

May 9, 2016

**CenterPoint**  
Human Services



Quality Improvement Organization (QIO)-Like  
Entity certified by the Centers for Medicare  
and Medicaid Services

Item # 16-B

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April 28, 2016

The Honorable Rick Brajer, Secretary  
North Carolina Department of Health and Human Services  
2001 Mail Service Center  
Raleigh, NC 27699-2001

Re: FY 2016 – 3rd Quarter County Report

Dear Mr. Secretary:

In accordance with the North Carolina Mental Health, Developmental Disabilities and Substance Abuse Laws 122C-117, enclosed is the FY 2016 Third Quarter Report of CenterPoint Human Services for Davie, Forsyth, Rockingham, and Stokes Counties for the period of January 1, 2016 through March 31, 2016. Copies have been sent to each County Manager, County Finance Officer as well as all County Commissioners in CenterPoint's catchment area.

I welcome your questions or requests for further information.

Sincerely,

A handwritten signature in cursive script that reads "Betty P. Taylor".

Betty P. Taylor, Esquire  
CEO/Area Director

BPT:gw

Enclosures

Cc: Davie, Forsyth, Rockingham & Stokes County Commissioners  
Davie, Forsyth, Rockingham & Stokes County Managers  
Davie, Forsyth, Rockingham & Stokes County Finance Officers  
Courtney Cantrell, Director, Division of MH/DD/SA Services  
Legislators – Davie, Forsyth, Rockingham & Stokes Counties



# THE QUARTERLY REPORT

## THIRD QUARTER FY 16

Betty P. Taylor, Esq.  
CEO/Area Director  
April 26, 2016



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Bryan Thompson, J.D., Chair, Davie County

Leon Inman, Vice Chair, Stokes County Commissioner

Terry Renegar, C.P.A., Secretary, Davie County Commissioner

## CenterPoint Board of Directors

Michael Long Forsyth County	Mark Serosky Forsyth County	Larry Johnson, L.C.S.W. Rockingham County	Michael Wittenberg Forsyth County	David Mount, Psy.D. Forsyth County
Matthew Potter (CFAC) Forsyth County	Joseph "Jay" Hale, L.P.C. Forsyth County	Pamela Tillman, R.N. Stokes County	Ron Norwood Rockingham County	F. Reid Penn, IV (CFAC) Rockingham County
H. Keith Duncan Rockingham County Commissioner	Don Martin, Ph.D. Forsyth County Commissioner	Marilyn Little, R.N. Forsyth County	Stacey Elmes Stokes County	Julie Whittaker (CFAC) Davie County

CenterPoint reports to the Boards of Commissioners and Finance Officers of Forsyth, Stokes, Davie and Rockingham Counties under NC G.S. §122C-117(c). Quarterly Reports are submitted within thirty (30) days of the end of each quarter.



# CenterPoint Prepares for Consolidation

## CenterPoint Merger with Cardinal Innovations Approved by the State

On March 17, 2016, Secretary Rick Brajer of the North Carolina Department of Health and Human Services (DHHS) announced the approval of CenterPoint's merger with Kannapolis-based Cardinal Innovations Healthcare. The announcement came as Secretary Brajer detailed his plan to consolidate the state's eight existing local management entity/managed care organizations (LME/MCOs) into four MCO regions.

According to a DHHS news release, "Further consolidation will improve quality of services, accessibility, accountability and long-term sustainability." Consistency of services, a decreased administrative burden for providers and better coordination of care are cited as additional benefits of the consolidation.

CenterPoint and Cardinal Innovations will make up the North Central Region, serving a total of 410,065 Medicaid members in 20 counties.

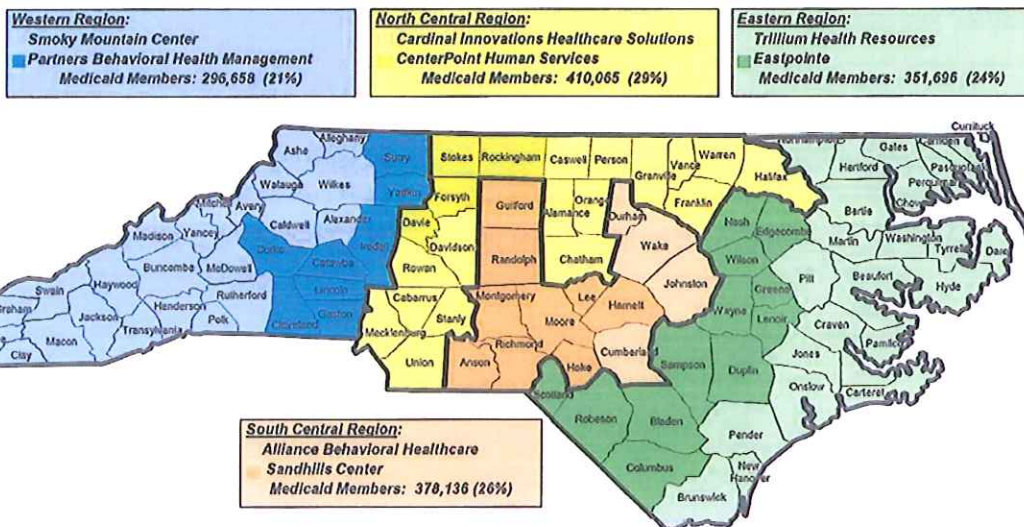
On July 1, 2016, CenterPoint's administrative offices in Winston-Salem will operate as the Triad Community Operations Center of Cardinal Innovations and will continue to support Forsyth, Stokes, Davie and Rockingham Counties.



