

NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES

Public Notice for Section 1115 Waiver Amendment

This public notice provides information of public interest regarding a proposed amendment to North Carolina's Section 1115 Medicaid Demonstration Waiver.

North Carolina's current waiver approval authorizes significant transformations of North Carolina's Medicaid delivery system through a mandatory managed care program, the Healthy Opportunities Pilots and expenditure authority for substance use disorder (SUD) treatment in institutions for mental diseases (IMDs). The demonstration aims to advance integrated, high-value care, improve population health, engage and support providers and establish a more sustainable program with more predictable costs.

While the demonstration was scheduled to launch in November of 2019, core components – including Standard Plans and the Healthy Opportunities Pilots – were delayed until mid-2023 as a result of the COVID-19 pandemic and State budgetary challenges. Accordingly, NCDHHS' objectives in amending its 1115 demonstration reflect how the design and rollout of NC Medicaid transformation evolved over the past several years and allow for full implementation and evaluation of key elements of the demonstration, as originally envisioned under North Carolina's 2019 demonstration approval.

This amendment request is to temporarily extend the North Carolina Section 1115 Demonstration Project for Residential and Inpatient Treatment for Individuals with a Substance Use Disorder (SUD). There will be no changes other than those described in the original demonstration approval or as described above to the delivery system, eligibility requirements, benefit coverage and costsharing as compared to the State's current program features.

Waiver and Expenditure Authorities

North Carolina is requesting the same waiver and expenditure authorities as those approved in the current demonstration for Residential and Inpatient Treatment for Individuals with a SUD, expenditures for otherwise covered services furnished to otherwise eligible individuals who are primarily receiving treatment and withdrawal management services for SUD who are short-term residents in facilities that meet the definition of an institution for mental diseases (IMD).

Hypotheses and Evaluation Approach

North Carolina's goal in the current waiver and requested extension is to reduce SUD and the State will test and evaluate the following hypotheses in pursuit of this goal:

- Expanding coverage of SUD services to include residential services furnished in institutions for mental disease (IMDs) as part of a comprehensive strategy will decrease the long-term use of opioids and increase the use of MAT and other opioid treatment services.
- Expanding coverage of SUD services to include residential services furnished to short-term residents in IMDs with a SUD diagnosis as part of a comprehensive strategy will result in improved care quality and outcomes for patients with SUD.

North Carolina's request to amend the demonstration period will allow all components of the demonstration a full opportunity to realize these goals and allow the State to test all associated hypotheses.

Opportunities for Public Input

Electronic copies of this public notice, the proposed amendment and public comments related to the amendment are available on the NC Medicaid website at medicaid.ncdhhs.gov/proposed-program-design.

Written comments may be sent to the following address (please indicate "NC Section 1115 Waiver" in the written message):

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

Comments may also be emailed to Medicaid.NCEngagement@dhhs.nc.gov. Please indicate "NC Section 1115 Waiver" in the subject line of the email message.

To be assured consideration prior to submission of this amendment, comments must be received by 5 p.m. (Eastern Time) on May 1, 2023.

North Carolina will also host two public hearings to seek input regarding the amendment. Hearings will be held on Tuesday, April 11 at 5 p.m. Eastern via Microsoft Teams and Thursday, April 13 at 2 p.m. Eastern via Microsoft Teams. The public hearings will include presentations describing the proposed changes and opportunities for public testimony.