distributed by email to highlight Alliance innovation, community involvement and service, and our efforts to become an employer of choice in our field.
• Coordinated a comprehensive organizational rebranding to Alliance Health, consisting of a dynamic new logo and graphic package design, reprinting of all core information materials, rebranding of the Alliance website, migration of the web domain to AllianceHealthPlan.org, creation of new interior and exterior building signage, and revision of a myriad of video and print materials directed to a variety of audiences.

Summary of Goals and Objectives for FY20
• Implement year 3 of Organizational and Development and Learning plan which includes launching an internal Diversity specialist and expanding cultural competence education into year round learning modules and events.
• Collaborate with Alliance leadership to define needs for training related to transition to management of physical health and develop plan to provide needed learning.
• Continue implementation of organization wide Change Management plan for Tailored plan and increase change literacy and competencies across Alliance.
• Create and implement a staff succession planning program that includes career lattices, cross-departmental trainings, job shadows, etc., collaborating with HR.
• Complete the final stage of the Strategic Facilities Plan, which involves moving the Wake office to the new Home office, in July 2019.
• Continue to implement and refine the Thought Leadership Marketing Plan developed in FY19.
• Continue leadership and management of the Tailored Plan Project Plan.
• Train staff and expand utilization of the Project Portfolio Management system to better monitor and manage project level-of-effort estimation and forecasting to prepare for the future.
• Continue efforts to build public engagement with our social media platforms, including Twitter, utilizing more video and original material augmented by an advertising maintenance plan.
• Continue Evolutionary Website Redesign by identifying, analyzing, and fine-tuning a variety of performance and Search Engine Optimization issues.
• Create a dynamic new website component showcasing the diversity of Alliance’s outreach to and influence in our communities, including initiatives promoting quality partnerships and collaborative change, redesign of system of care to improve health outcomes, our work to help people more actively engage in their own healthcare, and efforts to connect people to social and community supports that enhance recovery and well-being.

Access Center

Brief Description of Department and Units
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.

Accomplishments for FY19
• Answered 57,009 calls. 98.1% of these calls were answered within 30 seconds. Average hold time was 1 minutes and 8 seconds.
• Met DHHS contractual requirements for time of answer and abandonment rate. Maintained low speed of answer of 6 seconds and 0.9% abandon rate.
• Call Center turnover rate is < 1%. Two staff returned to the Department.
• Maintained URAC Health Call Center accreditation.
• Redesigned our Clinical Decision Guide with the help of our CMO to better align with Emergency Medicine standards.
• Implemented the TBI waiver. 8 members successfully placed on the TBI waiver this year.
• Successfully closed out our Access to Care- Emergent QIP based on our higher rate of member engagement.
• IDD Access team participated in 10 IDD community events to inform more members and stakeholders about services and resources for people with IDD and TBI.
• New Training modules presented in multiple ways to support learning and increased retention.
• Pending- Positive EQR review that is reflected in Enrollee Services and Delegation Section.
• Collaborated with Primary Care offices to coordinate care for members. Over 500 assessment appointments set for members in 2018.
• Use technology to streamline the Innovations slot allocation process.
• Filled all the IDD Innovations available slots in a timely manner.
• Registry of Unmet Needs. Collaborated with Alliance report writers to address data discrepancies and move further away from the use of spreadsheets for tracking.
• Collaboration with IDD Care Coordination to expand their capacity to serve Alliance members by leveraging the untapped talented workforce in Customer Service.
• 4 trainings hosted at Alliance by IDD Access team on behalf of NC Start.
• Promoted Open Access model of care to decrease the time between appointments.
• Collaborated with Provider Networks and providers to increase choice for members.
• Increased the number of Saturday assessment appointments for all funding and ages.
• Implemented the use of MicroStrategy to create a Provider Capacity Dashboard. Assists staff to locate appointments that most clearly meet the necessary timeframe and location for callers. Collaborated with other departments to gain access. Informs Alliance staff of gaps in the network.
• Attempted to address language barriers for our members within our provider community. Piloting the use of our interpreter vendor for a single enhanced service provider serving a non-English speaking member. Alliance is funding the use of this telephonic interpreting service.
• Successful physical move of department without service disruption.
• Collaborated with other Alliance Departments on “Complete Care” project.
• LogistiCare transportation pilot implementation to remove barriers to care.
• Worked collaboratively with Network development on rolling out new service definitions, and assessing the needs and gaps in our service continuum. Increased the number of ABA providers for our membership.
• Collaborated with Duke and Durham Public Schools to create a Suicide Prevention Training.
• Improved departmental communication and integrated agency-wide communication strategy during inclement weather events to ensure timely access to emergency services.