Digital message boards provide CenterPoint staff with up-to-date information including news, training opportunities, special events and other notifications.

### Proposed Local Management Entity - Managed Care Organizations (LME-MCOs)

Reflects Proposed Regional Entities As Of 3/17/16





# MCO News

## CenterPoint's Highland Avenue Center Slated to Open in 2017



The architect's rendering above shows the façade of the new Highland Avenue Center. The facility has easy access in downtown Winston-Salem and plenty of FREE parking.

Individuals with mental health, intellectual / developmental disabilities and/or substance use challenges will soon have a place to go for a range of specialized treatment and support services targeted to whole person health.

The 43,000 square-foot Highland Avenue Center is currently under construction by Frank L. Blum Construction Company. It is located across from the Behavioral Health Plaza in downtown Winston-Salem and will feature:

- A 24-hour behavioral health urgent care center for immediate evaluation and stabilization stays up to 23 hours
- 16 crisis beds for client stays up to seven days
- A primary care clinic to be jointly operated by two hospitals
- A wellness center offering daily activities and trainings focused on all dimensions of health and wellness.

Monarch, a behavioral health provider based in Albemarle, NC, will provide non-medical services at the Center.



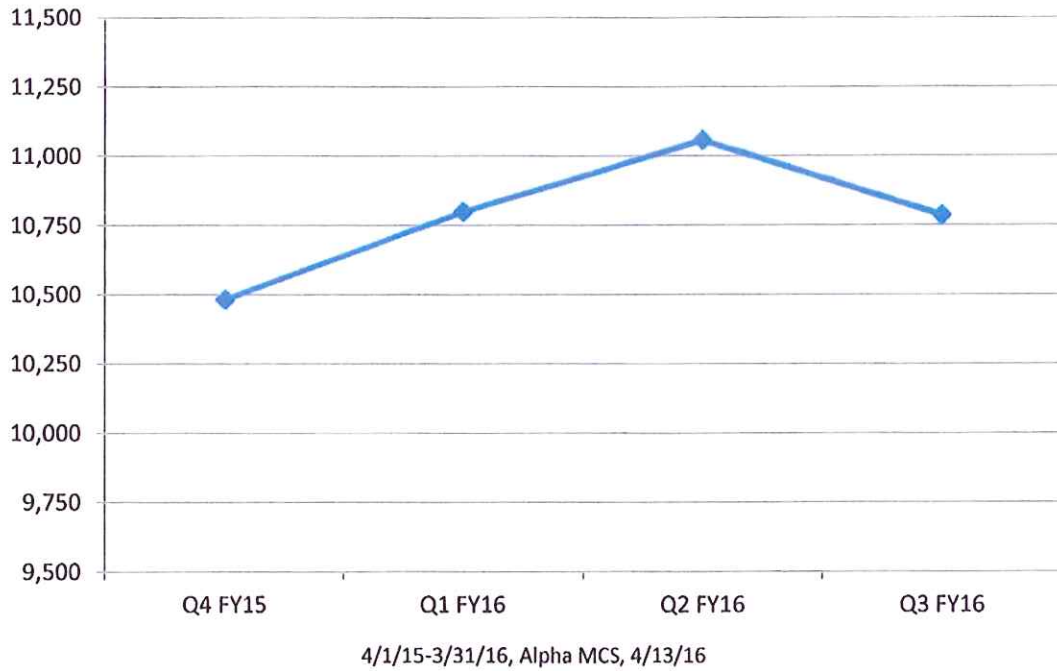
An aerial view of the expansive, integrated health facility.



The Forsyth County Wellness Center is shown in this view with the Medical Clinic in the background.

# People Served

## Number of People Served – 10,786 (All Funding Sources)



## Number of People Served (by Diagnosis)

COUNTY	MH	I/DD	SA	DUAL DIAGNOSIS	DIAGNOSIS PENDING	TOTAL
Forsyth	4,976	880	724	483	21	7,084
Stokes	650	111	95	45	5	906
Davie	416	104	62	37	4	623
Rockingham	1,697	175	149	141	11	2,173
<b>TOTAL</b>	<b>7,739</b>	<b>1,270</b>	<b>1,030</b>	<b>706</b>	<b>41</b>	<b>10,786</b>

