LME/MCO Solvency Dashboard

In accordance with SL 2023-134, SECTION 9G.7A.(a11), which enacted General Statute 122C-125.3, on a quarterly basis, beginning on April 1, 2024, the Department of Health and Human Services (DHHS) will utilize information from financial reports submitted monthly by each Local Management Entities/Managed Care Organizations (LME/MCO) to evaluate each entity's compliance with solvency standards specified in their contract with the State.

The tables below document the DHHS findings for the quarter ending in June 2024 and will be updated each quarter going forward based on the most current previous quarter's available financial data. Note that monthly, quarterly, and annual financials used for this report are subject to change based on the results of LME/MCO audits and/or restated financial reports that are submitted to the department after the posting date of the dashboard.

Each solvency standard is briefly described, followed by a table that indicates each LME/MCO's performance against the standard.

Current Ratio

Contractual Requirement: Each LME/MCO shall maintain a Current Ratio above 1.0, as determined from the monthly, quarterly, and annual financial reporting schedules.

The Current Ratio is defined as Current Assets divided by Current Liabilities. Current Assets include any short-term investments that can be converted to cash within five (5) Business Days without significant penalty. A significant penalty is a penalty greater than twenty percent (20%). Current liabilities are obligations whose liquidation is reasonably expected to occur within one year.

If an LME/MCO's Current Ratio falls below 1.0 at any point in time, the entity must submit a report to DHHS that describes the reason for the decline, proposed corrective action to increase the ratio and projections of the impact of the corrective actions.

Table 1- Current Ratio Summary Findings (Jan 25 - Mar 25)

		January - 25		February- 25		March- 25	
		Total	**Ratio**	**Total**	**Ratio**	**Total**	**Ratio**
Alliance	**Current Assets**	$578,464,688	2.13 Compliant	$589,270,060	2.11 Compliant	$558,310,749	2.14 Compliant
	Current Liabilities	$271,394,006		$279,414,846		$260,628,807	
Partners	**Current Assets**	$290,862,711	1.76 Compliant	$292,357,083	1.73 Compliant	$283,139,401	1.67 Compliant
	Current Liabilities	$164,999,189		$168,603,505		$169,699,510	
Trillium	**Current Assets**	$636,381,305	2.0 Compliant	$635,468,460	1.9 Compliant	$633,887,514	1.9 Compliant
	Current Liabilities	$313,022,812		$333,501,447		$340,085,622	
Vaya	**Current Assets**	$411,970,740	2.29 Compliant	$390,491,427	2.65 Compliant	$390,587,122	2.87 Compliant
	Current Liabilities	$179,993,285		$147,631,952		$136,052,768	

Assets & Liabilities are Medicaid-only Current Assets/ Current Liabilities (minimum benchmark Current Ratio of 1.0)

Defensive Interval Ratio

Contractual Requirement: Each LME/MCO shall maintain a Defensive Interval Ratio above thirty (30) Calendar Days as determined from the monthly, quarterly, and annual financial reporting schedules.

The Defensive Interval is defined as Cash plus Cash Equivalents divided by Average Daily Operating Expenses.

If an LME/MCO's Defensive Interval Ratio falls below 30 days at any point in time, the LME/MCO must submit a report to DHHS that describes the reason for the decline, proposed corrective action to increase the ratio and projections of the impact of the corrective actions.

Table 2- Defensive Interval Ratio Summary Findings (Jan 25 – Mar 25)

		January - 25		February – 25		March - 25	
		Total	**Ratio**	**Total**	**Ratio**	**Total**	**Ratio**
Alliance	**Cash + Current Investment**	$560,533,194	94.97 Compliant	$562,704,253	92.20 Compliant	$530,070,769	86.19 Compliant
	Operating Expense	$182,965,033		$170,881,922		$190,653,324	
Partners	**Cash + Current Investment**	$263,235,112	58.53 Compliant	$256,605,888	51.67 Compliant	$219,021,906	46.32 Compliant
	Operating Expense	$139,412,379		$139,041,877		$146,596,101	
Trillium	**Cash + Current Investment**	$474,715,626	59.77 Compliant	$450,269,391	52.31 Compliant	$458,670,502	62.46 Compliant
	Operating Expense	$246,215,566		$240,996,983		$227,641,746	
Vaya	**Cash + Current Investment**	$331,482,011	85.68 Compliant	$331,986,432	92.16 Compliant	$344,831,437	82.09 Compliant
	Operating Expense	$119,938,488		$100,867,790		$ 130,222,897	

Figures are Medicaid-only Current Assets/Operating Expenses (minimum benchmark Defensive Interval of 30 days)

Capital Reserves

Contractual Requirement: The LME/MCO operating a Tailored Plan must, by Day 1 of Tailored Plan/Medicaid Direct Prepaid Inpatient Health Plan (MDPIHP) launch, fully fund Tailored Plan/MDPIHP capital reserves at twelve and a half percent (12.5%) of total expected annual Tailored Plan and MDPIHP Medicaid capitation.

