

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-25-26
Baltimore, Maryland 21244-1850



State Demonstrations Group

June 18, 2025

Jay Ludlam
Deputy Secretary, North Carolina Medicaid
North Carolina Department of Health and Human Services
2501 Mail Service Center
Raleigh, NC 27699-2501

Dear Deputy Secretary Ludlam:

The Centers for Medicare & Medicaid Services (CMS) approved the Evaluation Design for the “North Carolina Hurricane Helene Public Health Emergency Section 1115(a) Demonstration” (Project No: 11-W-00503/4). We sincerely appreciate the state’s commitment to efficiently meeting the requirement for an Evaluation Design as was stipulated in the approval letter for this demonstration dated March 25, 2025, especially under these extraordinary circumstances.

In accordance with 42 CFR 431.424(c), the approved Evaluation Design may now be posted to the state’s Medicaid website within 30 days. CMS will also post the approved Evaluation Design on Medicaid.gov.

Consistent with the approved Evaluation Design, the draft Final Report will be due to CMS one year after the expiration of the demonstration approval period.

We sincerely appreciate the state’s commitment to evaluating the Hurricane Helene Public Health Emergency demonstration under these extraordinary circumstances, and we look forward to our continued partnership. If you have any questions, please contact your CMS demonstration team.

Sincerely,

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Danielle Daly
Director
Division of Demonstration Monitoring and Evaluation

cc: Morlan Lannaman, State Monitoring Lead, CMS Medicaid and CHIP Operations Group

Hurricane Helene Public Health Emergency Section 1115(a) Demonstration Evaluation Design

BACKGROUND

On September 28, 2024, the Secretary of the U.S. Department of Health and Human Services determined that a public health emergency (PHE) exists in the state of North Carolina as a result of the consequences of Hurricane Helene and has existed since September 25, 2024. This PHE declaration was renewed on December 27, 2024, with a retroactive start date of December 24, 2024, and concluded on March 23, 2025. On December 9, 2024, North Carolina submitted a request for a section 1115(a) demonstration to address the PHE created by the hurricane. CMS approved North Carolina's waiver application March 25, 2025.

The section 1115(a) demonstration gave NC Medicaid the federal authority to:

- 1) Modify eligibility for the Healthy Opportunities Pilot (HOP). The waiver allows beneficiaries who lived in a HOP region and were approved for HOP services at the start of the PHE to maintain HOP eligibility if they were displaced by Hurricane Helene.
- 2) Provide retainer payments to 1905(a) personal care service providers to maintain capacity during the PHE when a Medicaid provider's ability to deliver services is directly impacted by Hurricane Helene.

The authorities approved under the PHE 1115 demonstration accompanied many other temporary flexibilities utilized under various federal and state authorities to support beneficiaries and providers in the aftermath of Hurricane Helene. The primary objectives of the waiver flexibilities were to limit care disruptions to HOP-enrolled beneficiaries impacted by the PHE and to maintain PCS workforce capacity by preventing financial hardship among providers.

EVALUATION RESEARCH QUESTIONS

- 1) What challenges did the Hurricane Helene public health emergency pose to the continued delivery of HOP and 1905(a) personal care services?
- 2) What were the challenges associated with implementation of the waiver flexibilities?
- 3) What are the lessons learned that can be applied when responding to similar public health emergencies in the future?
- 4) What were the administrative and program costs related to the demonstration and how did these outlays affect the state's response to the PHE?
 - a) Modified HOP eligibility
 - i) How many beneficiaries utilized the modified HOP eligibility in each of the two affected HOP regions?

- ii) What was the total cost of services provided to HOP-eligible beneficiaries who were displaced from a HOP region during the PHE?
- iii) What was the impact of these costs on the state's PHE response?
- b) PCS provider retainer payments
 - i) How many PCS provider retainer payments were made?
 - ii) What was the total cost of provider retainer payments made under the waiver flexibility?
 - iii) What was the impact of these costs on the state's PHE response?

DATA SOURCES

Qualitative Data

Given the limited timeframe of the demonstration and that the flexibilities would have affected a small number of the beneficiaries and providers impacted by Hurricane Helene, this evaluation will rely largely on qualitative data. To gather information on the implementation of the waiver and associated challenges, interviews may be conducted with the following stakeholders:

- DHB staff member from the HOP team
- DHB staff member from the Strategy & Planning team
- DHB staff member from the Finance team

Quantitative Data

Data on the number and cost of retainer payments to PCS providers will come from analysis of Medicaid claims and encounters data. Data on the number of enrollees who utilized the modified HOP eligibility and associated costs will be collected directly from the managed care organizations that implement the HOP program in the impacted regions.

LIMITATIONS

A potential limitation to this evaluation is that the waiver flexibilities may have been utilized by a small number of beneficiaries and providers or may not have been used at all. For that reason, the evaluation will rely heavily on interviews to gain insight into the implementation of the waiver flexibilities and lessons learned.