



**Reinvestment**  
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**Unite Us | NCCARE360 – Functional Failures**  
**May 1, 2023**

Unite Us is a startup founded in 2013 that offers a software platform to help connect people to social services. Unite Us created a data platform specific to North Carolina health and human service providers called NCCARE360. In 2021, North Carolina Department of Health and Human Services (the Department) contracted with Unite Us to use NCCARE360 for the Healthy Opportunities Pilots, North Carolina's 1115 Demonstration Waiver. The company has received more than \$24 million from the Department, including at least \$12,150,000 for the Pilots. Despite the large contract, the platform is not fulfilling the day-to-day needs of participating human service organizations (HSOs), care managers, network leads, or prepaid health plans (PHPs).

**NCCARE360 does not meet financial audit requirements.** NCCARE360's invoice tracking is often inaccurate; invoices are improperly saved, improperly rejected, and improperly labeled. In addition, NCCARE360 allows for duplicate billing, does not reflect accurate accounting, and does not reliably track clients' health insurance coverage. The transition to claims has resulted in mismanaged invoices and severely delayed or missing payments for HSOs, or even payments sent to the wrong HSO. The platform's invoicing and claims functions lack controls and pose serious financial and compliance risks to HSOs and PHPs.

**NCCARE360 does not properly secure sensitive patient data.** HSOs have received notifications in NCCARE360 about cases and clients that are not theirs. HSOs can see sensitive information in the platform about other services that clients are receiving. HSOs have also received payments for services that they did not render for people who were not their clients. Unite Us does not sufficiently protect sensitive patient information.

**NCCARE360 lacks basic functionality.** As a referral platform, NCCARE360 fails to perform basic tasks on a consistent basis. NCCARE360 does not use case numbers; does not reliably track client and service provision data; does allow more than one provider to receive the same referral; and does not consistently save case notes. Even when judged as a basic referral platform, NCCARE360 is lacking.

The Healthy Opportunity Pilots were designed with NCCARE360 at the center, and now the use of NCCARE360 poses the single biggest threat to the success of the Healthy Opportunities Pilots. From data security to financial compliance, NCCARE360's lack of functionality and issue resolution is putting patients, HSOs, and other stakeholders at risk. Immediate action needs to be taken to protect stakeholders and create a technology response that is compliance and successful for North Carolina's Section 1115 Demonstration Waiver.

## NCCARE360 Does Not Meet Financial Audit Requirements

North Carolina's version of the Unite Us referral platform, NCCARE360, is enabled with social care payment capabilities. As a contractual requirement, the platform must allow community-based organizations to submit invoices and track payments for services rendered via the platform.

HSOs submit invoices by creating a new Contracted Service in NCCARE360. Unfortunately, NCCARE360 has not accurately managed invoices from the start. Invoices that were not paid have been marked as paid and invoices that had been paid were marked as unpaid. Invoices have been rejected erroneously or paid when they should not have been. NCCARE360 is not meeting its contractual requirement of consistently maintaining accurate invoicing information for HSOs.

The lack of controls in NCCARE360's invoicing platform presents a potentially damaging liability for all HSOs and exposes the platform's lack of financial compliance.

- NCCARE360 does not accurately track invoices sent and paid by PHPs. At times invoices are not labeled correctly and do not reflect accurate billing information.
- NCCARE360 allows for duplicate billing. The same service for the same date can be billed multiple times. This puts HSOs at risk for financial non-compliance because NCCARE360 is not blocking duplicate Medicaid billings.
- NCCARE360 does not accurately and consistently track health insurance coverage per client. NCCARE360 allows invoices to be sent to the wrong PHP. If these errors are not caught by Network Leads or PHPs, then HSOs receive payments for services from the wrong PHP, resulting in repayment to the PHP and missing the deadline to bill the correct PHP.
- HSOs sometimes receive payments for clients that are not theirs and NCCARE360 does not track these errors. This unnecessarily risks a breach of clients' sensitive and personal information.
- NCCARE360 does not communicate disenrollment to HSOs in a consistent and timely manner. HSOs are then providing services for non-eligible members. HSOs cannot receive payment for services rendered after disenrollment, which results in a financial loss.
- NCCARE360's failure to keep HSO addresses accurate during the switch to claims resulted in PHPs mailing checks with patient information to the wrong addresses. More than 20 checks to Reinvestment Partners were mailed to the wrong address, resulting in financial liability for both PHP and HSO as well as poorly protected patient data.
- HSOs need to closely monitor each PHP's remittance reports because HSOs cannot rely on NCCARE360 to report accurate invoicing information.