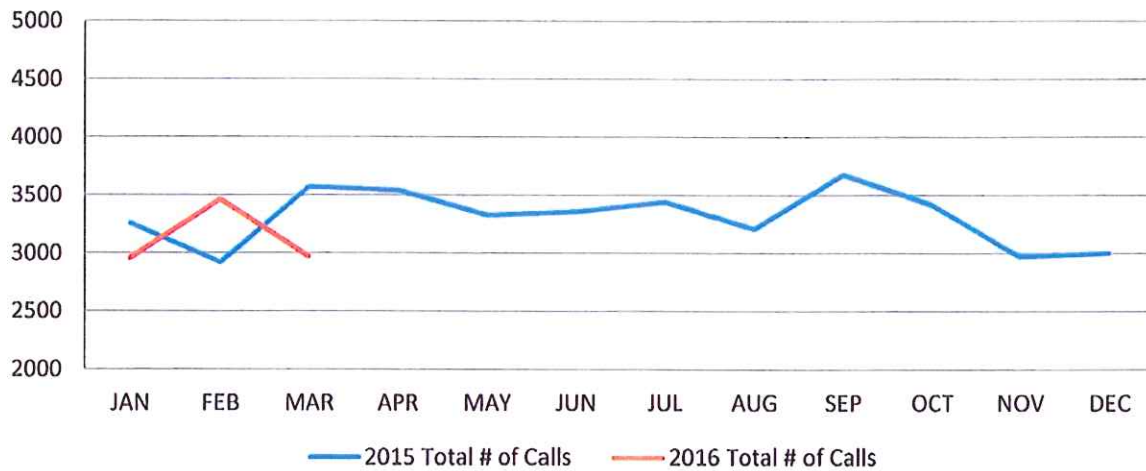
Note: Totals represent the unduplicated count of clients served during the quarter based on paid and approved (pending payment) claims for services delivered as of 4/13/16. Totals are subject to change as providers submit additional claims.



# Customer Services Calls

Behavioral health professionals are available at a toll-free phone number 24/7 to link callers to services.

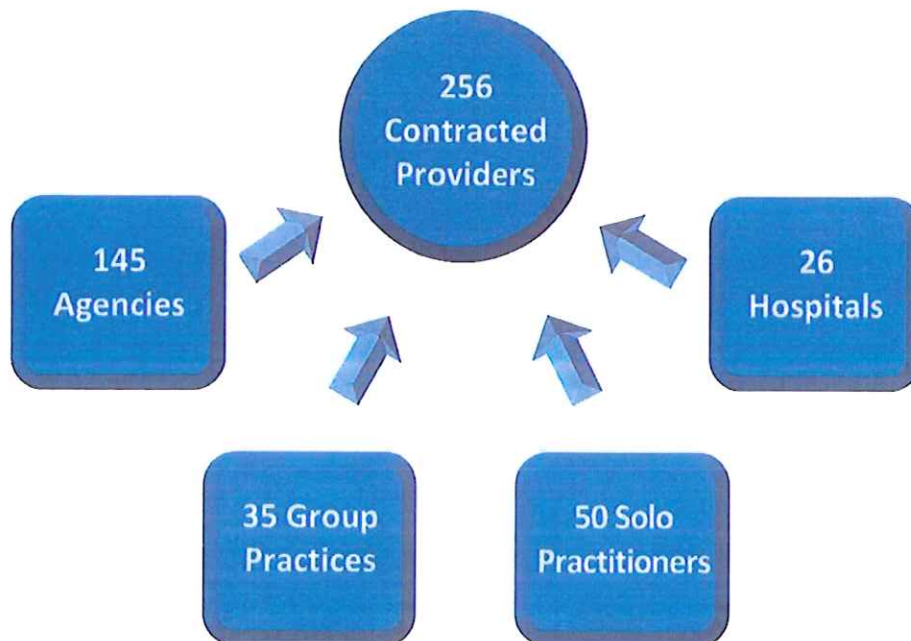
## Total Number of Calls to Customer Services



1/15-3/16, In-Contact Call Distribution System Report, 4/13/16

## Network Overview

A robust provider network delivers treatment and services that support recovery.



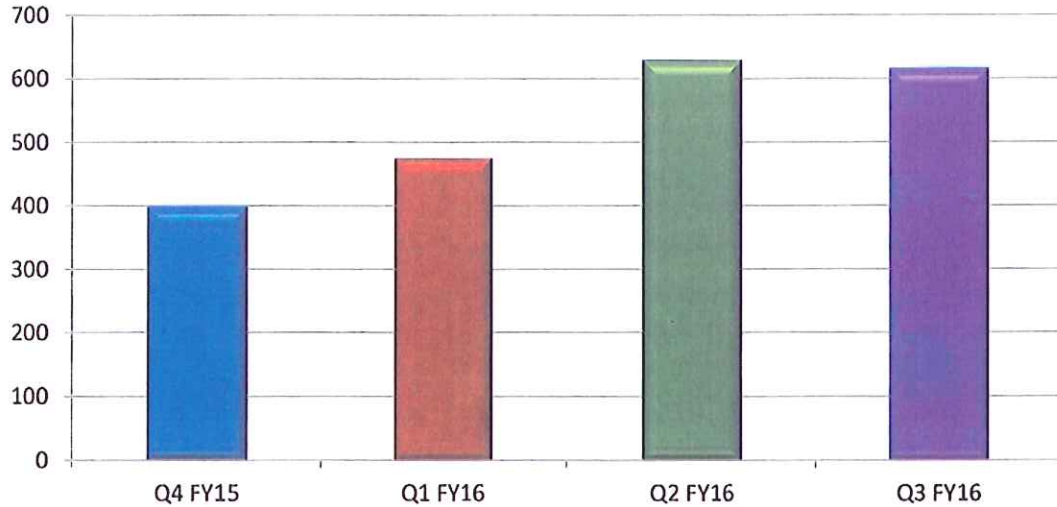
Network Management Report; Provider count as of 3/31/16.

