

Alliance

BEHAVIORAL HEALTHCARE

FY18 APPROVED BUDGET JUNE 1, 2017

**Alliance Behavioral Healthcare
Annual Budget
FY 2017-2018**

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Alliance

BEHAVIORAL HEALTHCARE

June 1, 2017

Alliance Board Members,

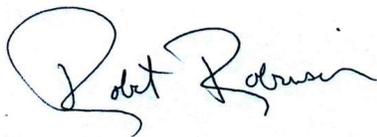
We are pleased to share with you our FY18 budget for your approval.

It reflects a few changes to our non-Medicaid budget from the recommended budget that was presented to you on May 4th but the total funding amount is unchanged.

As I mentioned in my introduction to the recommended budget document, this version continues to reflect Alliance's vision to more effectively and strategically manage our all of our funding sources to create a benefit plan that allows individuals across our region to benefit uniformly from the services and supports available through our provider network. It focuses on key initiatives to help children and youth receive the treatment they need in their communities, rather than in out-of-home placements, and to enhance our continuum of services available to adults and children who are experiencing a behavioral health crisis.

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 2017 - 2018 is the sixth annual budget presented for Alliance Behavioral Healthcare (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 201-2018 for Alliance's administrative and service operations covering Cumberland, Durham, Johnston and Wake counties. The budget year begins July 1, 2017 and ends June 30, 2018. The document will show how the funds are allocated and how they will be spent.

Alliance Behavioral Healthcare 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 Behavioral Healthcare 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 1% of the county dollars in administrative support for the management of their dollars in serving consumers in their respective county.

Miscellaneous

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

Medicaid Services

Alliance Behavioral Healthcare 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 Behavioral Healthcare 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 Behavioral Healthcare Business Operations and is available online at www.alliancebhc.org. If further information is needed, please contact Kelly Goodfellow, Executive Vice President/CFO, at 4600 Emperor Blvd, Durham, North Carolina 27703 or by email at kgoodfellow@alliancebhc.org.

Alliance Demographic Information

ALLIANCE REGIONAL POPULATION DATA						
County	Population	Medicaid Eligible	Medicaid %	Medicaid Served	Non-Medicaid Served	Total
Cumberland	331,238	78,149	23.59%	11,543	3,242	14,338
Durham	297,807	51,713	17.36%	8,317	3,565	11,440
Johnston	183,309	40,438	22.06%	5,455	1,758	6,957
Wake	1,005,367	124,868	12.42%	15,977	8,482	23,274
Total	1,817,721	295,168	16.24%	41,292	17,047	56,009

Based on 2015 Statistics, US Census Bureau

PERSONS SERVED BY AGE AND DISABILITY BASED ON CLAIMS PAID BY MEDICAID AND IPRS					
Age Group	County	MH	SA	IDD	Totals
Child/Youth (ages 0-17)	Cumberland	5,111	128	592	5,409
	Durham	3,758	77	343	3,983
	Johnston	2,336	34	336	2,534
	Wake	7,544	179	903	8,214
	Total	18,749	418	2,174	20,140
Adult (ages 18+)	Cumberland	7,435	1,722	712	9,027
	Durham	6,076	1,799	752	7,529
	Johnston	3,686	1,006	328	4,473
	Wake	12,234	3,212	1,773	15,290
	Total	29,431	7,739	3,565	36,319

PROVIDER BREAKDOWN	
Organization Type	Provider Count
Agencies	285
Hospital/Residential Treatment Facilities	36
Licensed Professionals	1,613
Outpatient Practices	249
Total	2,183

Departmental Information

Care Management Division

Care Management at Alliance Behavioral Healthcare is a data-informed, collaborative effort that identifies and addresses the full range of medical, functional, social, emotional, and environmental needs across all populations in order to improve health outcomes by focusing on prevention and person-directed care.

Clinical Operations

Brief Description of Department and Units

The Clinical Operations Department is comprised of two units and receives clinical oversight from the Alliance Senior VP for Clinical Operations and the Chief Medical Director.

- MH/SA and IDD Utilization Management (UM) are responsible for authorizing services and monitoring and managing consumers 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 consumer treatment plans.
- MH/SA and IDD Care Coordination are responsible for working with specific high-risk populations identified within the waiver contract and priority populations that have been identified by Alliance, including individuals with high ED utilization patterns. Care Coordination links consumers with both services and supports and helps eliminate barriers that allow consumers to live as successfully as possible within the community. MH/SA 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

Accomplishments for FY17

- Clinical Operations met all waiver performance standards for the year.
- Successful implementation of the new Innovations waiver with individual budgeting.
- Innovations spending was within budget targets.
- There has been a continued downward trend in Intensive In-Home utilization; met target utilization goal for the end of the year and continues to trend downward, keeping individuals in less restrictive, more successful levels of treatment.
- Improved care coordination functions that are managed within the Access Center primarily around assisting families waiting for C Waiver slots and needing Medicaid covered behavioral health services. Average days between a call to Access and an appointment was 4 days.
- Maintained low Psychiatric Residential Treatment Facility (PRTF) utilization. No children in true out of state facilities.
- ED liaisons had a reported significant impact on both reducing consumer time in the ED and deferring consumers from inpatient care, with inpatient readmission rates remaining low throughout the year.
- Successfully implemented best practice integrated care models in all Alliance counties.
- Successfully filled all available Innovations slots, moved from ICFs to the community using Money Follows the Person Funding and B3 services

- Added IDD/MHSA care coordinator to Wake CC Team, reduction in IDD wait times in EDs already occurring
- Implemented NC START program for children, available to all Alliance counties
- Implemented a population health analytics tool

Summary of Goals and Objectives for FY18

- Continue to meet and exceed all waiver contract requirements.
- Develop and implement innovative population health transformations in order to improve overall healthcare for consumers, including enhanced long-term management of chronic conditions to maintain meaningful life in the community.
- Improve the clinical quality of care coordination, resulting in longer community tenure/less need for crisis services
- Improve consumer adherence with antipsychotic medications
- Decrease services that require prior authorization and manage based on data review, including outcome measures.
- Decrease number of consumers with stays beyond expected ranges for highly utilized services
- Develop and pilot an IDD Patient Centered Behavioral Health Home that is responsible for managing total health of patient population.
- Maintain low consumer appeals rate.
- Increase number of consumers served through integrated healthcare teams.
- Increase intensive in-home and residential services alternatives.
- Expand use of general outpatient services.
- Increase use of Medication Assisted Treatment for individuals with substance use disorders.
- Decrease average length of stay (ALOS) of children in Therapeutic Foster Care.
- Implement law enforcement division program in Cumberland for individuals arrested for low level drug offenses.
- Decrease inappropriate Opiate and Benzodiazepine prescribing practices of both in-network and primary care prescribers.
- Improve options and use of community based treatment for youth with problematic sexual behavior.
- Implement Resource Allocation Model under the Medicaid C Waiver.