Summary of Goals and Objectives for FY20

• Successful URAC re-accreditation.
• Successful EQR review.
• Create a new Member Service Department aligned with anticipated requirements of the Tailored Plan RFP.
• Set up and manage one or more Health Plans Behavioral Health Crisis Line delegations.
• Increase our knowledge of Population Health Management and explore ways to serve the “whole person” in all service areas.
• Increase understanding of NCQA and our role in achieving accreditation.
• Improve interflow call performance by moving our interflow vendor delegation contract to another entity.
• Work with provider network to improve access for routine and urgent appointments.
• Reduce call times and reduce customer experience of redundancy by focusing on essential screening information.
• Create phone line (hardware) redundancy for all Call Center services under our new Business Continuity Plan.
• Expand the use of LogistiCare for members needing transportation to providers and pharmacy
• Implement call center performance metrics to match anticipated Tailored Plan requirements.
• Increase the number of calls monitored with innovative technologies to ensure members rights are protected and needs are met
• Challenge the way in which we have approached member care. Use creative ways to increase the number of members seeking services to obtain the services in a timely manner.
• Collaborate with community stakeholders to prepare for possible natural or manmade disasters in order to protect and respond to the needs of our membership.
• Develop brief explanations in simple language around Medicaid Transformation for our members.
• Develop a strong working relationship with the new Ombudsman and Standard Plans to assist callers to exercise their rights and increase their understanding of Medicaid benefits.
Quality Management

Brief Description of Department and Units
Quality Management is responsible for creating a culture of continuous quality improvement across Alliance and assuring quality within the agency. Quality Management has three 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 and Incidents: investigates and resolves incidents and complaints; and analyzes data related to individual-level concerns to ensure that Alliance responds effectively to issues and trends.

Accomplishments for FY19
- Improved satisfaction with grievance resolutions resulting in dramatically lower appeal rates
- Streamlined medical team consultation for grievances and incidents resulting in faster feedback to providers and resolution of quality concerns.
- Created a database of DHSR actions that Alliance staff can use to research issues related to licensed facilities.
- Reduced late submission of critical incident reports
- Added provide performance related to critical incident submission to the credentialing process.
- Demonstrated an annual savings of $15,000 with streamlining process for managing provider site moves.
- Created process maps to prepare for implementation of Jiva system for utilization management and appeals and for implementation of TBI services.
- Streamlined Level of Care process resulting in improved communication, automated notifications indicating when steps are completed, more efficient use of Medical team time through technology, and development of automated reporting. ROI is currently being calculated.
- Review of ADHD clinical guidelines indicated ongoing provider adherence to key best practices of filling approved medication prescriptions and participation in psychotherapy.
- Created multiple dashboards to facilitate data sharing and data-informed decision making.
- Developed systematic data validation strategy to ensure that reporting follows required specifications.
- Developed the TBI Waiver Reporting Guide for the State
- Provided significant input to the State during the creation of the Watch Measures / HEDIS measures included in all LME/MCO contracts

Summary of Goals and Objectives for FY20
- Prepare for MBHO accreditation through NCQA
- Align the Quality Management department with Tailored Plan requirements and the quality strategy published by DHHS.
Human Resources

Brief Description of Department and Units
The primary focus of Alliance’s Human Resources Department is its people; recruiting, developing, and retaining a talented diverse workforce. This is accomplished by each Senior Business Partner who serves as subject matter experts within their respective areas under the leadership of the Senior Vice President. The main areas include Benefits Administration, Employee Relations and Policy Administration, Compensation and Classification, and Talent Management. 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. Two key organizational committees, Employee Engagement Committee and Rewards and Recognition Committee, were recently transformed into one committee. This newly formed committee will identify and execute future activities to promote and enhance overall employee engagement. In addition, the Wellness Committee will continue to focus on employee health and wellbeing. These committees work in tandem with the HR department 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 FY19
- Posted 72 vacancies; Hired 70 (24 Internal 35%, 46 external 65%) candidates
- Created 26 new positions
- On boarded 13 Johnston staff after merger
- Selected Ultimate Software (UltiPro) as new Human Capital Management system and began implementation of Payroll and Human Resources modules
- Outsourced candidate background review process to include all current background checks and incorporate verification of work history, education, licensure, driver’s license as well as completion of a national criminal history search and reference checks
- Launched monthly HR News blitz to internal workforce in June 2018
- Revised/created a significant number of HR procedures
- Launched telecommuting throughout organization
- Scheduled launch of 2nd Employee Engagement survey

Summary of Goals and Objectives for FY20
- Research, develop and implement organizational retention plan
- 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
Information Technology

**Brief Description of Department and Units**

The IT department is comprised of five distinct teams:

- **Application Development and Quality Engineering** - Responsible for all internal application development and support, including SharePoint and the corporate Intranet. Manages all quality assurance and user acceptance testing and documentation to support corporate audits. This Team also provides database administration and security, support for file downloads, IT Project management as well as managing User Acceptance Testing (UAT) for all Alpha releases for the organization.