NOTE: Unduplicated count of Licensed Practitioners = 1,630.



# Care Coordination

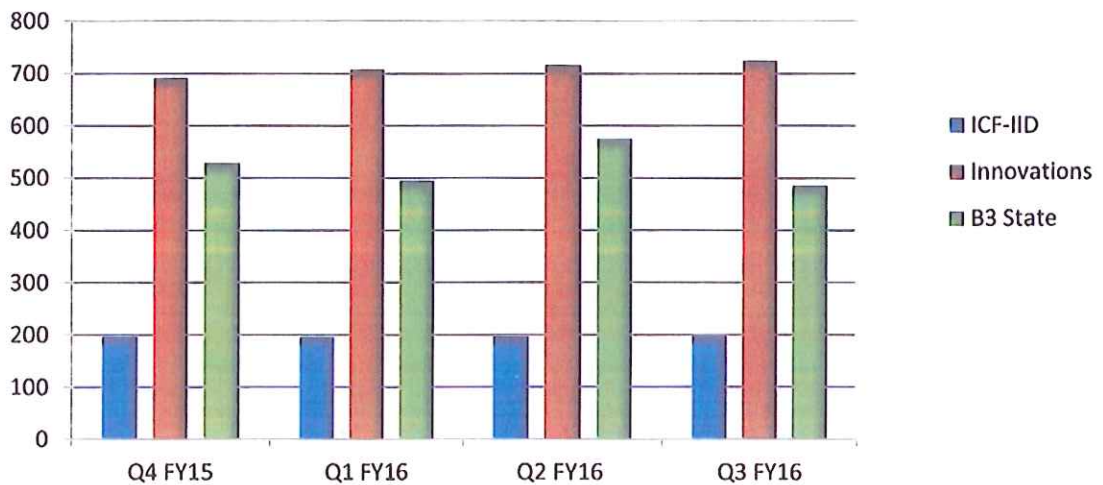
## Clients Served (Mental Health, Substance Abuse)



4/15-3/16, Care Coordination Caseload Report, 4/12/16

Care Coordination provides linkage to services and supports for individuals with intensive needs.

## Clients Served (Intellectual and Developmental Disabilities Services)



4/15-3/16, Care Coordination Caseload Report, 4/12/16

# Medication Assistance

The Pharmaceutical Patient Assistance Program (PAP) offers free or low-cost medications to persons in need. Forsyth totals include medication and samples provided to Forsyth County Pharmacy and Crisis Control Ministry. Davie County residents may access a PAP operated by the *Storehouse for Jesus*.

**TOTAL FY 16 YTD = \$4,586,412**

**Forsyth County FY 16 = \$2,176,442 (Q3 Total with Samples = \$3,015,757)**

QUARTER	FORSYTH SAMPLES	FORSYTH PAP	TOTAL
Q1 (7/1/15 – 9/30/15)	\$512,589	\$398,178	\$910,767
Q2 (10/1/15 – 12/31/15)	\$274,735	\$393,163	\$667,898
Q3 (1/1/16 – 3/31/16)	\$243,385	\$354,392	\$597,777
Q4 (4/1/16 – 6/30/16)	\$0	\$0	\$0
<b>FY 16 TOTALS</b>	<b>\$1,030,709</b>	<b>\$1,145,733</b>	<b>\$2,176,442</b>

**Forsyth County Medication Samples Program = \$839,315**

QUARTER	SAMPLES PROVIDED TO CRISIS CONTROL MINISTRY PHARMACY	TOTAL
Q1 (7/1/15 – 9/30/15)	\$270,061	\$270,061
Q2 (10/1/15 – 12/31/15)	\$254,219	\$254,219
Q3 (1/1/16 – 3/31/16)	\$315,035	\$315,035
Q4 (4/1/16 – 6/30/16)	\$0	\$0
<b>FY 16 TOTALS</b>	<b>\$839,315</b>	<b>\$839,315</b>

**Rockingham County FY 16 = \$731,340**

QUARTER	ROCKINGHAM SAMPLES	ROCKINGHAM PAP	TOTAL
Q1 (7/1/15 – 9/30/15)	\$78,491	\$176,131	\$254,622
Q2 (10/1/15 – 12/31/15)	\$74,000	\$143,582	\$217,582
Q3 (1/1/16 – 3/31/16)	\$76,371	\$182,765	\$259,136
Q4 (4/1/16 – 6/30/16)	\$0	\$0	\$0
<b>FY 16 TOTALS</b>	<b>\$228,862</b>	<b>\$502,478</b>	<b>\$731,340</b>



# Quality Improvement Project

Per SL2006-142; HB 2077; State Performance Contract mandates

CenterPoint seeks to improve the system of services and supports for clients through Quality Improvement Projects (QIPs) that address opportunities for performance improvement, client safety or error reduction. The CenterPoint QI Committee, with Board and community representation, rigorously reviews progress and makes recommendations for continued improvement. One of the six QIPs currently underway is highlighted below.

## QIP Highlight: Utilization Management – Integrated Health Care Project

Clients with severe mental illness (SMI) are at risk for poor health and increased morbidity and mortality. SMI clients are dying 25 years earlier than the general population (2006 National Association of State Mental Health Program Directors Medical Directors Council). This is partially due to modifiable risk factors: smoking, obesity, substance abuse and inadequate access to medical care. Low rates of disease detection and treatment are common to the SMI population. Additionally, antipsychotics can contribute to the development of metabolic syndrome, and chronic illnesses such as diabetes and cardiac disease.

