Vaya Health
200 Ridgefield Court, Suite 218
Asheville, NC 28806
Business Calls: 1-800-893-6246
vayahealth.com

February 24, 2026

RE: Vaya Health Quarterly Report to the Counties for Period Ending December 31, 2025

Dear County Representatives:

Enclosed, you will find the financial update for Vaya Health for the most recent quarter ending December 31, 2025. Please note that the prior-year figures reported for June 30, 2025, reflect final audited figures.

The past quarter remained challenging due to ongoing uncertainty created by the statewide Medicaid funding issue. As a reminder, DHHS initiated provider rate reductions that went into effect on October 1, 2025. However, on December 10, 2025, North Carolina Governor Josh Stein reversed his administration's October 2025 Medicaid reimbursement rate cuts for hospitals, nursing homes, and doctors following intense legal pressure and successful lawsuits from providers. The cuts were meant to address a $318 million Medicaid budget shortfall. Counties should be aware that restoring the fee schedules and payments to providers is a much more significant lift than the original action of reducing payments. NCDHHS has given all Plans until March 21, 2026, to update their systems and compensate providers for the original cuts. Vaya is currently reprocessing affected claims with a targeted completion date on or before the communicated date, and Vaya will not require providers to take any action for claims to be reprocessed.

With the passing of the midway point of the current fiscal year, below is a summary of our Key Financial Performance Indicators as of December 31, 2025.

Vaya Health
Financial KPI's for FY 25-26
As of December 31, 2025

	Date Reported	Traffic Light	YTD Actual	YTD Target
Financial Measure				
Total Results from Operations	December 2025		$4.7M	$4.6M
Tailored Plan - Risk Corridor	December 2025		89.45%	86.3% - 92.3%
Medicaid Direct - Risk Corridor	December 2025		86.36%	87.8% - 93.8%
Defensive Interval	December 2025		54	> 30 Days
Current Ratio	December 2025		2.8	> 1.0
Capital Reserves	December 2025		10.30%	> 12.5%

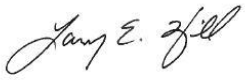
As mentioned in the previous report, a new set of solvency standards is also in effect, and Vaya is compliant with each of those metrics per the latest NCDHHS report ending September 30, 2025. An overview of the report, along with the definitions for each solvency measure, can be found here:

https://medicaid.ncdhhs.gov/lme-mco-solvency-dashboard-october-2025-update/open

Also of note, Vaya's continued investment in the wake of Hurricane Helene has now reached $19.1 million in direct support and service allocations, with even more investments and allocations to be deployed.