- **Enterprise Analytics** – This Team 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, Microsoft R 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.

- **Data Science** - The Data Science team is responsible for mining out pattern, insights, and advanced data elements using an interdisciplinary mix of statistics, machine-learning, and discrete mathematics. The deliverables range from the creation of datasets from which may be consumed in the Enterprise Data Warehouse, to a more narrative output that reviews and summarizes the analytical insights to be explored with the various business units. The Team also engages in independent, exploratory R&D with the goal of anticipating the needs of the business and prototyping proofs-of-concepts to enhance our business initiatives.

- **IT Infrastructure and Support** - Installs and supports all business data and voice networks within the Alliance sites. They are responsible for maintaining all corporate PC and software resources, network and data security, HIPAA compliance, email security, network/server administration and performance, and the IT Helpdesk.

- **Product Management and Support** – This Team provides the main conduit between IT and the various business units to support the WellSky AlphaMCS System and the ZeOmega Jiva system. They provide the configuration, testing and implementation of many facets of these Enterprise software solutions.

**Accomplishments for FY19**

- Implemented a near-real time replication process of the AlphaMCS production databases to the Alliance SQL database infrastructure providing improved access to data in our Enterprise Data Warehouse and reporting systems.

- Reengineered Alliance Enterprise Data Warehouse to source data from AlphaMCS OLTP, eliminating the need for AlphaMCS DW, while allowing our reports and dashboards to have up-to-date data.

- Continued development of reports, user defined datasets and dashboards for the organization. We currently have more than 150 in MicroStrategy reports, datasets and dashboards resulting on average 2,000 executions per month.

- Added multiple data domains to our Enterprise Data Warehouse and MicroStrategy, e.g. GEF, HEARTS Census and Discharges, EDI 820, 837, 835 and 834 datasets.

- Integration of ZeOmega Jiva episode, assessment and other business data in our Enterprise Data Warehouse and MicroStrategy to support enhanced reporting.

- Provided training for all users at Alliance through monthly Power Users workshops and direct involvement in the TSA (MicroStrategy, Data Analytics, Excel, Access).

- Deployed an Advanced Power Users pilot, which allows Power Users to integrate their own datasets into their MicroStrategy reporting.
• Created the Jiva Application Configuration Team consisting of an Application System Analyst and an Application Configuration Specialist to support the successful implementation of the UM module and the continued evolution of the Care Management module within the Jiva Enterprise application.
• Constructed a Jiva SharePoint site for the reporting and tracking of Jiva issues, new configuration requests, product documentation library, product maintenance calendar, and FAQs.
• Constructed a Product Management TFS site to track all approved configuration requests (requirements, tasks, bugs…).
• Developed a Provider Portal to allow internal Alliance staff and external providers to access the Alliance suite of applications.
  o Developed and added modules for Accreditation and Referrals to the Provider Portal to meet state requirements
  o Created the Clinician Maintenance module that allowed providers to submit clinician changes and specialties to Alliance. Alliance was the only MCO to meet state guidelines on time
  o Modified the Provider Search website to include mobile access as well as languages, clinician search and provider referral status.
• Modified the Claims Department AR application to include business functionality and report enhancements. This application was used to showcase how we are working claims during the EQR review.
• Enhanced the ILL application to allow management of vendors by the Finance team
• Upgraded the SharePoint farm from SharePoint 2013 to SharePoint 2016, providing optimized communication and performance as well as high availability.
• Assisted the Communications Department with the implementation of the New Intranet Branding program by participating in the design discussions, setup, implementation and migration of the content from the old Intranet to the new environment.
• Developed numerous business forms and workflows within SharePoint to support the business initiatives for different departments within Alliance. Examples are the New Service Process Flow, a Performance Tracking tool for MHSUD and IDD departments, tracking and workflows for Care Review, the Innovations Dashboard, and for TCL RSVP Tracking.
• Worked with the business on multiple advanced analytic/data science initiatives including:
  o Support business departments’ alignment with Tailored Plan objectives through data science techniques using GLM (generalized linear model)
• Support Care Coordination Risk Stratification efforts by utilizing data science and statistical techniques. Areas of focus included the following:
  o Probabilistic analysis of future cost
  o Outlier detection based on John Hopkins attributes of active ingredient count, and risk of inpatient admissions
  o Propensity of subsequent Behavioral Health crisis episodes
  o Identification of high-risk diagnostic categories by mining association rules across the diagnostic spectrum
  o Developed a proof of concept using Text Analytics (Natural Language Processing) to predict risks associated with the presence of specific clinical documents
• Coordinated the successful relocation of the corporate office, and integrated the Johnston County site including design and implementation of the data and communications network, all required equipment and servers, and setup of user workstations and offices.
• The IT Helpdesk this Fiscal Year through February 2019 has received and closed 6,873 tickets, 67% within 8 hours of receipt.
• Successfully migrated 53 servers to our new hyper-convergence hardware for improved efficiency extended our data storage and processing capabilities including the migration of all database servers to SQL Server 2017.
• Upgraded our disaster recovery capabilities by implementing new replication software between the primary datacenter at Peak10 Morrisville and the secondary data center, located in Greensboro.
• Implemented internal network security scans with Nessus software.
• Continued to support our internal security controls by conducting monthly phishing campaigns using the Wombat tool. Individuals failing the campaigns receive additional mandatory training using the integrated training modules.
• Planned and implemented domain name and email changes to support Alliance Health.

