



SANDHILLS CENTER

QUARTERLY COMMUNITY REPORT

October 2017

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A message from the CEO

SANDHILLS CENTER IMPROVING LIVES IN CENTRAL NC

Sandhills Center consistently demonstrates good stewardship of funding allocations to assure that people in need of assistance have access to quality mental health, intellectual/developmental disabilities and substance abuse services. We are proud to serve residents throughout Anson, Guilford, Harnett, Hoke, Lee, Montgomery, Moore, Randolph and Richmond counties.

As part of our ongoing efforts, Sandhills Center has exceeded expectations to remain at or above benchmark spending levels for the state fiscal year. In fact, during the last fiscal year -- which ended June 30, 2017 -- not only did we exceed the benchmark and statewide average in spending, but we achieved the highest percentage of all Local Management Entities-Managed Care Organizations in North Carolina. This report includes some of the program efforts that demonstrate Sandhills Center's responsible spending.

During the last quarter, we announced reinvestments by way of rate increases to providers of specific services. These adjustments ensure that providers live up to quality standards while maintaining financial security. Rate increases to providers play an important role in our members' ability to gain access to behavioral healthcare.

Another focus has been and will continue to be on expanding relationships with our partners in the battle against opioid misuse. State and federal allocations are providing assistance to pay for much-needed treatment programs within Sandhills Center's

provider network. Engaging in community educational activities reinforces our commitment to addressing this tragedy that has become all too familiar locally, across North Carolina and throughout the nation.

Sandhills Center also is committed to quality through accountability. We regularly participate in compliance reviews of operational activities. These reviews allow us to be evaluated for adherence to stringent standards, receive acknowledgement for achievements, and gain feedback on areas for improvement. We welcome this input as it is in the best interest of our stakeholders and the resources that we are given.

We are committed to a variety of approaches to maintaining and improving our system of care so that Sandhills Center continues to make a positive, lasting impact on the lives of individuals living in our region.



Victoria Whitt,
Chief Executive Officer
Sandhills Center

Network

SANDHILLS CENTER ANNOUNCES RATE INCREASES

Sandhills Center recently announced that reimbursement rates have been increased to providers of community-based Intermediate Care Facilities (ICFs) and selected Innovations Services.

This announcement continues Sandhills Center's commitment to reinvesting 1915 (b)/(c) Medicaid Waiver savings into community-based services. These new rates began with services that were offered on and following July 1, 2017.

Community-Based Intermediate Care Facilities

These are residential options that provide care 24 hours a day, seven days per week, and treatment over an extended period of time for people with intellectual/developmental disabilities.

Through this service, individuals are offered support to live in their communities. It promotes attainment of the highest level of independent living, and provides care for physical and medical needs. Reimbursement rates have increased by 6 percent. ICF services provided through state-operated facilities have an alternative reimbursement arrangement and are therefore not subject to the announced increase.

Innovations Services

These services are available to participants of the North Carolina Innovations Waiver, a funding resource that offers supports and services to individuals with intellectual/developmental disabilities who are at

risk for institutional care in an Intermediate Care Facility. For individuals who have received an Innovations funding slot through this Medicaid Home and Community-Based Services Waiver (an array of community-based services and supports that promote choice, control and community integration), these services are available as an alternative to institutional care. These services include supports designed to meet individuals' physical and medical needs.

We are dedicated to working with community partners within the region to improve access and availability of high-quality behavioral health services.

Sandhills Center will continue to explore opportunities to make adjustments to services, reimbursement rates and service-delivery models to more effectively meet individuals' identified needs.

Community

CONTINUING THE FIGHT AGAINST OPIOID MISUSE

Sandhills Center is united with a variety of community partners to develop effective approaches in the fight against opioid misuse and addiction throughout our nine-county region.

One key resource in this fight is funding. Earlier this year, Sandhills Center received an allocation of \$400,000 in federal funds through the 21st Century Cures Act to increase the availability of services and reach previously unserved individuals.

The funding is intended to allow for increased access to substance abuse treatment, to reduce gaps in services, lower the number of overdoses and deaths, and to provide clinically-sound and effective treatment as intended by the U.S. Department of Health and Human Services.

Sandhills Center took quick action to identify programs that would receive funding. We also worked swiftly to educate providers on the eligibility criteria for the funding, and to make the funding available to the providers offering such services.

Additionally, in May, we were given the opportunity to work with the North Carolina Department of Health and Human Services to identify opioid and substance abuse treatment providers who could receive and effectively use additional Substance Abuse Block Grant funding. We received \$335,000 in targeted funding to increase the availability of medication-assisted therapy and drug treatment programs. These funds were allocated to currently active community partners so as to make the most immediate impact possible.

Another key resource in the fight against opioid misuse is community education and awareness. Sandhills Center has joined with agencies and partners to contribute to the development of events and initiatives that address this challenge.

Substance abuse treatment providers, government officials, first responders, and people with lived experience in several counties have convened work groups, or joined with existing community coalitions to begin medicine take-back events. They also have improved coordination of care between first responders and crisis service providers and Area Health Education Centers to strengthen prescriber education.

We are pleased to participate with several counties to engage local elected leaders in forums about the opioid epidemic, and to develop collaborative strategies that enhance prevention, education and treatment. Discussions such as these are planned throughout the state. The first in our area was hosted by the Randolph County Board of Commissioners in August.

Sandhills Center takes its role in reversing the opioid epidemic very seriously. It is our strong belief that, with help from these funding sources and our community partners, individualized community plans and initiatives can be developed to positively impact and reduce the devastating effects of this public health crisis on all of our communities.

