Vaya Health
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Asheville, NC 28806
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August 25, 2025

RE: Vaya Health Quarterly Report to the Counties for Period Ending June 30, 2025

Dear County Representatives:

Enclosed you will find the financial update for Vaya Health for the most recent quarter ending June 30, 2025. This final report for fiscal year 2024-2025 reflects data from current pre-audited statements. Please note that prior year figures being reported for June 30, 2024, reflect final audited figures.

With the inclusion of the new BH I/DD Tailored Plan contract, Vaya's annual SFY24-25 operating budget has now reached a revised amount of $1.7 billion. This increase over the original budget has been largely attributed to growth in overall membership due to Medicaid expansion, growth in the Tailored Care Management program, and various additional allocations, including those to support relief from Hurricane Helene.

SFY24-25 marked Vaya's successful launch of the new Tailored Plan on July 1, 2024. While we look back with pride on this very significant change, we are also reminded of the significant impact from the Hurricane Helene disaster, which greatly impacted Vaya's service area. Vaya continues to support members, providers, and staff throughout the recovery efforts. In addition to the $6.9 million in provider grants to support financial stabilization throughout the recovery period, Vaya will be supporting other initiatives to strategically expand services and provide ongoing support during SFY26.

With the onset of the Tailored Plan, a new set of solvency standards is also in effect, and Vaya is compliant with each of those metrics per the latest NCDHHS report which can be found here:

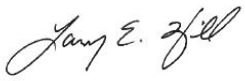
https://webservices.ncleg.gov/ViewDocSiteFile/100588

Of particular note is the new requirement to maintain "capital reserves," which is an amount of unobligated fund balance as a percentage of annual Medicaid capitation. For Vaya, this requirement means that we are required to have 12.5%, or $165 million in unobligated fund balance to meet this requirement. As of this latest report, Vaya is shown to meet this requirement at 12.8% as of the March 2025 reporting period.

Also of note, Vaya's SFY25-26 budget was reviewed and approved by the Vaya Board of Directors during the previous quarter. As signaled in the last update, the new budget has grown to an overall total of $1.8 billion. We do know that there are possible headwinds as DHHS continues to evaluate the required budget funding for the upcoming year and ability to work within the recent mini-budget passed by State lawmakers in early August. Even with the passage of the mini-budget, a $319 million State-wide gap is said to still exist, and we stand ready to navigate any forthcoming actions which may occur.

Should you have any additional questions or comments, please do not hesitate to contact me via email (larry.hill@vayahealth.com) or phone (828-225-2785, Ext. 4743).

Sincerely,



Larry E. Hill
Executive VP and CFO, Vaya Health