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VAYA HEALTH AND CARDINAL INNOVATIONS ANNOUNCE CONSOLIDATION

*Managed care organizations join under Vaya Health leadership to bring strength and stability to public behavioral health care in North Carolina*

**Asheville/Charlotte, N.C.** -- Two of North Carolina's largest managed care organizations announced today that they will consolidate in preparation for the state's transformation to Medicaid managed care. Vaya Health and Cardinal Innovations have already begun transition efforts, with Vaya assuming responsibility for coordinating services and supports for Cardinal Innovations members once consolidated. Together, the organizations will work toward a seamless transition focused on integrated, compassionate care for individuals with mental illness, substance use disorders and/or intellectual and developmental disabilities.

Vaya Health currently manages services for individuals in 22 counties in western North Carolina. If approved by the NC Department of Health and Human Services (DHHS) and county representatives, the consolidation will expand Vaya's operations to encompass benefits for the individuals and counties served by Cardinal Innovations. The proposed consolidation marks the fourth such endeavor for Vaya, having successfully led previous mergers with New River Behavioral Healthcare in 2007, Foothills Area MH/DD/SA Authority in 2008 and Western Highlands Network in 2013.

Vaya's experience with transitioning members through consolidation efforts will be especially beneficial as the state's public health care system is undergoing a significant shift. The first phase of NC Medicaid Transformation will launch on July 1, 2021, with five commercial health plans poised to manage integrated health benefits for the majority of Medicaid enrollees. As part of the second phase of transformation to BH and I/DD Tailored Plans, which are expected to launch in July 2022, Vaya and Cardinal Innovations have been preparing to evolve their operations to offer fully integrated care for people with a serious mental illness, a serious emotional disturbance, a severe substance use disorder, an intellectual/developmental disability, or a traumatic brain injury.

The consolidation of the two organizations will enable a stronger health plan to serve individuals who receive care through North Carolina's public health care system. It will also bring needed stability to members in counties served by Cardinal Innovations. The organizations are committed to bringing the

best of both together to ensure the widest range of services, highest quality care, and unparalleled commitment to local communities.

“We believe that when we work together to meet the needs of our communities, we all benefit,” said Brian Ingraham, Vaya Health President & CEO. “Our number one priority throughout this transition will be to support members, providers and counties and avoid any disruption in care. We remain committed to offering a successful public service option as a Tailored Plan. It is a privilege to have the opportunity to strengthen the public model, support our county partners and serve even more North Carolinians on their journey toward health and wellness.”

“The passion and commitment of Vaya staff in serving our members and communities is beyond compare,” said Rick French, Vaya Health Board Chair. “The Board of Directors is pleased to expand that work to ensure Cardinal Innovations health plan members continue to receive quality services and supports.”

“We believe in our mission to improve the health and wellness of our members and their families,” said Trey Suttan, Cardinal Innovations CEO. “It has become increasingly clear that in order to deliver on that mission, we need to consolidate with a strong organization that has a history of meeting member and community needs and can stabilize the disruption caused by Medicaid Transformation and county realignments. I have known Brian and the Vaya team for years, and know that our members, providers and communities are in the best possible hands.”

“The Board and I unequivocally support the entire team at Cardinal Innovations,” said Bryan Thompson, Cardinal Innovations Board Chair. “While we are saddened to reach this fork in the road, we are confident that Vaya shares our values and is wholly committed to our members, providers and communities.”

Leadership for the two organizations will be working closely with DHHS as well as local and state government representatives to ensure a successful transition. The Boards for each organization will establish a joint steering committee to guide the development of a transition plan that puts member, provider and county needs at the forefront of planning efforts. Vaya leadership will be visiting with each county to hear their concerns and learn about the unique needs of each community. Consolidation of the two entities under Vaya Health leadership is expected to be completed by June 30, 2022.

**About Vaya Health:** Vaya Health is a public managed care organization that oversees Medicaid, federal, state and local funding for prevention, treatment and crisis services delivered by practitioners and providers in Vaya’s contracted network. Vaya manages services and coordinates care for individuals in 22 western North Carolina counties, home to more than 1 million residents. Vaya’s local model ensures that each county receives individualized attention and support to meet the unique needs of each community. Every day, Vaya works with providers, local stakeholders and members to develop needed services, supports and educational programming for a healthier North Carolina. The organization has a proven track record of meeting or exceeding the state’s clinical benchmarks and maximizing public funds

to reach more citizens per capita than any other LME/MCO. Access to care and crisis assistance are available 24/7 at 1-800-849-6127.

**About Cardinal Innovations Healthcare:** Cardinal Innovations Healthcare is a specialized health plan and care coordinator for Medicaid recipients and the under- and uninsured in North Carolina with complex behavioral and special needs. Cardinal Innovations connects people with treatment and support for mental health, intellectual and developmental disabilities, and substance use disorders through a network of providers in their communities. In 2020, Cardinal Innovations administered nearly \$850 million for the care of 825,000 people in the region and invested more than \$50 million to improve support systems and to respond to the pandemic. Cardinal Innovations also works with local governments to address public health concerns such as homelessness, suicide prevention, child welfare and domestic violence through education, engagement and outreach.