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 and processes through quality management activities and evaluating the quality of services provided by Alliance.

The Department is comprised of two sections:

- Provider Network Operations has three components:
 - Networks is responsible for managing the communication and dissemination of information to the community of providers, identifying and recruiting new providers, and for 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
 - Network Development Plan
 - Special Provider Initiatives
 - Provider Collaboratives
 - Requests for Proposals
 - Hospital Relations
- Provider Evaluation
 - Network Evaluation is responsible for monitoring and evaluating Alliance providers, programs and services. Evaluation ensures: the use of data as the basis for making decisions, providers and programs are performing effectively, services are outcome-oriented, and Alliance and providers are accountable for the services consumers receive.

Accomplishments for FY17

- Expansion of provider collaboratives to provide technical assistance and improve quality.
- Implementation of multiple evidence based practice service models.
- Development of multiple new evidence based service definitions to fill service gaps.
- Improved processes and relationships with our hospital partners.
- Implementation of contract tracking software to improve accuracy and efficiency.
- Creation of Provider Evaluation team
- Implement credentialing software
- Streamline process for new service development

Summary of Goals and Objectives for FY18

- Improve relationships with and contract management of hospitals/health systems.
- Improve capacity for risk and trends analysis.
- Address provider network needs and gaps as specified in network development plan.
- Focus provider collaborative efforts on implementation of evidence based practices.
- Enhance provider performance and outcome measure reporting.
- Streamline reports generation.
- Increase number of provider contracts for evidence based practices.

- Identify and implement a process for monitoring evidence based practices.
- Improve communication processes with Providers.

Community Relations

Brief Description of Department and Units

Community Relations 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 Relations 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 Relations 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 Relations 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 FY17

- Reorganized the Department to better align and support Alliance strategic and clinical goals
- Implemented short-term rental assistance program (ILI) in each community. Also created a longer term rental assistance program for a higher risk population
- Completed a regional Housing Plan
- Developed a standardized Alliance overview presentation training to over 500 community partners and stakeholders.
- Durham, Johnston and Wake have highly successful Crisis Intervention Training (CIT) training programs with designated CIT Coordinators. A CIT Veterans training was developed in Wake County which has received national attention
- Expanded MHFA trainers and now have a CR staff trained on almost every module
- Implemented Wake Network of Care (NOC) and completed significant enhancements to Durham NOC
- Implemented Care Review in each community
- Successfully completed BECOMING, the 6 year SAMHSA funded grant focusing on transitional age youth
- Funding renewed for two HUD-funded supportive housing programs in Durham.
- All Community Collaborative completed strategic plans outlining SOC priorities.
- Hired a Director of Housing and a Director of System Engagement

Summary of Goals and Objectives for FY18

- Study the need for additional personnel to target key areas across the 4 counties (i.e. System of Care Manager).
- 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 Relations (i.e. housing, Care Review) and develop key performance indicators to show the impact and return on investment.
- Develop pilot programs in partnership with other internal departments to study the quality and effectiveness of programs targeting high risk populations (i.e. IHH, ED diversion, etc.).

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 FY17

- Alliance claims staff continues to provide weekly claims training for providers to ensure updated knowledge of systems and claim information is shared with all providers.
- Implemented a new Accounts Receivable (AR) system to allow for denials to be worked more efficiently. The system allows staff to research, identify claims to rebill and claims to write off.
- Increased encounter approved claims from 15% approved in May 2015 to 95% approved in December 2016. Alliance is expected to maintain an average 95% approval rate as of July 1, 2017.
- Claims Staff collaborated with IT/Report Development to create reports that provide analysts with paid claims in different categories. Some of the reports include: retro authorizations for claims, Out of Network provider claims, claims outside of our covered age range, claims where Medicaid has changed, and invalid living arrangements.
- The HMS audit for March 2016 through August 2016 resulted in high scores of 100% in timeliness of provider payment, 99.38% in claims processing accuracy, and 99.16% in financial accuracy.

Summary of Goals and Objectives for FY18

- Maintain focus on meeting the encounter requirement to have 95% approved claims.
- Develop new reports to analyze paid and denied claims to ensure we are maximizing our payments to providers
- 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 building a unified team with the help of updated procedures and process flows, mutual understanding of work, cross departmental training and most importantly adhering to our mission and values.

Finance and Accounting

Brief Description of Department and Units

- Finance and 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.

Accomplishments for FY17

- Hired a Grant Accountant to explicitly focus on federal funding requirements. This has been especially critical with the growing complexity and requirements of our federal dollars.
- Upgraded our accounting software to a newer version which provided team members access to more efficient software.
- Revised our Vendor Maintenance procedure and incorporated an IRS Tax Identification Number Verification program to improve accuracy of vendor information.
- Continued the Medicaid Services Committee specifically designed to review our PMPM by category of service on a monthly basis. Through this Committee, we have been able to dive into service detail, compare financial perspective with the clinical team, and discuss initiatives in cases of over or under spending.
- Collaborated with the claims and IT teams to improve reporting to providers to enhance their internal reconciliations related to Alliance payments.
- Finalized the Medical Loss Ratio (MLR) project to include all allowable expenses in the ratio and to ensure the MLR performance is monitored regularly.
- Created Frequently Asked Questions for payroll and accounts payable to provide employees with additional help and quicker answers to their questions.
- 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 FY18

- Implement a new process for tracking programs/services by provider and by funding source.
- Implement changes to our billing software which will improve the interface between the billing software and accounting software.
- Implement identified budget software that works in conjunction with the accounting software which will streamline budgeting efforts and assist with reporting.
- 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
- 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 building a unified team with the help of updated procedures and process flows, mutual understanding of work, cross departmental training and most importantly adhering to our mission and values.