CenterPoint received notification of 155 total client deaths reported in 2011, 2012 and 2013. The average age of death for these clients was: 47.1 in 2011, 48.2 in 2012 and 55.4 in 2013. The Integrated Health Care QIP is an initiative that seeks to improve these statistics by introducing integrated health care to increase medical monitoring, leading to better health outcomes for Medicaid patients with SMI. CenterPoint and the CCNC networks, Northwest Community Care and Partnership for Community Care, are collaborating in this integrated health care project.

**Baseline Data:** Data for this project spans 1/1/13 – 6/20/13. Baseline data showed that 3,273 (4.5% of the Medicaid population) clients were receiving one or more antipsychotics. Only **13.61%** had an office visit, Lipid test, & Glucose test.

**Goal:** The goal is to increase identified screenings by 25% (17% of clients will have office visits, lipid tests & glucose tests).

**Interventions:** CenterPoint identified the prescribers/primary care physicians of patients taking antipsychotics. On three separate occasions, the QM department created letters (based on CMT analytics and CCNC data) for these prescribers. The letters asked the provider to encourage clients to receive the recommended health screenings and medical follow up.

**Result:** For Q1 FY16, this QIP met the established goal. Jan – June 2015 data collected shows that 533 out of 2,155 clients received an Office Visit, Lipid test and Glucose test during the Jan - June 2015 timeframe. **During this six-month period, 25% of clients received all three services.**

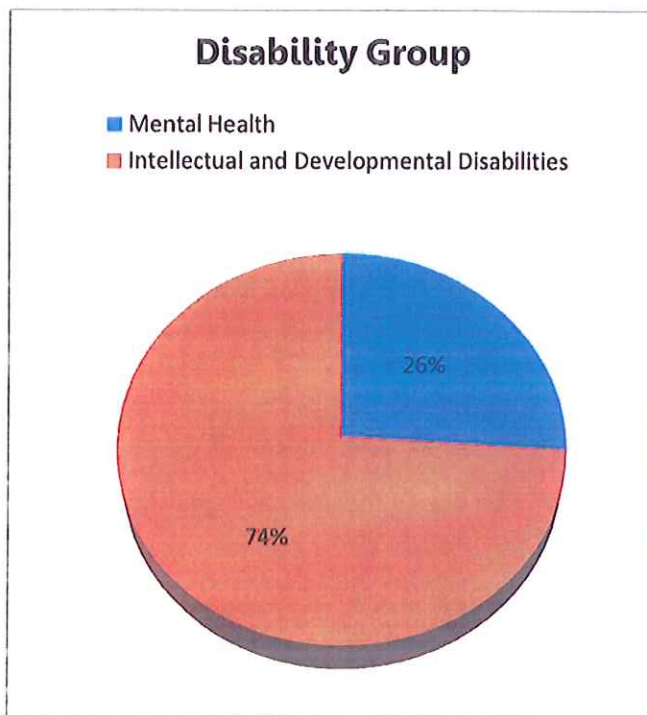
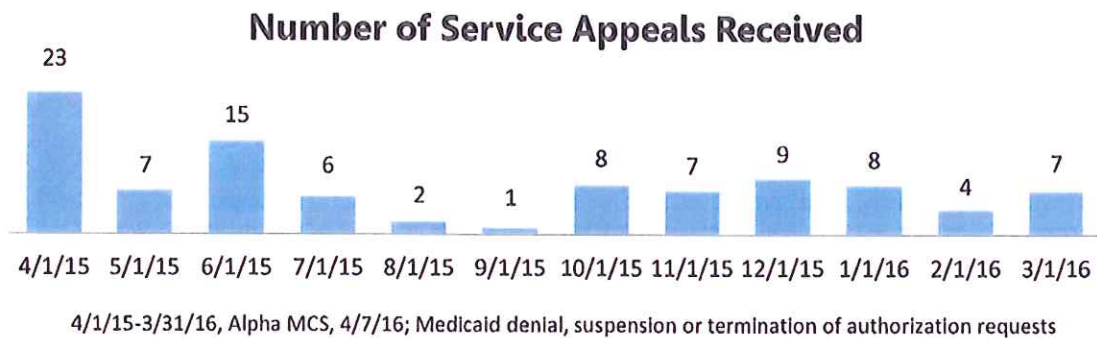
Period Measured	2013 Jan-Jun	2014 Jan-Jun	2014 Jul-Dec	2015 Jan-Jun
# Clients	1,940	2,030	1,879	2,155
Visit	84%	96%	93%	96%
Glucose	28%	56%	55%	57%
Lipid	16%	27%	25%	26%
HgbA1c	12%	20%	18%	19%
All Labs	5%	13%	11%	13%