Summary of Goals and Objectives for FY20

• Participate in All Project Plans and Initiatives to Support the Transition to the Tailored Plan Model.
• Perform Claims System Analysis and implementation of a solution to support physical health claims processing.
• Participate in RFP process to select PBM for Tailored Plan Implementation.
• Transition to MicroStrategy 2019, providing enhanced Business Intelligence and Analytics capabilities to all users in the Alliance Data Ecosystem.
• Deprecate SharePoint BI Site, allowing all our reports and dashboards to be part of our MicroStrategy reporting framework.
• Continue providing Data Analytics and MicroStrategy training opportunities for Advanced Data Users in order to promote data use and to engage them with our business initiatives.
• Develop Enhanced Analytics capabilities to support Alliance’s Social Determinants of Health initiatives.
• Augment Power Users capabilities by providing them access to MicroStrategy DataMart.
• Implement and support for MicroStrategy 2019 Notebooks to resolve one-time data requests.
• Support for full implementation of the ZeOmega Jiva modules – UM, Provider Portal, Member Portal and HIE (Health Information Exchange).
• Continue to enhance the look and feel of the Provider Search website to meet all business requirements.
• Develop a Provider Monitoring application to allow this team to automate several tools that are currently manual processes. The first tool to be automated will be the HCBS tool.
• Development and integration of Team Collaboration Sites within our SharePoint and Intranet environment.
  o Continue our advanced analytic/data science initiatives to include:
  o Completion of Care Coordination Risk Stratification
  o Expansion of Event Frequency Modeling (eligibility churn, total days of service received, diagnostic stability, etc.)
  o Identifying “Windows of Opportunity” in which intervention can have optimal effect.
  o Provide information and guidance regarding Johns Hopkins ACG system to assist with understanding and appropriate implementation.
- Provide consultation regarding statistical methods to guide visualization and analysis processes.
- Develop and implement an enhanced Disaster Recovery Plan to improve our recovery capabilities of all critical corporate systems into our Greensboro DR site.
- Implement our Call Center phone system redundancy plan and provide support for Standard Plan Crisis Line.
- Evaluate HiTrust Certification as a potential initiative for Alliance Health.
- Evaluate for implementation Rights Management, Data Loss Prevention (DLP), and Security Information and Event Management (SIEM) systems.
- Review and develop an Alliance Health Corporate Cloud Strategy to consider:
  - Server/critical system relocation to the Cloud (if applicable)
    - Microsoft 365 Implementation
    - Other appropriate Cloud Initiatives
Office of Compliance

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 FY19
- Opened 84 fraud and abuse investigations in the first 6 months of FY19 (146 total in FY18) and referred 5 full investigations to DMA Program Integrity for determination of credible allegation of fraud (16 total in FY18).
- Conducted internal audits and monitoring activities.
- Monitored all sites for HIPAA Privacy compliance. Contracted with external vendor to conduct the annual Security Risk Assessment.
- Issued and tracked 72 actions and sanctions to providers in response to Network compliance issues in the first 6 months of FY19 (149 total in FY18).
- Issued over $154,000 in overpayments through the Corporate Compliance Committee process in the first 6 months of FY19 ($908,000 total in FY18).
- Managed 10 requests for reconsideration of actions against providers in the first 6 months of FY19 (13 total in FY18).
- 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 FY20
- 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 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.
**General Fund Revenues**