- After NCCARE360 switched from sending invoices to sending claims, HSOs received duplicate rejections and incomplete payments.
- HSOs had to go without payment for many weeks while NCCARE360's errors on claims were being addressed. The claims payment system is not functional.

**Case Example:** The platform does not systematically or consistently notify community-based organizations when a Medicaid member is disenrolled from managed care. Reinvestment Partners received an overpayment notification directly from a prepaid health plan (PHP) requiring us to return \$3,062.59 in fee-for-service payments we had received for a healthy food box client. It turns out the client had not been covered with this PHP for more than six months. Yet, the referral platform did not catch the error, notify service providers of the issue, or stop invoices from being sent.

We therefore received a request to repay \$3,062.59 even though we delivered (and paid for) those services under the assumption that our client was still a Medicaid member. We had to formally appeal to the PHP. We also had to ensure that all important case information was documented in a separate, secure system because we could no longer rely on the data in NCCARE360. Ultimately it is HSOs that are responsible for the financial risk and repercussions that NCCARE360 generates.

### **NCCARE360 Does Not Properly Secure Sensitive Patient Data**

NCCARE360 does not properly secure patient data within its system. HSOs have received notifications from the platform about cases that are not theirs. HSOs have also received notifications from the platform about clients who are not their clients. HSOs can see sensitive information in the platform about other services that their clients are receiving. HSOs have even received payments for services that they did not render for people who were not their clients.

Furthermore, NCCARE360 lacks functionality which results in its users relying on an endless stream of workarounds. These workarounds result in patient data regularly being exchanged outside of the platform. For example, HSOs, care managers, and PHPs cannot effectively communicate within the platform. Instead, they exchange patient information and case details outside of NCCARE360 via email and phone, effectively losing any data security that the platform itself offers.

- HSOs receive and accept referrals using NCCARE360. Once a referral is accepted, it becomes a case. Once an HSO has cases, they must provide services according to each case based on notes. Notes added in NCCARE360 are not consistently saved, so HSOs have lost important case and patient data.
- Cases in NCCARE360 are not numbered, which makes effectively organizing a large client caseload nearly impossible. Instead of case numbers, HSOs must use clients' names and other identifying information to communicate issues and case updates outside the referral platform.
- NCCARE360 notifications are often inaccurate or tagged to the wrong case. Care managers and HSOs must communicate outside the platform.

These concerns are not simply a request for more functionality from the platform, they represent serious threats to the protection of patient information and data security compliance.

## NCCARE360 Lacks Basic Functionality

The failure of NCCARE360 to perform core financial and data security functions is compounded by smaller daily issues with platform functionality. The effect is that Pilot stakeholders must devise solutions to ongoing problems outside the platform, resulting in significant variability in how situations, issues, and day-to-day questions are being answered and addressed. There are so many issues with the platform that almost everything Pilot stakeholders do includes at least one workaround to finish the task.

- NCCARE360 cannot accept batch uploads and exporting data is a challenge. All information must be manually entered one at a time. The result is that referrals and invoicing processes are slow, mostly manual processes. As an example, Reinvestment Partners has one staff person dedicated to invoicing full time. Any significant increase in clients means additional staff just for invoicing. PHPs and care managers must also enter client data one by one in greater numbers causing significant frustration and increasing cost.
- Referrals include authorized time periods and unit numbers. NCCARE360 does not keep track of how many units have been delivered, nor can it notify HSOs when the authorized period has lapsed. This puts HSOs at risk for non-compliance by delivering more than the allowable units and outside the authorization window.
- NCCARE360 sometimes allows for the same referral to be accepted by two HSOs. This is a serious Medicaid compliance issue. In some cases, multiple service providers are providing the same (duplicative) service to the same Medicaid member and both service providers are being reimbursed.
- It is difficult to determine a case timeline, particularly for clients with multiple referrals and cases.
- Cases cannot be grouped by household.
- One Pilot participant can receive many services, which results in multiple cases per participant.
- Cases are organized by Service Type, not Program. For food services, it is impossible to tell whether a client is receiving a healthy food box or produce prescription without clicking into each Service Type listed on the case. Only healthy meals are distinguished by the Service Type Prepared Meals.
- Open cases cannot be sorted alphabetically. The client list can be sorted alphabetically, but it includes all clients with no option for organizing or archiving.