Organizational Performance Division

The Organizational Performance division’s primary focus is on driving and supporting Alliance’s ability to meet its strategic planning goals, in particular, the Performance Strategic Goal of “optimizing our business performance to meet today’s needs and prepare for the future”. This is accomplished through the alignment of divisional departments including Organizational Effectiveness, Strategic Analytics, Human Resources, Quality Management, Information Technology and Customer Service/Access Center.

Organizational Effectiveness Department

Brief Description of Department and Units

Organizational Effectiveness (OE) is at the highest level achieved by integrating our organization’s work processes, our people, our systems, and our leadership and aligning all of that with our organizational strategy. The OE Department is new, and was formed as a result of the July 2017 reorganization, building on the strengths of some existing units, such as Strategic Project Management (SPMO), Communications and Facilities, and consolidating and expanding some other units, such as Training and Organizational Development, all to meet our primary purposes: 1) facilitate positive change within the organization that is in alignment with our strategic plan; and 2) enhance and support a healthy organizational culture that is in alignment with our values

- The Strategic Project Management team (SPMO) has matured into an internal consulting group while still managing the enterprise wide projects. They have engaged in a number of high priority projects supporting Alliance’s reorganization, department process improvements, and helping to develop the new clinical vision and strategic consultant work to better position Alliance for the future while strengthening the organization.

All of the projects have centered on the enterprise vision and increasing efficient use of resources while meeting legal and contractual requirements.

- 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 (OD) and Learning is the newest team for the OED and brings our training program together with an expansion of the OD program to focus on staff and leadership development and organizational culture and growth, while at the same time, overseeing all training provided to staff, community members, and providers.
- Facilities is currently a one-person unit responsible for the management of construction projects, renovations, and day to day operations of the Alliance sites. Health and Safety also falls within this unit, as do revisions to the Business Continuity Plan (BCP). The SVP is responsible for the BCP.

Accomplishments for FY17

- Created the new department aligning the work and goals of four separate units under one mission and vision
- Created and hired a Director of Organizational Development and Learning and redesigned staffing, created tracking mechanisms, and initial work on comprehensive ODL Plan to be launched July 2017
- Provided training for 9,000 staff, providers and community members
- 380 individuals trained in Mental Health First Aid
- Facilitated and managed implementation of major revision of organizational Strategic Plan with four new goals, and multiple new objectives and initiatives, to accelerate Alliance into the future
- Provided portfolio tracking and analysis using Tableau and SharePoint to support executive decisions on project priorities
- Managed 32 Enterprise Projects which includes both consulting and enterprise project management engagements, for example the Jennings Community Assessment, the Data Analytics launch and the DOJ/TCLI Supported Employment process improvement
- Developed 6-month Process Improvement Training class on-line to engage staff at all sites and further develop culture of quality improvement and project management across the company
- Initiated an Evolutionary Site Redesign of the Alliance website, employing surveys and user testing of key audience segments to create a more satisfying and productive user experience as well as an enhanced graphic layout.
- Developed the Communication Connectors Initiative engaging designated staff from all divisions and company offices – with support from the Communications Unit – with ensuring regular flow of organizational information for dissemination, i.e. “telling our Alliance stories.”
- Added a second Communications and Marketing Specialist to team, focusing on support of the Community Relations Department, and on the enhancement of internal video production capacity and the company social media program.

- Completed renovation of Cumberland site office at 711 Executive Place to mirror layout and open design consistent with other Alliance offices
- Purchase of Wake Crisis Building at 3309 Durham Drive, in Raleigh, and moving forward with design
- Continuation of design phase of renovation of Recovery Response Center (formerly DCA) in Durham
- Completion of Strategic Facilities Plan to begin process of preparing options for future growth and potential new office locations to handle growth. Current leases expire December 31, 2018.

Summary of Goals and Objectives for FY18

- Launch Enterprise level Project Portfolio System to allow executives to budget, approve and prioritize all major projects or initiatives, and provide training for Alliance Staff which will be needed to support new system
- Launch comprehensive Organizational Development and Learning plan to include the following programs/curricula: Leadership Development Academy (4 Programs: Aspiring Leaders, Emerging Leaders, Strategic Leaders, Leader to Leader); Mentoring Programs (Peer & Executive/Senior Leader); Onboarding/Off boarding Program (in tandem with HR); Peer Coaching Program
- Provide leadership and project management of major organizational initiatives, including Complete Care, Care Management System, TBI Waiver, and OE Organization Transformation projects (recommendations from the Jennings Community Assessment)
- Complete a comprehensive Internal Communications Plan and support organizational efforts to increase employee engagement through improved internal communication.
- Work with Jennings Communications to implement recommendations from Community Assessment, related to development of new brand messaging, and an external marketing plan
- Continue to implement components of Evolutionary Site Redesign findings to further enhance website value to our users, including increased capacity to assist with consumer self-management of health.
- Enhance existing social media program, expanding the positioning of Alliance leadership as “subject matter experts” and investigating the addition of other platforms and increased use of video for communicating messaging
- Evaluate current function of SPMO and consider restructuring to Portfolio Management Office to better meet needs of Alliance’s future
- Implement Strategic Facilities Plan for office space to accommodate growth and possible consolidation of existing offices and/or merger
- For employee safety and security, implement Everbridge - a secure, scalable and reliable critical communications platform that enables rapid delivery of critical communications with near real-time verification over numerous devices and contact paths.