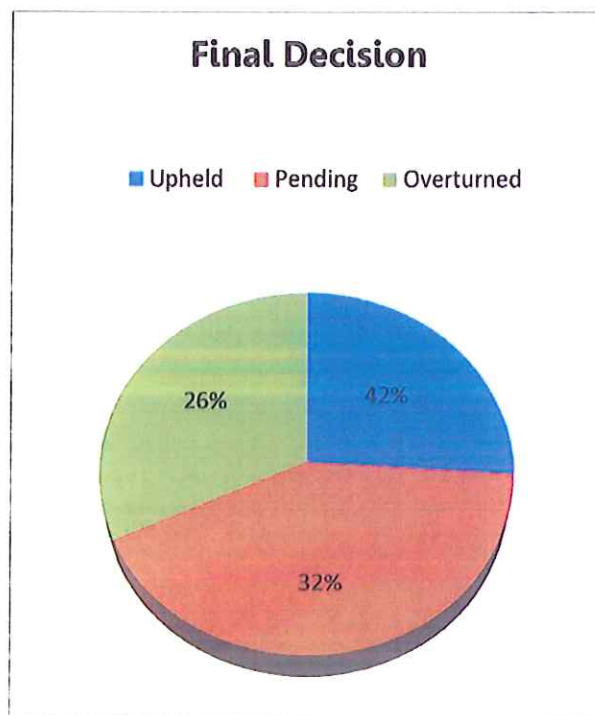
# Service Appeals

Service appeals are requests by a client/guardian to review a denial or limited authorization of requested service(s) including:

- Type or level of service
- Reduction, suspension or termination of previously authorized service(s)
- Whole or partial denial of payment for service
- Failure to provide services in a timely manner, as defined by the State
- Failure of CenterPoint to act within the timeframes provided in statute
- Request to obtain services outside of the network (specific circumstances apply)



1/1/16-3/31/16, Alpha MCS, 4/7/16



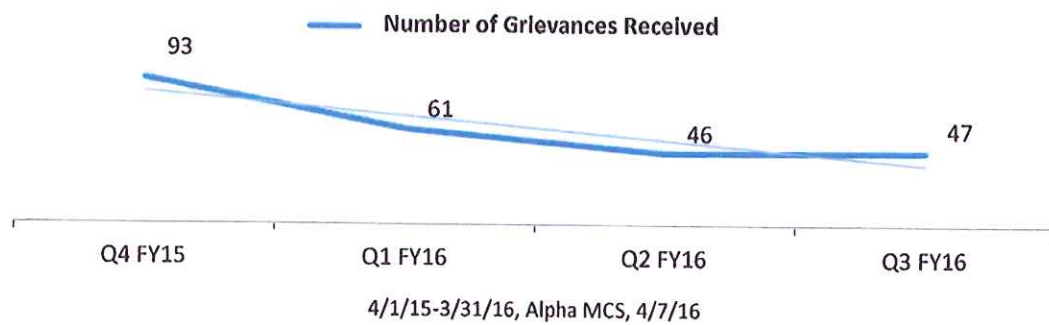
1/1/16-3/31/16, Alpha MCS, 4/7/16

# Grievances

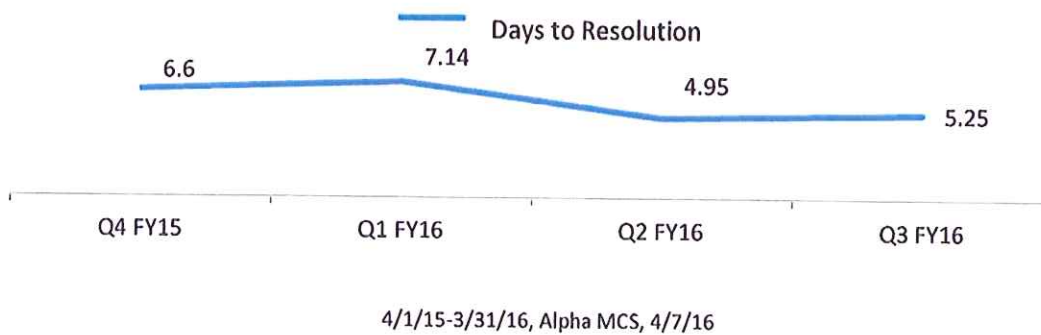
A grievance is any expression of dissatisfaction an individual expresses regarding CenterPoint or a provider in its network. Grievances are categorized as:

- Client complaints against CenterPoint
- Client complaints against a provider
- Provider complaints against CenterPoint
- Provider complaints against another provider

## Quarterly Trend in Grievances Received



## Average Grievance Resolution Time (Benchmark: Not to Exceed 30 Calendar Days)



# Financial Update Reflects unaudited financial results

## Financial Medicaid Benchmark Measures

**Benchmark:** Total expense (medical and administration), including estimates of incurred but not reported (IBNR) medical expenses and accrued administrative expenses, must not exceed 100% of the total monthly capitation payments in any three consecutive month period.

	1/31/16	2/29/16	3/31/16
Medical Expense (Including IBNR)	\$8,720,406	\$9,164,459	\$9,613,559
Administrative Expenses	\$1,336,743	\$1,356,259	\$1,501,367
Total Expenses	\$10,057,149	\$10,520,718	\$11,114,926
Total Capitation	\$11,514,616	\$11,508,683	\$12,185,348
<b>Benchmark Met?</b>	✔	✔	✔

**Current Ratio:** A liquidity ratio that measures an entity's ability to pay short-term financial obligations.

**Benchmark:** Ratio must not fall below 1.00 at any point in time.

Current Assets	\$66,541,334
Current Liabilities	\$10,369,600
<b>Current Ratio</b>	<b>6.42</b>
<b>Benchmark Met?</b>	✔

**Defensive Interval Ratio:** An efficiency ratio that measures how many days an entity can operate without having to access its long-term assets.