- If a care manager changes a client's name in NCCARE360 HSOs have no way to track the name change or bill for services.
- NCCARE360's invoicing platform was down for many days, resulting in backlogs, late invoice submissions, delayed payment, and general confusion.
- NCCARE360 has launched multiple updates, which have caused significant and sustained issues for case management and service delivery.
- NCCARE360 inconsistently captures who the assigned care manager is for any given client, which makes seeking clarification, answering questions, and sharing updates very challenging.
- NCCARE360's data is meant to be a source of truth for Pilot stakeholders, but the platform is too unreliable to trust the data.
- Data dashboards are intermittently not working, which means stakeholders cannot access necessary information for reporting and compliance.
- Over the years, Unite Us has avoided opportunities to improve the platform and help platform users. When users raise issues, customer service can take weeks or months to resolve an issue, if they resolve the issue at all.
- Unite Us customer service also encourages HSOs to use workarounds because problems are not being fixed within NCCARE360.

### **Conclusion**

The Healthy Opportunity Pilots were designed with NCCARE360 at the center, and now the use of NCCARE360 poses the single biggest threat to the success of the Healthy Opportunities Pilots. From data security to financial compliance, NCCARE360's lack of functionality and issue resolution is putting patients, HSOs, and other stakeholders at risk. Immediate action needs to be taken to protect stakeholders and create a technology response that is compliant and successful for North Carolina's Section 1115 Demonstration Waiver.



September 20, 2023

North Carolina Department of Health and Human Services  
NC Medicaid Section 1115 Waiver Team  
1950 Mail Service Center  
Raleigh, NC 27699-1950  
Subject: NC Section 1115 Waiver

To NC Section 1115 Waiver Team:

Reinvestment Partners has been a participating HSO providing four services in the food and housing domains as part of the Healthy Opportunities Pilot since March 2022. Here we raise the issue of NCCARE360 failures as part of the Pilots. The use of NCCARE360 for referrals and invoices puts HSOs at audit risk.

NCCARE360, the required Pilot referral platform operated by Unite Us, has failed to meet the needs of Pilot stakeholders. From unreliable storage of case management data to inaccurate invoice tracking and HSOs not receiving timely payment, the referral platform has not contributed to efficiency for HSOs, care managers, or PHPs. We solicited the services of Marshall Jones, an auditing and accounting firm in Atlanta, to determine whether NCCARE360's inaccurate accounting and information put our organization at risk. In the attached draft memo, Marshall Jones articulated audit standards and concluded that improper controls could have unintended negative effects, as outlined below:

*The platform's invoicing and claims functions could possibly lack controls and pose serious financial and compliance risks to HSOs. The Organization's policies and procedures should document appropriate controls that are either preventative or detective in nature to help ensure that enrolled participants are eligible and authorized, there is documented evidence of service provided, procedures are invoiced and paid, and there is a reconciliation to the Organization's accounting system.*

*Improper controls and supporting documentation could have unintended negative change in net assets consequences for the HSO. These transactions may result in improper revenue recognition, resulting in reduced revenues, increased liabilities or increased bad debt allowances.*

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The full draft memo is enclosed. We urge the Department act boldly to address NCCARE360's lack of function. A Pilot technology platform must, at minimum, make carrying out Pilot requirements and services easier and ensure that the information HSOs receive is accurate. That means reliably storing information, facilitating clear communication among users, accurately labeling and tracking invoices, and addressing issues in a timely manner. The current system requires duplicative work and results in less staff time spent on service delivery and quality assurance.

With regards,



CEO  
Reinvestment Partners

Enclosures:  
Marshall Jones Memo  
Unite Us | NCCARE360 – Functional Failures

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August 22, 2023

Reinvestment Partners  
Peter Skillern, Chief Executive Officer  
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Marshall Jones has been engaged by Reinvestment Partners (“the Organization”) to focus on the activities, operational areas, financial and nonfinancial information of the Organization’s NCCARE360 contract, and its related implications on its financial reporting. In performing our services, we relied on the information provided by the Organization’s management and personnel, including the accuracy and reliability of such information.