Information Technology

Brief Description of Department and Units

The IT department is comprised of three 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. Manage database security, file downloads, and IT Project management. Manage User Acceptance Testing (UAT) for all Alpha releases for the organization.
- Data Analytics/Business Intelligence - Responsible for extracting, organizing, cataloging and defining all key data elements that support Alliance. This team is also responsible for report and dashboard development to support the advanced analytics and information needs of the company.
- IT Infrastructure and Support - Installs and supports all business data and voice networks within the Alliance sites. They are responsible for maintaining network and data security, HIPAA compliancy, email security, network and server performance and administration.

Accomplishments for FY17

- Added a Director of Strategic Data Analytics to the Alliance Team.
- Added other staff in other key Data Analytics roles – Director of Data Architecture, Manager of Enterprise Reporting, Data Architect, ETL Developer and additional BI Report Development Staff.
- Continued development of Alliance Enterprise Data Warehouse.
- Expanded reporting and dashboards using MicroStrategy Reporting Software.
- Deployed Teradata Aster Advanced Analytics Platform. Developed multiple use cases and proof of concepts including support for Therapeutic Foster Care, Call Center use of Text Analytics and Compliance Provider/Claims review.
- Developed a new IT Request Workflow application. This SharePoint application allows ABH staff to request IT services while providing continual feedback to the requestor and extensive monitoring of the project through the Software Development Life Cycle (SDLC).
- Implemented the Finance Accounts Receivable (AR) application. This application is used by the claims department to track and manage all claims activity and to monitor claims that have been denied by NTRACKS.
- Developed a Provider Portal for DOJ-Supported Employment tracking and reporting. This application allows ABH to comply with the requirements of the DOJ Settlement. Providers enter checklists that meet all of the DOJ requirements. ABH staff then reviews the checklists for accuracy and completeness. This information is then submitted to DOJ to meet our contractual reporting requirements.
- Developed the Independent Living Initiative (ILI) application. This application allows Providers and Care Coordinators to request housing services online. This application is used by Care Coordinators, Housing Department, Finance, and External Providers.
- Relocated our Disaster Recovery site from our Cumberland Office to a Co-Location Facility in Greensboro, NC. In doing so, we implemented two-hour replication for

Critical Servers from Peak10 to the new Co-location DR site in Greensboro, providing a higher level of redundancy.

- Migrated from Exchange 2010 to Exchange 2016 and implemented a Database Availability Group (DAG) for additional redundancy for email operations.
- Completed the Access Center phone system Resiliency Project that included adding 10 phone lines from secondary provider for failover.
- Implemented Duo Security Two Factor Authentication for VPN and Server access to improve network access security.
- Implemented monthly Qualys vulnerability scanning of our internal networks and public facing IP addresses.

Summary of Goals and Objectives for FY18

- Redesign Provider Search database and website – this will be a major update to this application based on the evolving needs of the business
- Develop EDI Processing Web Application – Allows processing of all EDI files within the Alliance Data Structure. This application will allow us to make the information received in our EDI files easily accessible and utilized by all internal applications.
- Develop automated support for Application Development testing efforts by designing and implementing data-driven automated testing framework.
- Continue enhancing Alliance’s Enterprise Data Warehouse by incorporating new data domains to support the data analytics needs of the organization.
- Evolve Advance Analytics program by continuing to identify business use cases to improve the information capabilities throughout the organization.
- Develop Governed Self-Service reporting environment for MicroStrategy to be used by the Alliance Power Users.
- Implement an improved Care Management solution to include enhanced capabilities, communication and workflows.
- Integrate Alliance applications with the NC Health Information Exchange.
- Integrate Admission-Discharge-Transfer data from the NC Hospital Association with Alliance systems and analytics.
- Continue to enhance the Alliance Disaster Recovery (DR) systems and testing plans.
- Implement a log management system (SIEM) to capture and correlate logs from communications hardware, server hardware and corporate laptops.

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 FY17

- Achieved URAC Health Call Center accreditation for a new site. Score 100%
- Met State contractual requirements for time of answer and abandonment rate
- Filled all the IDD Innovations slots.
- Improved coordination of care with NC Start for children.
- Held a successful Resource Fair for stakeholders, members and families seeking services for IDD.
- Promoted Open Access model of care to decrease the time between appointments to 4 days.
- Collaborated with multiple providers on increasing choice for members.
- Integrated SharePoint into our daily work to increase staff's access to information for callers.
- Implemented the use of MicroStrategy to predict staffing coverage and training needs.
- Collaborated with Clinical Operations on "whole person care".
- Provided customer service training for other departments.
- Worked to accomplish Alliance Strategic Goals by participating on the following committees: Rewards and Recognition, Alliance Connectors, and various IT transition teams for the implementation of MicroStrategy and other software.
- Worked collaboratively with Network development on rolling out new service definitions, and assessing the needs and gaps in our service continuum.
- Part of a larger team of clinical staff who participate on the Provider Reconsideration Committee, Compliance Committee, UM Committee and various subcommittees.
- IDD Access team increased staff's knowledge of available dual diagnosis providers, and community resources which is utilized across the agency.
- Continued to support families with limited state resources and few providers accepting referrals—requiring creative resource development.
- Maintained detailed waitlists and submitted timely monthly reports.
- Revised IDD eligibility and slot management procedures to improve consistency across departments.

Summary of Goals and Objectives for FY18

- Maintain URAC accreditation.
- Increase our knowledge of Population Health Management and explore ways to serve the "whole person" in the Access and Information Center.
- Improve access to care for routine and urgent appointments.
- Work collaboratively with other departments to increase provider choice for Non-English speaking Medicaid Members.
- Work collaboratively to implement TBI waiver.
- Work with NC START to serve our most disabled children.
- Continue to meet our call center contractual requirements
- Ensure we can provide a 24 hour Behavioral Health Call Center for our catchment area.
- Decrease turnover rate in our afterhours shifts.
- Increase the number of calls monitored with innovative technologies.