FY2019-2020 Recommended Budget

**Total General Fund Revenues: $535,759,800**

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General Fund Revenues
FY2019-2020 Recommended Budget
Total General Fund Revenues: $535,759,800

- Administration: $500,000 (0%)
- Medicaid: $57,348,078 (11%)
- State: $385,741,463 (72%)
- Local: $38,787,140 (7%)
- Miscellaneous: $53,383,119 (10%)

Total General Fund Revenues: $535,759,800
General Fund Expenditures
FY2019-2020 Recommended Budget
Total General Fund Expenditures: $535,759,800

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## Budget Comparison

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<tr>
<td><strong>Total</strong></td>
<td>$563,222,712</td>
<td>$535,759,800</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY19 Amended</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budgeted Expenditures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>$64,161,878</td>
<td>$57,348,078</td>
</tr>
<tr>
<td>Medicaid</td>
<td>$391,277,686</td>
<td>$385,741,463</td>
</tr>
<tr>
<td>State</td>
<td>$66,557,618</td>
<td>$53,383,119</td>
</tr>
<tr>
<td>Local</td>
<td>$39,552,890</td>
<td>$38,787,140</td>
</tr>
<tr>
<td><strong>Grant Services</strong></td>
<td>$164,640</td>
<td>-</td>
</tr>
<tr>
<td><strong>Fund Balance</strong></td>
<td>$42,435,771</td>
<td>-</td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td>$1,508,000</td>
<td>$500,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$563,222,712</td>
<td>$535,759,800</td>
</tr>
</tbody>
</table>
ANNUAL BUDGET ORDINANCE
ALLIANCE HEALTH
FY 2019 - 2020

WHEREAS, the proposed budget and budget message for FY 2019 - 2020 was submitted to the Alliance Health Area Board on May 2, 2019 by the Budget Officer; was filed with the Executive Secretary to the Board;

WHEREAS, on June 6, 2019, 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, 2019 and ending June 30, 2020, there is hereby appropriated funds the following by function:

Section 1: General Fund Appropriations

<table>
<thead>
<tr>
<th>Function</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$57,348,078</td>
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<tr>
<td>Medicaid Services</td>
<td>$385,741,463</td>
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<tr>
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<tr>
<td>County Services</td>
<td>$38,787,140</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$500,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$535,759,800</strong></td>
</tr>
</tbody>
</table>

Section 2: General Fund Revenue

<table>
<thead>
<tr>
<th>Function</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$57,348,078</td>
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</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$535,759,800</strong></td>
</tr>
</tbody>
</table>

Section 3: Authorities

A. The LME/MCO Board authorizes the Budget Officer to transfer within an appropriation up to $100,000 cumulatively without report to the Board.

B. The LME/MCO Board authorizes the Budget Officer to transfer up to $100,000 between appropriations with a report to the Board at the subsequent meeting.

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 to 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 2019-2020 is the eighth 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, FY20 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 in the first quarter of FY20 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 FY19 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 within an appropriation up to $100,000 cumulatively without reporting to the Board. The Budget Officer is authorized to transfer budget amounts between functions up to $100,000 with an official report of such transfer being noted at the next regular Board meeting.
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**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>By Thursday, May 2, 2019</td>
<td>FY 2019-2020 recommended budget presented at LME/MCO Board meeting</td>
</tr>
<tr>
<td>By Friday, May 10, 2019</td>
<td>Notice of June 6, 2019 Public Hearing published</td>
</tr>
<tr>
<td>By Thursday, June 6, 2019</td>
<td>Public Hearing</td>
</tr>
<tr>
<td>By Friday, June 28, 2019</td>
<td>LME/MCO Board adoption of FY 2019-2020 Budget Ordinance</td>
</tr>
<tr>
<td>By Monday, July 1, 2019</td>
<td>Budget is available in the General Ledger system</td>
</tr>
</tbody>
</table>

**Glossary of Terms**

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>LME</td>
<td>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.</td>
</tr>
<tr>
<td>MCO</td>
<td>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.</td>
</tr>
<tr>
<td>Medicaid Waiver</td>
<td>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.</td>
</tr>
</tbody>
</table>