Per our review of the Organization’s “Healthy Opportunities Pilot: Network Lead-HSO Model Contract” with Community Care of the Lower Cape Fear, Inc. (“Network Lead”), dated November 23, 2021, the Organization is a Human Services Organization (“HSO”) that has contracted with Network Lead to participate in its network for the purposes of delivering Medicaid services. The NCCARE360 system is a technology infrastructure and coordinated community network uniting health care and human services through a statewide North Carolina resource directory, a community resource repository and a shared technology platform that enables health care and human services providers to send and receive secure closed-loop electronic referrals, communicate in real-time, securely share client appropriate information and track outcomes. The Organization has agreed to establish and maintain the capability to comply with all invoicing, reporting and oversight requirements. HSOs shall maintain an accurate accounting of Capacity Building Funds spent, including appropriate back-up documentation as appropriate for all expenditures. HSO shall generate and submit to Network Lead through NCCARE360 complete and accurate invoices and required supporting documentation for services completed consistent with the timeline and process in the Network Lead’s HSO manual, department protocols, and with all privacy and security requirements. The HSO has agreed to track and reconcile invoice payments in HSO’s accounts receivable accounting system.

These revenue transactions utilizing NCCARE360 involve contracts with customers, and Generally Accepted Accounting Principles in the United States of America (“GAAP”) requires they be accounted for under ASU 2014-09: *Revenue from Contracts with Customers* (Topic 606). Topic 606 is intended to develop a single, principle-based revenue standard for GAAP, and is applicable to all entities, without regard to industry or entity size. The revenue standard aims to improve accounting for exchange contracts with customers by providing a robust framework for addressing revenue issues as they arise and increasing comparability across industries and capital markets.



The core principle behind Topic 606 is to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The steps to apply the core principle are as follows:

1. Identify the contract with a customer (generally signed contract or purchase order)
2. Identify the performance obligations in the contract. To have multiple obligations, they must be a distinct product or service and separately identifiable in the contract.
3. Determine the transaction price (executed contract/purchase order adjusted for any variable costs, early completion incentives, late completion penalties, etc.)
4. Allocate the prices to the performance obligations.
5. Recognize revenue (could be at a point in time or over time).

A contract with a customer exists if all the following criteria are met:

1. The contract has been approved.
2. The rights and payment terms regarding goods and services to be transferred can be identified.
3. The contract has commercial substance.
4. It is probable that substantially all the consideration that the vendor is entitled to will be collected (considering only the customer's ability and intention to pay).

Financial audits conducted in accordance with auditing standards generally accepted in the United States of America are required to obtain audit evidence that is sufficient and appropriate to provide a basis for an independent audit opinion on the books and records of an organization.

Revenue is critically important in the financial statements of entities, and revenue recognition is frequently cited in financial reporting frauds. Thus, revenue recognition remains a priority for regulators and the accounting profession. Audit requirements include obtaining evidence regarding the recognition of revenues. A challenge to this is the sufficiency and appropriateness of persuasive audit evidence supporting revenue recognition. Revenue that may have been improperly recorded often includes missing documents to support sales transactions or journal entries.

Per our review of the "Unite Us | NCCARE360 – Functional Failures" memo dated May 1, 2023, the Organization believes NCCARE360's invoice tracking is often inaccurate; invoices are improperly saved, improperly rejected, and improperly labeled. In addition, the Organization has stated that NCCARE360 allows for duplicate billing, does not reflect accurate accounting, and does not reliably track client's health insurance coverage. The Organization believes this has resulted in mismanaged invoices and severely delayed or missing payments for HSOs, or even payments sent to the wrong HSO. The platform's invoicing and claims functions could possibly lack controls and pose serious financial and compliance risks to HSOs.

The Organization's policies and procedures should document appropriate controls that are either preventative or detective in nature to help ensure that enrolled participants are eligible and authorized, there is documented evidence of service provided, procedures are invoiced and paid, and there is a reconciliation to the Organization's accounting system.

Management controls should include the following:

1. Identifying contracts that meet the criteria defined by the standard.
2. Assessing management's and the customer's commitment and ability to perform under the contract.
3. Ensuring payment terms are properly considered.
4. Assessing the collectability criterion.
5. Identifying performance obligations.
6. Estimating the amount to which the organization expects to be entitled.
7. Including any variable consideration.
8. Estimating the standalone selling price, including maximizing the use of observable inputs in that process.
9. Measuring progress toward completion satisfaction of a performance obligation before recognizing revenue.

Improper controls and supporting documentation could have unintended negative change in net assets consequences for the HSO. These transactions may result in improper revenue recognition, resulting in reduced revenues, increased liabilities or increased bad debt allowances.

This memo was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. The procedures performed are not designed to constitute an examination or review of the subject matter. Therefore, we will not express any level of assurance on the identified risks or related recommendations. This communication is intended solely for the information and use of management, those charged with governance, others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the opportunity to continue to be of service to you.

Respectfully,

Marshall Jones  
Atlanta, Georgia