- Challenge the way in which we have approached member’s access to care. Use creative ways to increase the number of members seeking services to obtain the services in a timely manner.
- Continue to support the Consumer’s rights of choice, privacy and dignity.
- Continue to offer Customer Service training to other departments.
- Fill all the Innovations slots for the year.
- Continue to find new and innovative ways to serve more individuals within our budgetary constraints.
- Ensure that the experience of our callers is responsive, respectful, useful and pleasant.
- Establish Call Center protocols that ensure the safety of callers, members, stakeholders and the community at large during a behavioral health crisis and/or a natural disaster.
- Continue to merge supports across diagnoses/funding silos (MH/SA/IDD) and collaborate across departments to better serve our members and families.
- Planning spring resource/training fair for IDD staff and community/families.
- Implement additional technology to introduce more of our Medicaid members to Alliance, increase access to free screening tools, and ensure services are easily accessible through our toll free number.

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 two components:

- Quality Assurance develops reports for Alliance management, committees and the state; investigates and resolves incidents and complaints; and analyzes data from NC-TOPPS, IRIS and other sources.
- Quality Review oversees our Quality Improvement Projects (QIPs); performs quality reviews to identify opportunities for improvement; and develops quality management standards and training.

Accomplishments for FY17

- As part of the Alliance reorganization, refocused the Quality Management Department on measuring and improving internal Alliance processes;
- Developed a model for assessing department performance metrics needs, evaluated four departments, and initiated the development of metrics reporting;
- Supported the creation of a new Provider Evaluation Department in the Care Management Division responsible for quality improvement activities related to Alliance’s provider network;
- Improved Alliance’s performance on key measurements including CDW submissions, NC-TOPPS and Innovations;
- Developed a new clinical practice guidelines evaluation program and assessed provider compliance with two key Alliance-approved guidelines;
- Increased QM Department staffing and skills include training in statistics and Six Sigma;
- Successfully completing three long-term Quality Improvement Programs (QIPs);

- Identified and launched a QIP related to the Transition to Community Living Initiative as required by the state;
- Supported a successful URAC re-credentialing review that focused in large part on Alliance’s quality management program.

Summary of Goals and Objectives for FY18

- Increase the focus on evaluating and recommending quality improvement projects related to internal business operations
- Expand the new performance metrics program across additional Alliance departments;
- Expand the clinical practice guidelines evaluation program to other key guidelines including the urgent issue of opioid use;
- Roll out the MicroStrategy reporting platform to QM staff;
- Implement new Integrated Care performance measures as designated by the state in its FY 2018 contract;
- Participate in the state’s development of its Critical Performance Measures and assure the validity the state’s reporting on Alliance’s performance.

Human Resources

Brief Description of Department and Units

The Human Resources Department serves as an essential function of the workforce, and as such, all HR responsibilities are employee-centered. The main areas include Benefits Administration, Employee Relations, Compensation and Classification, and Recruitment and Selection. In addition, HR maintain a lead role with the Wellness Committee and Rewards & Recognition Committee. Both of these initiatives were established by the Strategic Plan, and demonstrate Alliance’s commitment to and appreciation for its staff.

Accomplishments for FY17

- Posted 97 vacancies; Hired 55 candidates
- Created 35 new positions
- Played an instrumental part in the 2016 re-organization
- Conducted organizational Open Enrollment for benefits
- Work with external vendor to complete 2016-17 Performance Appraisal cycle
- Completed a comprehensive salary study for 75 positions, reviewed FLSA designation for 15 positions, and conducted formal desk audits for 15 Administrative Assistant positions
- Conducted preliminary research for a Human Capital Management (HCM) tool that will capture all HR processes from applicant tracking to off boarding employees
- HR Consultants provided recommendations regarding best practices for an on boarding off boarding process. Recommendations are in the process of being implemented.
- The Rewards and Recognition committee launched the Give-a-Wow platform for peer-to-peer recognition, and issued the Recognize Me! boxes to supervisors for staff recognition
- New employees receive an Alliance t-shirt during the New Employee Orientation as a part of the ‘welcome kit’ sponsored by the Rewards and Recognition committee

- Implemented several Wellness initiatives in an effort to improve the whole body health of Alliance employees:
 - Conducted monthly Lunch-n-Learn, Functional Desk Exercise, Financial Health, and Mindfulness sessions at all sites
 - Sponsored blood drives at Home and Wake sites
 - Pedometers given to all staff at no cost
 - Launched walking challenge from Home site to Wilmington beach
 - Wellness Committee presented “Eight Dimensions of Wellness” in Care Coordination meeting
 - Published Wellness Intranet as a source of information for all staff
- HR initiated a business improvement process mapping for Finance and HR to identify opportunities for greater efficiency and productivity.

Summary of Goals and Objectives for FY18

- Establish a calendar of wellness events and activities to increase employee participation across organization
- Expand the Give-a-Wow platform to include *Welcome Me!* activities for newly hired employees, and establish a calendar of recognition events/activities
- Design and implement Service Award program to recognize and celebrate employees’ years of service milestones
- In continuation of the FY17 project, complete a comprehensive salary study for ALL positions and assess the respective impact of changes to the organizational compensation processes and classification structure
- There are several objectives which strive to improve departmental and organizational efficiencies by maximizing technology:
 - Launch online benefits enrollment
 - Outsource leave administration for FMLA and ADA usage
 - Select and outline FY19 implementation for HCM solution
- There are several objectives which strive to improve employee satisfaction:
 - Explore career progression and laddering within classification structure
 - Research and implement flexible work options
 - Conduct an employee survey (Fall 2017)

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 fifteen employees divided up in a Program Integrity Department, which includes a Special Investigations Unit and Claims Audit Unit, and Corporate Compliance Department, which includes a HIPAA Compliance Unit and Corporate Compliance Unit. The Office of

Compliance is responsible for internal and external compliance to include policies and procedures, accreditation compliance, compliance training, internal audits and monitoring, claims audits, hotline reporting, investigation and correction of non-compliance, remediation, HIPAA privacy and security, medical records, public records, Network fraud and abuse investigations, provider actions and sanctions, and provider dispute resolution.