Services

SANDHILLS CENTER PARTICIPATES IN QUALITY REVIEW

Sandhills Center recently completed its annual external quality review (EQR). As a contractual requirement, state Medicaid agencies (including Local Management Entities-Managed Care Organizations) are assessed by an external quality review organization (EQRO) to help ensure compliance with federal requirements, review overall performance and implement strategies for improving the quality of services provided to members.

The Carolinas Center for Medical Excellence (CCME) conducted the review at the request of the North Carolina Department of Health and Human Services, Division of Medical Assistance (DMA).

On August 16 and 17, an onsite review was conducted by CCME with representation from DMA and the Division of Mental Health, Developmental Disabilities and Substance Abuse Services. The onsite review included interviews with staff and findings from a thorough review of submitted documentation. Overall, CCME focused on a wide range of operational activities, including the following areas of importance:

- All policies and procedures, performance measures and personnel information.
- Current enrollment, transition and service data.
- Service planning such as geographic assessments, demographic studies, service gaps analyses and population needs assessments.
- Member and provider manuals, the network provider directory, newsletters and other informational publications.
- Customer service/Call Center protocols.

- Performance Improvement Projects, reports and meeting minutes.
- Data collection related to utilization management.
- Provider contracts, credentialing, recredentialing and compliance.
- Complaints, grievances, appeals, approvals, denials, acknowledgements and resolutions.
- Program integrity and follow-through regarding fraud, waste and abuse investigations.
- Finance and claims.
- Delegation activities including methods of oversight and other subcontractor information.
- Information technology, particularly as it pertains to data collection, analyses and privacy regulations, as well as accuracy and productivity.

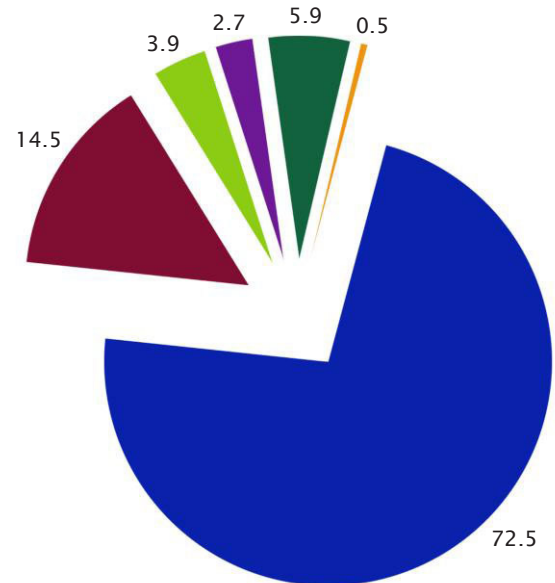
Following completion of the review, CCME will develop a report of their assessment. We look forward to receiving their feedback and hearing opportunities to address identified areas for improvement, if any.

Sandhills Center appreciates this annual quality review process to ensure our continued compliance with federal Medicaid rules and operating procedures. We understand that faithful implementation of these standards is directly linked to quality of care for the individuals served and strongly indicates good stewardship of the resources that we are given.

Financials

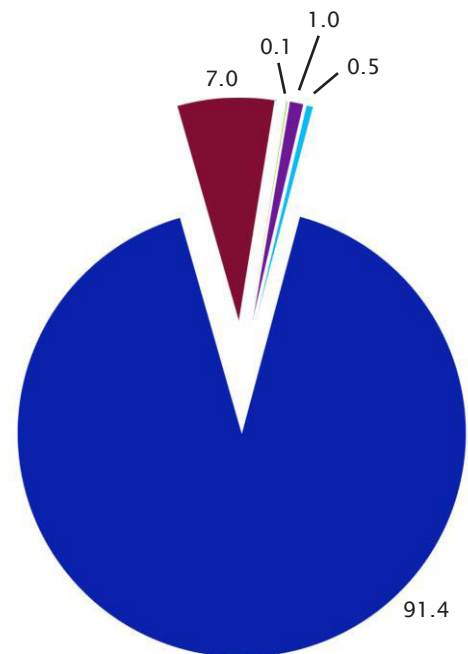
REVENUES

Medicaid Service Contracts	\$225,780,620	72.5%
State, Federal Service Funds and Medicaid Flow	44,650,530	14.5%
County General and Other Local	12,091,305	3.9%
I/DD Treatment Planning Administration and MH/SA/Treatment Planning	8,669,446	2.7%
Medicaid Administration General and LME Administration	18,519,284	5.9%
Medicaid Reserve Funds	1,689,125	0.5%
Total	\$311,400,310	100%



EXPENSES

Contracts	\$284,495,699	91.4%
Personnel	21,840,820	7.0%
Materials and Supplies	409,262	0.1%
Current Obligations	3,147,565	1.0%
Fixed Charges and Capital	1,506,964	0.5%
Total	\$311,400,310	100%





SANDHILLS CENTER

24-HOUR CALL CENTER

1-800-256-2452

TTY -- 1-866-518-6778

FOR MORE INFORMATION, VISIT:

SandhillsCenter.org

FREE AND CONFIDENTIAL ONLINE BEHAVIORAL HEALTH SELF SCREENINGS:

SandhillsCenterAccess2Care.org



ACCREDITED
Health Network
Expires 05/01/2019



ACCREDITED
Health Call Center
Expires 05/01/2019



ACCREDITED
Health Utilization
Management
Expires 05/01/2019

Sandhills Center is nationally accredited.

Sandhills Center assures that people in need of assistance have access to quality mental health, intellectual/developmental disabilities and substance abuse services in the central North Carolina counties of Anson, Guilford, Harnett, Hoke, Lee, Montgomery, Moore, Randolph and Richmond.