



**Vaya Health**  
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T. Clark Phillip, CPA, CGMA  
Chief Financial Officer

July 31, 2019

Re: Vaya Health Quarterly Report to the Counties for the Period Ended June 30, 2019

Dear County Representatives:

Enclosed you will find the unaudited financial information for Vaya Health as of and for the fiscal year ended June 30, 2019. I encourage you to contact me directly if you have any questions.

We have also added a companion report, Vaya Health Total Spendable Cash, that explains in greater detail the amount of cash available for operations. As you may be aware, there is a significant amount of discussion on LME MCO cash balances, often reflecting incomplete or inaccurate information. The most blatantly misleading aspect of the misrepresentation of the LME/MCOs cash position has to do with including the Medicaid Risk Reserve in the cash available for LME/MCOs to spend. The Medicaid Risk Reserve funds may be spent only in the case of insolvency to pay claims of providers and must receive the prior written approval of the NC DHHS. This is well documented in the:

- North Carolina General Statutes 122C – 124.2,
- North Carolina Medicaid contract with the LME/MCOs,
- Strategic Plan for Improvement of Behavioral Health Services report dated January 31, 2018 to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Medicaid and NC Health Choice, and
- LME/MCO Solvency Report dated October 15, 2018 to the Joint Legislative Oversight Committee on Health and Human Services.

The restricted and unavailable Medicaid Risk Reserve is approximately \$44.6 million (about 47%) of Vaya's total cash and investments of \$94.3 million at June 30, 2019.

To help with understanding the Fiscal Monitoring Report and the Vaya Health Total Spendable Cash report we are also including an attachment with explanations of the categories used to create the reports.

I will be contacting you directly in the future to discuss the reports and to solicit any suggestions you have for improvement. If you have any immediate questions or comments, please don't hesitate to contact me via the information at the bottom of this page.

Very truly yours,

T. Clark Phillip  
Chief Financial Officer

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