Accomplishments for FY17

- Opened 59 fraud and abuse investigations in the first 6 months of FY17 and referred 7 full investigations to DMA Program Integrity for determination of credible allegation of fraud.
- Developed additional and more efficient fraud detection reports.
- Conducted internal audits and monitoring activities.
- Coordinated the re-accreditation process and assisted the Organization in achieving full 3-year URAC accreditation in Health Call Center, Health Utilization Management, and Health Network.
- Monitored all sites for HIPAA Privacy compliance. Contracted with external vendor to conduct Security Risk Assessment and worked with IT and other departments to mitigate identified risk.
- Issued and tracked 82 actions and sanctions to providers in response to Network compliance issues in the first 6 months of FY17.
- Issued over \$173,000 in overpayments through the Corporate Compliance Committee process in the first 6 months of FY17.
- Managed 9 requests for reconsideration of actions against providers in the first 6 months of FY17.
- Audited 3% of adjudicated claims weekly.
- Audited inpatient and ED claims weekly.
- Conducted internal investigations and developed remediation plans where applicable, monitored corrective action plans to ensure successful implementation.
- Conducted new hire orientation ongoing, annual compliance and HIPAA training to all employees and the 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.
- Transitioned three employees to supervisor positions, hired a Medical Records Analyst, a second Internal Auditor, and will be hiring a Policy Analyst and Compliance Officer.

Summary of Goals and Objectives for FY18

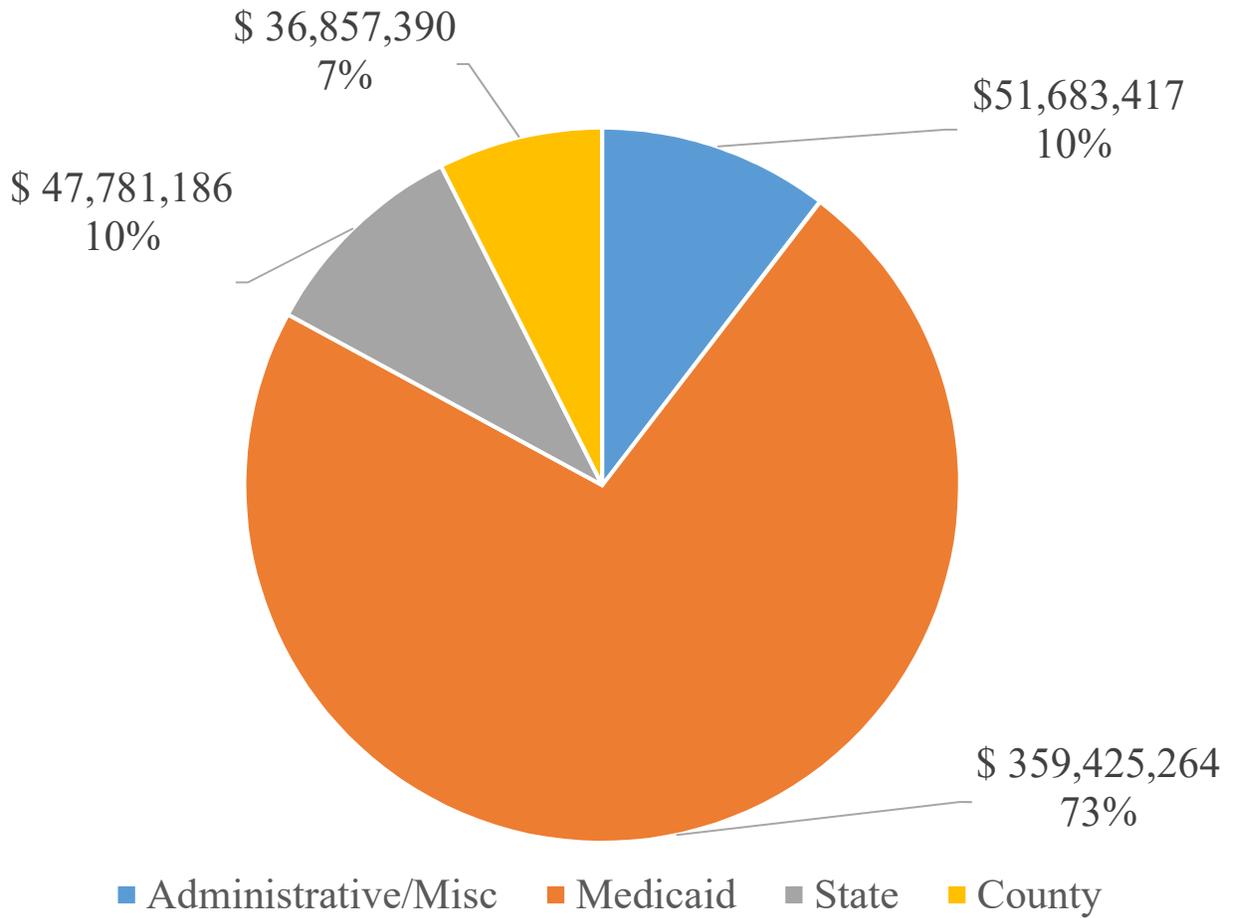
- Our goal is to embed compliance, fraud control, and business ethics into Alliance day-to-day business through the use of infrastructures and tools designed to help achieve compliance with Federal, State, and local laws and regulations, State contracts and accreditation standards. The infrastructure and tools of focus for FY18:
 - Finalize the implementation of C360 to increase efficiencies and better manage risk related to third parties such as administrative contractors, vendors, consultants and Business Associates.

- Improve process to assess the impact of regulatory changes on Alliance operations, including review and revision to policies and procedures, manuals and training to ensure compliance with applicable changes. Examples include changes as a result of the CMS Medicaid Managed Care Final Rule
 - Contract with vendor for fraud detection purposes to enhance our current investigative techniques and increase effectiveness of fraud detection efforts.
 - Provide specialized training to department staff to promote professional growth and to achieve and maintain nationally recognized certifications in the areas of fraud examination and internal audits.
- An annual work plan developed as a result of an annual risk assessment drives all major compliance operations. Items selected for the work plan pose significant risk (legal, financial, reputation) to Alliance. The plan is finalized at the beginning of each fiscal year and has therefore not yet been developed for FY18. Below are a few anticipated areas of focus:
 - Increased staff training with focus on HIPAA, confidentiality, policies and procedures, and regulatory and accreditation requirements.
 - Expand the internal audit plan and increase compliance monitoring with timely resolution and implementation of risk mitigation plans.
 - Monitor implementation of identified strategies to correct HIPAA security deficiencies and audit for compliance.
 - Provide compliance and program integrity training and resources to providers regularly.
 - Expand focused and ad hoc claims audits to identify overpayments, underpayments and other irregularities or compliance issues.
 - Conduct fraud and abuse investigations to detect and deter fraud and abuse in the Alliance Network. Prioritize areas of highest risk.
 - Provide assistance, input and compliance oversight of Alliance pilots, strategic initiatives, RFPs and other Alliance efforts.