If an LME/MCO fails to meet the Medicaid twelve and a half percent (12.5%) reserves requirement by Day 1 of Tailored Plan launch, the Tailored Plan/MDPIHP must submit a viable plan outlining how the Tailored Plan/MDPIHP will meet these requirements by the end of Contract Year 2, for approval at the discretion of DHHS.

For an LME/MCO to be considered viable, the LME/MCO must document capital reserves of at least 9.0% of total expected annual Tailored Plan/MDPIHP Medicaid Capitation by Day 1 of Tailored Plan launch.

After Tailored Plan launch, if an LME/MCO's capital reserves fall below 9.0% of total expected annual combined Tailored Plan/MDPIHP Medicaid capitation in any quarterly statement, the Tailored Plan must submit a report to DHHS that describes the reason for the decline in capital reserves, proposed corrective action to increase capital reserves and projections of the impact of the corrective actions on the capital reserve levels.[1]

Table 3a- January 2025 Capital Reserves Summary Findings

Tailored Plan/PIHP	Total Capital	Total Projected Tailored Plan (TP) + Medicaid Direct BH (MD) Revenue	Current Capital as a % of TP + MD Revenue
Alliance	$291,000,302	$1,897,596,233	15.3%
Partners	$162,783,109	$1,501,058,665	10.8%
Trillium	$322,548,979	$2,575,736,057	12.5%
Vaya	$166,877,967	$1,317,752,969	12.66%

Current Capital is based on LME/MCO (Full Entity) Unobligated Assets (Tailored Plan Requirement is 12.5%)

Table 3b- February 2025 Capital Reserves Summary Findings

[1] *LME/MCO Capital Reserve Findings are based on January, February, and March Financial Reporting Template submissions which are submitted 45-days after month's end.*

Tailored Plan/PIHP	Total Capital	Total Projected Tailored Plan (TP) + Medicaid Direct BH (MD) Revenue	Current Capital as a % of TP + MD Revenue
Alliance	$292,784,535	$1,897,596,233	15.4%
Partners	$159,263,296	$1,501,058,665	10.6%
Trillium	$324,617,343	$2,575,736,057	12.6%
Vaya	$173,817,367	$1,317,752,969	13.19%

Current Capital is based on LME/MCO (Full Entity) Unobligated Assets (Tailored Plan Requirement is 12.5%)

Table 3c- March 2025 Capital Reserves Summary Findings

Tailored Plan/PIHP	Total Capital	Total Projected Tailored Plan (TP) + Medicaid Direct BH (MD) Revenue	Current Capital as a % of TP + MD Revenue
Alliance	$280,826,226	$1,897,596,233	14.8%
Partners[2]	$151,898,469	$1,501,058,665	10.1%
Trillium	$324,890,354	$2,575,736,057	12.6%
Vaya	$169,046,155	$1,317,752,969	12.8%

Current Capital is based on LME/MCO (Full Entity) Unobligated Assets (Tailored Plan Requirement is 12.5%)

Profit/Loss

Profit or Loss will help determine the current financial position of the LME/MCO but there is no requirement to operate with a profit or certain amount of profit.

The Profit or Loss is defined as Total Revenues minus Total Expenses.

[2] *The Department is in discussions with Partners to identify a viable approach to meet the 12.5% capital reserve requirements by end of contract year 2.*

Since there is no specific target for each Plan to meet, no corrective action will be required associated with a Plan's quarterly profit or loss.

Table 4- Profit / Loss Summary Findings (January 25 – March 25)

		January - 24		February – 25		March - 25	
		Total	**Profit/(Loss)**	**Total**	**Profit/(Loss)**	**Total**	**Profit/(Loss)**
Alliance[4]	**Total Expenses**	$182,965,033	($12,024,197) Loss	$170,881,922	$2,880,796 Profit	$190,653,324	($12,345,858) Loss
	Total Revenue	$170,940,837		$173,762,718		$178,307,466	
Partners[5]	**Total Expenses**	$139,412,379	$381,208 Profit	$139,041,877	$573,269 Profit	$146,596,101	(8,326,734) Loss
	Total Revenue	$139,793,587		$139,615,146		$138,269,367	
Trillium	**Total Expenses**	$246,215,566	($17,341,531) Loss	$240,996,983	$2,944,679 Profit	$227,641,746	$23,876,153 Profit
	Total Revenue	$228,874,035		$243,941,662		$251,517,899	
Vaya	**Total Expenses**	$119,938,488	($221,880) Loss	$100,867,790	$35,686,255 Profit	$130,222,897	($6,217,911) Loss
	Total Revenue	$119,716,608		$136,554,045		$124,004,987	

Calculations are based on Tailored Plan and Medicaid Direct Revenue and Expenses only; State-funded services are not included. Profit/(Loss)= Revenue (Service + Administrative + TCM) - Expenses (Net Service+ Administrative)

[4] The Department is in discussion with Alliance to understand the loss incurred during the months of January and March