

# LME/MCO Solvency Dashboard

In accordance with S.L. 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 Organization (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 2025 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.

<i>Table 1- Current Ratio Summary Findings (Apr '25 – Jun '25)</i>							
		April - 25		May- 25		June- 25	
		Total	Ratio	Total	Ratio	Total	Ratio
Alliance	Current Assets	\$561,493,382.80	2.12 Compliant	\$670,323,034.10	1.72 Compliant	\$569,433,939.63	2.13 Compliant
	Current Liabilities	\$265,030,256.70		\$389,423,000.77		\$267,733,219.55	
Partners	Current Assets	\$289,283,788	1.99 Compliant	\$363,857,182	1.60 Compliant	\$280,702,753	2.19 Compliant
	Current Liabilities	\$145,308,447		\$227,868,374		\$128,126,143	
Trillium	Current Assets	\$599,280,625.05	1.8 Compliant	\$711,158,661.66	1.6 Compliant	\$606,789,381.01	1.8 Compliant
	Current Liabilities	\$329,034,743.13		\$437,593,207.43		\$336,504,001.89	
Vaya	Current Assets	\$378,718,499.09	3.01 Compliant	\$459,887,142.69	2.26 Compliant	\$381,831,021.75	3.15 Compliant
	Current Liabilities	\$125,729,734.07		\$203,540,779.22		\$121,401,057.36	

*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 (Apr 25 – Jun 25)							
		April - 25		May – 25		June - 25	
		Total	Ratio	Total	Ratio	Total	Ratio
Alliance	Cash + Current Investment	\$531,571,882	90.55 Compliant	\$649,002,325	66.96 Compliant	\$500,927,977	75.99 Compliant
	Operating Expense	\$176,112,454		\$300,458,285		\$197,765,086	
Partners	Cash + Current Investment	\$191,877,088	40.27 Compliant	\$256,528,450	34.20 Compliant	\$193,712,738	33.84 Compliant
	Operating Expense	\$142,931,465		\$232,531,253		\$171,714,398	
Trillium	Cash + Current Investment	\$415,024,413	46.60 Compliant	\$532,960,441	67.74 Compliant	\$395,216,753	44.34 Compliant
	Operating Expense	\$267,164,873		\$243,901,911		\$267,375,226	
Vaya	Cash + Current Investment	\$323,668,392	75.19 Compliant	\$403,404,381	59.19 Compliant	\$317,892,560	74.05 Compliant
	Operating Expense	\$129,134,714		\$211,268,507		\$128,780,431	

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

## Capital Reserves

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.

***Table 3a- April 2025 Capital Reserves Summary Findings<sup>1</sup>***

<b>Tailored Plan/PIHP</b>	<b>Total Capital</b>	<b>Total Projected Tailored Plan (TP) + Medicaid Direct BH (MD) Revenue</b>	<b>Current Capital as a % of TP + MD Revenue</b>
<b>Alliance</b>	\$278,576,640	\$1,897,596,233	14.7%
<b>Partners<sup>2</sup></b>	\$181,402,776	\$1,501,058,665	12.1 %
<b>Trillium</b>	\$329,271,764	\$2,575,736,057	12.8%
<b>Vaya</b>	\$169,509,866	\$1,317,752,969	12.86%

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

***Table 3b- May 2025 Capital Reserves Summary Findings<sup>1</sup>***

<b>Tailored Plan/PIHP</b>	<b>Total Capital</b>	<b>Total Projected Tailored Plan (TP) + Medicaid Direct BH (MD) Revenue</b>	<b>Current Capital as a % of TP + MD Revenue</b>
<b>Alliance</b>	\$245,902,233	\$1,897,596,233	13.0%
<b>Partners<sup>2</sup></b>	\$174,895,406	\$1,501,058,665	11.7%
<b>Trillium</b>	\$346,318,790	\$2,575,736,057	13.4%
<b>Vaya</b>	\$171,508,025	\$1,317,752,969	13.0%

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

<sup>1</sup> LME/MCO Capital Reserve Findings are based on April, May, and June Financial Reporting Template submissions which are submitted 45-days after month's end.

<sup>2</sup> Concern regarding the financial requirement to meet the 12.5% capital reserve requirements by the end of SFY 2026 has been raised and discussed with Partners.

***Table 3c- June 2025 Capital Reserves Summary Findings<sup>1</sup>***

<b>Tailored Plan/PIHP</b>	<b>Total Capital</b>	<b>Total Projected Tailored Plan (TP) + Medicaid Direct BH (MD) Revenue</b>	<b>Current Capital as a % of TP + MD Revenue</b>
<b>Alliance</b>	\$284,991,892	\$1,897,596,233	15.0%
<b>Partners<sup>2</sup></b>	\$178,764,241	\$1,501,058,665	11.9%
<b>Trillium</b>	\$341,669,744	\$2,575,736,057	13.3%
<b>Vaya</b>	\$169,483,896	\$1,317,752,969	12.9%

*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.

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 (April 25 – June 25)**

		April - 24		May – 25		June - 25	
		Total	Profit/(Loss)	Total	Profit/(Loss)	Total	Profit/(Loss)
Alliance	Total Expenses	\$176,112,454	(\$391,347) Loss	\$300,458,285	(\$15,803,716) Loss	\$197,765,086	\$22,024,474 Profit
	Total Revenue	\$175,721,107		\$284,654,569		\$219,789,560	
Partners	Total Expenses	\$142,931,465	\$30,291,782 Profit	\$232,531,253	(\$9,767,281) Loss	\$171,714,398	\$16,066,205 Profit
	Total Revenue	\$173,223,247		\$222,763,972		\$187,780,603	
Trillium	Total Expenses	\$267,164,873	(\$22,094,469) Loss	\$243,901,911	\$4,223,067 Profit	\$389,356,274	(\$1,362,740) Loss
	Total Revenue	\$245,070,404		\$248,124,978		\$387,993,534	
Vaya	Total Expenses	\$129,134,714	(\$1,041,273) Loss	\$211,268,507	(\$3,013,500) Loss	\$128,780,431	\$1,412,180 Profit
	Total Revenue	\$128,093,441		\$208,255,007		\$130,192,611	

*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)*