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

Fiscal Monitoring Report

LME / MCO NAME: VAYA HEALTH **FOR THE PERIOD ENDING:** December 31, 2025

# of month in the fiscal year (July = 1, August = 2, . . . , June = 12) ========> 6

1. REPORT OF BUDGET VS. ACTUAL	(1) PRIOR YEAR 2024-2025 BUDGET	(2) PRIOR YEAR 2024-2025 ACTUAL	(3) CURRENT YEAR 2025-2026 BUDGET	(4) CURRENT YEAR 2025-2026 ACTUAL YR-TO-DATE	(5) BALANCE (Col. 3-4)	(6) ANNUALIZED PERCENTAGE
REVENUE						
Interest Earned	6,585,000	7,104,660	7,800,000	4,249,119	3,550,881	108.95%
IGT Income	-	-	-	-	-	-
Appropriation of Fund Balance	-	-	-	-	-	-
Other Local	6,283,444	6,794,557	7,430,239	3,529,066	3,901,174	94.99%
Total Local Funds	12,868,444	13,899,217	15,230,239	7,778,184	7,452,055	102.14%
County Appropriations (by County, includes ABC Funds):						
Alamance County	1,031,000	1,031,000	1,031,000	515,500	515,500	100.00%
Alexander County	50,000	50,000	50,000	25,000	25,000	100.00%
Alleghany County	20,000	20,000	20,000	10,000	10,000	100.00%
Ashe County	189,566	189,566	189,566	94,783	94,783	100.00%
Avery County	89,600	89,600	89,600	44,800	44,800	100.00%
Buncombe County	600,000	600,000	600,000	300,000	300,000	100.00%
Caswell County	-	97,197	-	51,099	(51,099)	-
Caldwell County	121,138	127,402	121,138	64,370	56,768	106.28%
Chatham County	415,450	446,346	415,450	194,037	221,413	93.41%
Cherokee County	75,000	75,000	75,000	37,500	37,500	100.00%
Clay County	15,000	15,000	15,000	7,500	7,500	100.00%
Franklin County	129,700	129,700	129,700	66,190	63,510	102.07%
Graham County	6,000	6,000	6,000	3,000	3,000	100.00%
Granville County	119,846	120,446	119,846	58,577	61,269	97.75%
Haywood County	112,000	106,389	112,000	54,761	57,239	97.79%
Henderson County	528,612	528,612	528,612	264,306	264,306	100.00%
Jackson County	123,081	123,081	123,081	61,541	61,541	100.00%
Macon County	106,623	106,623	106,623	53,312	53,312	100.00%
Madison County	30,000	30,000	30,000	15,000	15,000	100.00%
McDowell County	67,856	67,856	67,856	33,928	33,928	100.00%
Mitchell County	18,000	18,000	18,000	9,000	9,000	100.00%
Person County	360,273	360,046	360,273	177,906	182,368	98.76%
Polk County	79,491	81,336	79,491	40,101	39,390	100.89%
Rockingham County	311,800	311,800	311,800	155,900	155,900	100.00%
Rowan County	492,000	492,000	492,000	246,000	246,000	100.00%
Stokes County	4,500	4,492	4,500	4,659	(159)	207.07%
Swain County	30,000	25,855	30,000	13,250	16,750	88.34%
Transylvania County	99,261	99,261	99,261	49,631	49,631	100.00%
Vance County	173,099	154,128	173,099	80,399	92,700	92.89%
Watauga County	171,194	171,794	171,194	85,597	85,597	100.00%
Wilkes County	237,612	235,021	237,612	117,723	119,889	99.09%
Yancey County	26,000	26,000	26,000	13,000	13,000	100.00%
Total County Funds	5,833,702	5,939,550	5,833,702	2,948,368	2,885,334	101.08%
DMH/DD/SAS State and Federal Funding	209,701,685	166,256,404	124,941,820	53,805,277	71,136,542	86.13%
Medicaid Funding	1,530,487,823	1,540,708,794	1,654,459,234	993,180,946	661,278,288	120.06%
All Other State/Federal Funds	6,285,000	6,427,976	6,706,750	3,709,981	2,996,769	110.63%
Total State, Federal and Medicaid Funds	1,746,474,509	1,713,393,173	1,786,107,804	1,050,696,204	735,411,600	102.66%
TOTAL REVENUE	1,765,176,654	1,733,231,941	1,807,171,745	1,061,422,757	745,748,988	117.47%
EXPENDITURES:						
Administration	226,863,269	202,222,386	244,023,451	104,757,867	139,265,584	85.86%
LME Provided Services (Service Support)	4,576,288	4,095,451	5,578,113	2,476,701	3,101,412	88.80%
Provider Payments (State Funds)	127,512,530	117,744,531	91,143,021	39,537,644	51,605,378	86.76%
Provider Payments (Federal Funds)	75,697,300	49,922,142	25,529,466	12,280,447	13,249,019	96.21%
Provider Payments (County Funds)	6,247,282	5,170,984	5,833,702	1,567,190	4,266,512	53.73%
Provider Payments (Medicaid)	1,323,272,509	1,351,539,183	1,433,823,128	895,643,609	538,179,519	124.93%
Permanent Supported Housing and Back at Home Payments	1,007,476	967,232	1,240,864	505,993	734,871	81.55%
TOTAL EXPENDITURES	1,765,176,654	1,731,661,909	1,807,171,745	1,056,769,451	750,402,294	116.95%
Net Income or (Loss) (from Operations and Risk Reserve)		1,570,032		4,653,306		
Less Risk Reserve Revenue		-		-		
NET INCOME OR (LOSS) FROM OPERATIONS		1,570,032		4,653,306		
2. FUND BALANCE						
Restricted FB for Risk Reserve		-		-		
Restricted FB-State Statute, Ppds & Investment in Fixed Assets, In Lieu of Risk Corridor		111,019,430		92,406,617		
Unrestricted FB (including Board Commitments)		65,850,559		89,116,678		
TOTAL FUND BALANCE		176,869,989		181,523,295		
3. CURRENT CASH POSITION						
Current Cash and Investments				256,959,250		
4. ESTIMATED SERVICES INCURRED BUT NOT REPORTED/PAID (IBNR)				79,363,000		