**Benchmark:** Entity can operate 30 days or more.

Cash & Current Investments	\$57,751,376
Operating Expense	\$170,876,793
Period in Days	365 days
<b>Defensive Interval</b>	<b>123.36</b>
<b>Benchmark Met?</b>	✔

**Medical Loss Ratio:** Measures the proportion of capitation payments spent on behavioral health services.

**Benchmark:** Ratio must not fall below 80% at any point in time.

QTD Medical Claims Expense	\$27,498,424
QTD Capitation Payments	\$29,317,344
<b>Medical Loss Ratio</b>	<b>94%</b>
<b>Benchmark Met?</b>	✔

Based on Medicaid contract Jan – Mar 2016. Benchmark Source: DMA



## Financial Update *continued*

### Budget Statement

REVENUES	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL	YTD VARIANCE	%
Local Funds	\$7,900,852	\$5,925,639	\$5,914,457	\$(11,182)	0%
State Funds	\$15,855,493	\$11,891,620	\$11,060,564	\$(831,056)	-7%
Federal Funds	\$5,243,398	\$3,932,549	\$4,140,628	\$208,080	5%
Medicaid Funds	\$124,303,761	\$93,227,821	\$103,437,487	\$10,209,666	11%
HUD Housing Services	\$319,890	\$239,918	\$69,209	\$(170,709)	-71%
<b>Total Revenue</b>	<b>\$153,623,394</b>	<b>\$115,217,546</b>	<b>\$124,622,344</b>	<b>\$9,404,799</b>	<b>8%</b>
<b>Total Fund Balance Appropriation</b>	<b>\$17,200,539</b>	<b>\$12,904,004</b>	<b>\$0</b>	<b>\$(12,904,004)</b>	<b>-100%</b>
<b>Total</b>	<b>\$170,828,733</b>	<b>\$128,121,550</b>	<b>\$124,622,344</b>	<b>\$(3,499,205)</b>	<b>-3%</b>

EXPENDITURES	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL	YTD VARIANCE	%
Housing Services	\$319,890	\$239,918	\$213,256	\$(26,662)	-11%
Behavioral Health Contracts	\$31,364,525	\$23,523,394	\$18,944,236	\$(4,579,158)	-19%
Medicaid Services	\$108,430,171	\$81,322,628	\$81,204,113	\$(118,515)	0%
<b>Subtotal</b>	<b>\$140,114,586</b>	<b>\$105,085,940</b>	<b>\$100,361,605</b>	<b>\$(4,724,335)</b>	<b>-4%</b>
System Support	\$9,459,878	\$7,094,909	\$3,534,640	\$(3,560,269)	-50%
LME Management	\$21,254,269	\$15,940,702	\$13,947,993	\$(1,992,709)	-13%
<b>Total Expenditures</b>	<b>\$170,828,733</b>	<b>\$128,121,550</b>	<b>\$117,844,237</b>	<b>\$(10,277,313)</b>	<b>-8%</b>
<b>Revenue Less Expenditures Before Risk Reserve</b>			<b>\$6,778,107</b>		
<b>Less Risk Reserve Set Aside</b>			<b>\$2,101,660</b>		
<b>Revenue Less Expenditures</b>			<b>\$4,676,447</b>		

#### REVENUES

**Local Funds** – Includes Forsyth, Stokes, Davie and Rockingham County discretionary and in-kind funding. In-kind funding is only received as in-kind expenditures are incurred.

**State Funds** – Includes LME/MCO management and service funding.

#### EXPENDITURES

**Behavioral Health Contracts** – Expenditures are dependent upon the timing of claims submissions and invoices from providers for services delivered.

**Medicaid Services** – Expenditures are dependent upon receipt of claims and invoices from providers for services delivered.

**System Support** – Expenditures are under budget, with pharmacy expenditures under budget by 30%.

**LME Management** – Expenditures are under budget in the areas of Salaries & Wages, Fringe Benefits, and Personal Services.

Benchmark Source: DMA

**Balance Sheet March 31, 2016**

ASSETS		LIABILITIES	
Cash	\$55,097,347	Accounts Payable	\$2,477,790
Due from Other Government	\$2,319,335	IBNR-Medicaid B	\$5,583,859
Other Current Assets	\$334,693	Accrued Payroll	\$899,423
Medicaid Risk Reserve	\$8,789,958	Unearned Revenue	\$1,303,067
Construction in Progress	\$844,673	Due to Other Government	\$105,460
<b>Total Assets</b>	<b>\$67,386,006</b>	<b>Total Liabilities</b>	<b>\$10,369,600</b>

EQUITY FUND BALANCE	
Restricted Stabilization by State Statute G.S. 159-8(a)	\$3,312,590
Restricted: Medicaid Risk Reserve	\$8,789,958
Non-spendable: Prepaid Expenses	\$334,693
Investment in Fixed Assets	\$844,672
Reserved by Board	\$21,872,632
Unassigned	\$21,861,861
<b>Total Equity</b>	<b>\$57,016,406</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$67,386,006</b>

Benchmark Source: DMA



# Progress on Local Business Plan

CenterPoint's Three-Year Local Business Plan guides the delivery of mental health, intellectual /developmental disabilities and substance use services and supports. The FY14-FY16 Plan was developed with extensive input from multiple perspectives and approved by the CenterPoint Board of Directors. Following are highlights of progress on select FY16 goals.