General Fund Revenues
 FY2017-2018 Recommended Budget
Total General Fund Revenues: \$495,747,257

Administrative	\$ 51,433,417
Medicaid Services	359,425,264
Alliance	
State	25,913,107
Federal	3,444,951
Cumberland	
State	2,960,883
Federal	521,495
County	4,752,000
Durham	
State	3,657,121
Federal	867,561
County	6,070,519
Johnston	
State	1,965,317
Federal	139,869
Wake	
State	6,695,743
Federal	1,615,139
County	26,034,871
Grants	
Miscellaneous	250,000
Total	\$ 495,747,257

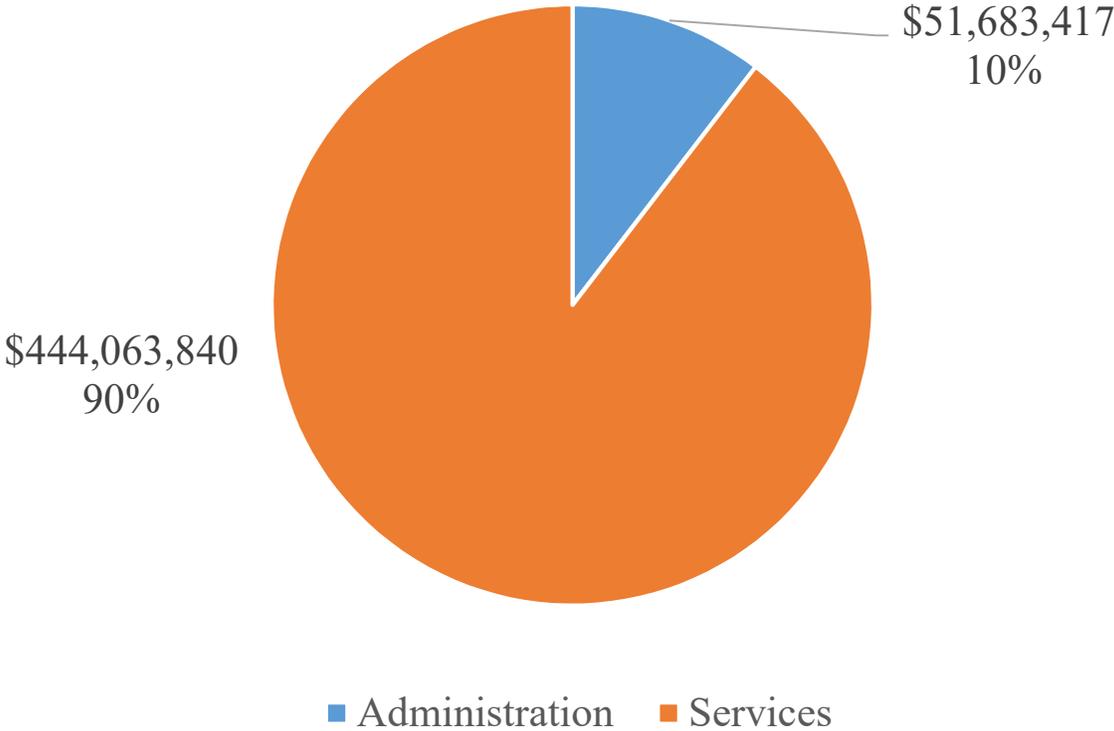
General Fund Revenues
FY2017-2018 Recommended Budget
Total General Fund Revenues: \$495,747,257



General Fund Expenditures
FY20172018 Recommended Budget
Total General Fund Expenditures: \$495,747,257

Administrative	\$ 51,433,417
Medicaid	359,425,264
State	47,781,186
County	36,857,390
Miscellaneous	250,000
Total	\$ 495,747,257

General Fund Expenditures
FY2017-2018 Recommended Budget
Total General Fund Expenditures: \$495,747,257



Budget Comparison

Budgeted Revenue

Budgeted Expenditures

	FY17 Amended	FY18		FY17 Amended	FY18
Administrative	\$ 53,542,919	\$ 51,433,417	Administrative	\$ 53,542,919	\$ 51,433,417
Medicaid Services	375,648,164	359,425,264	Medicaid Services	375,648,164	359,425,264
Alliance			State & Federal Services	58,649,031	47,781,186
State	10,202,204	25,913,107			
Federal	2,314,218	3,444,951	Local Services	37,717,388	36,857,390
Cumberland			Grants	403,224	
State	3,636,905	2,960,883	Miscellaneous	325,000	250,000
Federal	1,250,272	521,495			
County	2,537,000	4,752,000			
Durham					
State	7,288,954	3,657,121			
Federal	1,116,380	867,561			
County	6,155,207	6,070,519			
Johnston					
State	2,937,993	1,965,317			
Federal	289,542	139,869			
Wake					
State	9,743,378	6,695,743			
Federal	4,542,047	1,615,139			
County	26,032,181	26,034,871			
Grants	403,224				
Miscellaneous	325,000	250,000			
Fund Balance	18,320,138				
TOTAL	\$ 526,285,726	\$ 495,747,257		\$ 526,285,726	\$ 495,747,257