**GOAL:** To support the state's initiative of *Transition To Community Living*, develop the infrastructure within CenterPoint and the community to support successful community-based living.

- CenterPoint is on track to meet its goal of helping 90% of the clients transitioned (since the beginning of the program) through the Department of Justice (DOJ) Settlement Agreement to maintain independent housing. The success of this effort has been achieved through DOJ staff working closely with each individual to assure medical, behavioral health, financial and other support needs are met.

**GOAL:** To support the state's initiative for addressing *Crisis Services/ED Wait Times*, align programs to emphasize the importance of recovery, self-determination and least restrictive level of care.

- Progress continued on the Highland Avenue Center (behavioral health urgent care, 16-bed crisis center, medical clinic and Wellness Center). Demolition is complete and footing work has begun. Construction is on schedule for January 2017 completion. Planning is underway for a ground-breaking ceremony in April.
- To improve collaboration with hospitals on discharge planning, CenterPoint's Hospital Liaisons have been participating in hospital multidisciplinary teams to identify and resolve issues and meeting one-on-one with Social Workers.

**GOAL:** To support the state's initiative *Intellectual/Developmental Disabilities (I/DD) Waitlist*, support the needs of individuals waiting for Innovations services.

- In striving to achieve at least 75% of its projected enrollments for each quarter of FY16, CenterPoint exceeded its goal for Q3. It enrolled 25 unserved or underserved clients into Medicaid B3 services. The quarterly goal was to enroll, at minimum, 11 clients.

**GOAL:** To support the local initiative of *Housing*, develop the infrastructure within CenterPoint and the community to provide community-based housing.

- CenterPoint doubled the number of eligible referrals to its SSI Outreach, Access and Recovery (SOAR) Benefit Program by adding eight referrals this quarter. This brings the year-to-date total to 16.



# CenterPoint Board Attendance Q3, FY16

BOARD MEMBER	APPOINTMENT DATE	1/28/16	2/25/16	3/24/16	TOTAL MEETINGS MISSED Q3, FY 16
Renegar, Terry (Davie) Voting (Secretary)	01/01/14	Y	No meeting	Y	0
Thompson, Bryan (Davie) Voting (Chair)	01/07/13	Y	No meeting	Y	0
Whittaker, Julie (Davie-CFAC) Voting	01/01/15	Y	No meeting	Y	0
Duncan, H. Keith (Rockingham) Voting	01/07/13	Y	No meeting	N-E	1
Norwood, Ron (Rockingham) Voting	01/01/15	N-E	No meeting	Y	1
Penn, Reid (Rockingham-CFAC) Voting	01/07/13	Y	No meeting	Y	0
Inman, Leon (Stokes) Voting, Vice Chair	01/01/14	Y	No meeting	Y	0
Elmes, Stacey (Stokes) Voting	01/01/15	Y	No meeting	Y	0
Hale, Jay (Forsyth) Voting	01/01/14	Y	No meeting	Y	0
Long, Michael (Forsyth) Voting	05/11/15	Y	No meeting	Y	0
Martin, Don (Forsyth) Voting	01/01/15	Y	No meeting	N-E	1
Mount, David (Forsyth) Voting	01/28/13	Y	No meeting	Y	0
Potter, Matthew (Forsyth-CFAC) Voting	01/01/15	Y	No meeting	Y	0
Serosky, Mark (Forsyth) Voting	01/28/13	Y	No meeting	Y	0
Wittenberg, Michael (Forsyth) Voting	01/01/15	Y	No meeting	Y	0
Johnson, Larry (DHHS Appt.) Voting	01/01/14	Y	No meeting	Y	0
Little, Marilyn (CAPC) Non-Voting	01/01/15	Y	No meeting	Y	0
Tillman, Pam (Hosp. Admin.) Non-Voting	05/16/13	Y	No meeting	Y	0
<b>TOTAL ABSENT</b>		<b>1</b>	<b>0</b>	<b>2</b>	<b>3</b>

Y = Attended

N-E = Did Not Attend – Excused

N-P = Did Not Attend – Pending

N/A = Not Applicable

# Mission, Vision and Values

## Mission

CenterPoint Human Services is a managed care organization responsible for assuring that accessible, quality and accountable care is available for those with mental health, intellectual and developmental disabilities and substance abuse challenges.

## Vision

CenterPoint Human Services will become the best public model of managed care for exceptional and compassionate oversight of the provision of care for those with mental health, intellectual and developmental disabilities and substance abuse challenges.

## Values

We will live out our mission by:

- Respecting and valuing all individuals.
- Serving individuals and families with compassion and care.
- Maintaining an unwavering commitment to high quality care given by our provider network.
- Being responsible stewards of the funds entrusted to us.
- Seeking to raise awareness of the needs and challenges of behavioral health in our community.
- Operating with transparency, openness, responsiveness and in collaboration with the many partners within the counties we serve.







CenterPoint  
Human Services