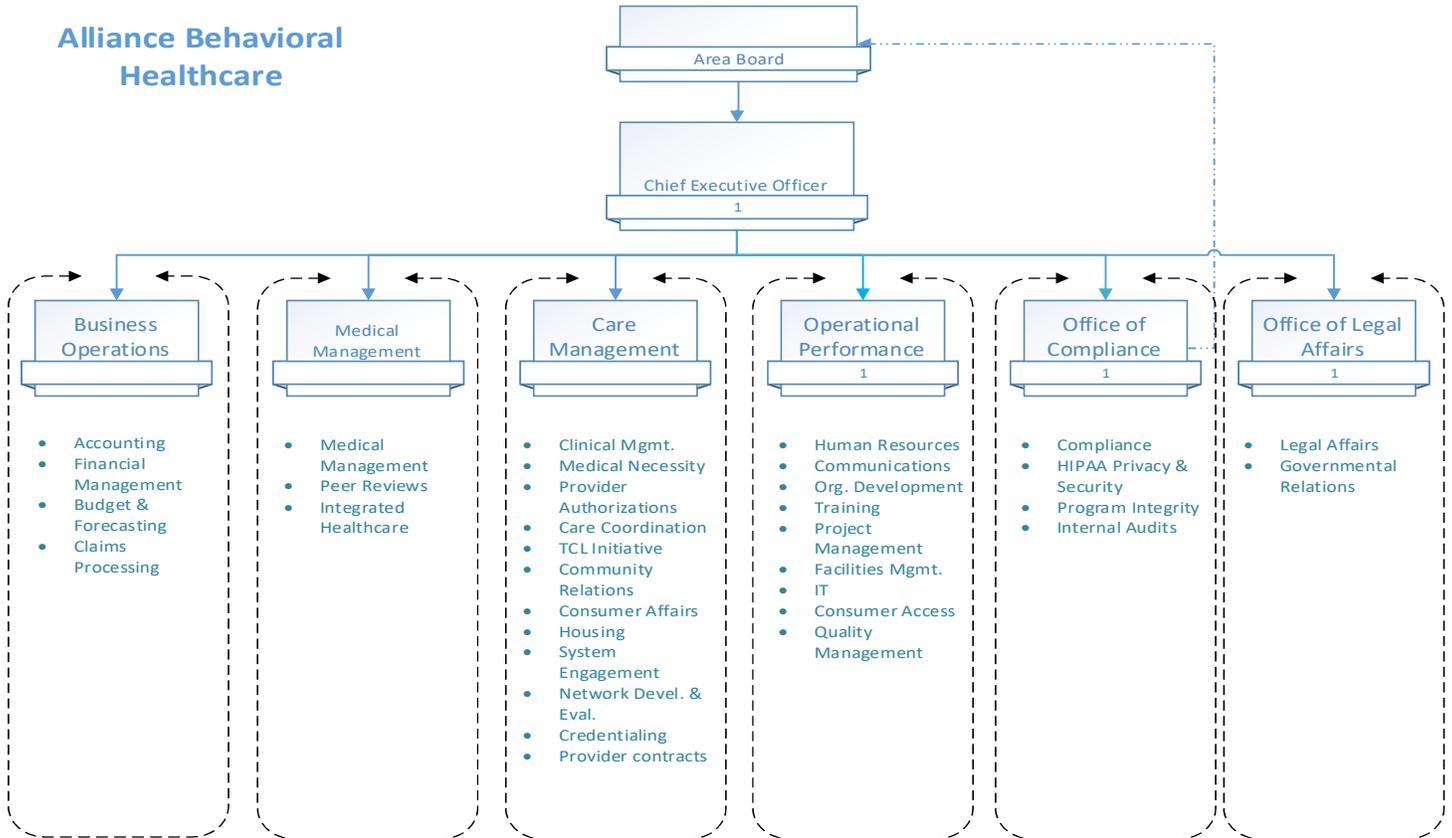
Administrative and Medicaid are lower than FY17 due to retroactive Medicaid received in FY17.

State dollars reflect a decrease due to one-time allocations received in the year. In addition, the FY17 Amended figures reflect the legislative reduction of \$15M by each county.

Minimal changes in County dollars were to changes in programs or services.

Functional Organization Chart

Alliance Behavioral Healthcare



**ANNUAL BUDGET ORDINANCE
ALLIANCE BEHAVIORAL HEALTHCARE
FY 2017 - 2018**

WHEREAS, the proposed budget and budget message for FY 2017 - 2018 was submitted to the Alliance Behavioral Healthcare Area Board on May 4, 2017 by the Budget Officer; was filed with the Executive Secretary to the Board;

WHEREAS, on June 1, 2017, the Alliance Behavioral Healthcare 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 Behavioral Healthcare Area Board that for the purpose of financing the operations of Alliance Behavioral Healthcare, for the fiscal year beginning July 1, 2017 and ending June 30, 2018, there is hereby appropriated funds the following by function:

Section 1: General Fund Appropriations

Administration	\$ 51,683,417
Medicaid Services	\$ 359,425,264
State Services	\$ 47,781,186
County Services	\$ 36,857,390
TOTAL	\$ 495,747,257

Section 2: General Fund Revenue

Administration	\$ 51,683,417
Medicaid Services	\$ 359,425,264
State Services	\$ 47,781,186
County Services	\$ 36,857,390
TOTAL	\$ 495,747,257

Section 3: Authorities

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

B. The LME/MCO Board authorizes the Budget Officer, with written prior approval from the Chief Executive Officer, to transfer between appropriations of \$25,001 - \$100,000 per transaction if allowed by the funding source subject to a report to the Board Finance Committee at its next scheduled meeting.

C. The LME/MCO Board authorizes the Budget Officer to transfer up to \$100,000 cumulatively within an appropriation for the fiscal year subject to a year-end report to the Board Finance Committee.

D. 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 Behavioral Healthcare aims to fulfill its mission as granted by NC G.S. 122-C.

Governing Statutes

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

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

Budget Process

FY 2017-2018 is the sixth recommended budget representing Alliance Behavioral Healthcare 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, FY18 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 FY18 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 FY18 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

Thursday, May 4, 2017	FY 2017-2018 recommended budget presented at LME/MCO Board meeting
By Friday, May 12, 2017	Notice of June 1, 2017 Public Hearing published
Thursday, June 1, 2017	Public Hearing
By Friday, June 30, 2017	LME/MCO Board adoption of FY 2017-2018 Budget Ordinance
Monday, July 3, 2017	Budget is available in the General Ledger system

Glossary of Terms

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