

Fact Sheet

Personal Care Services for Residents of Adult Care Homes and Special Care Units

Section 1115 Demonstration Application

As directed by **Session Law 2025-64 (House Bill 546)**, North Carolina is seeking federal approval of a targeted Section 1115 demonstration to provide Medicaid coverage of **personal care services (PCS)** for Medicare beneficiaries living in licensed **adult care homes** and **special care units** whose income is above the limit for the State-County Special Assistance program. PCS include hands-on support with everyday activities of daily living such as bathing, dressing, eating, mobility and toileting.

Under current rules, individuals cannot receive Medicaid coverage for personal care services in an adult care home if their income exceeds the Special Assistance limits. This demonstration would extend Medicaid PCS coverage so eligible individuals can receive care at the level they need, in the most appropriate and cost-effective setting, and reduce unnecessary nursing facility costs.

DEMONSTRATION REQUEST

North Carolina is requesting federal authority to provide Medicaid **personal care services** to eligible Medicare beneficiaries in adult care homes and special care units who are not currently eligible for Medicaid-covered PCS. The demonstration would:

- Operate **statewide** for a **five-year** period, and
- Provide only a **limited, service-specific PCS benefit** — not full Medicaid coverage

This approach aligns coverage with the most appropriate and cost-effective setting for individuals who need ongoing support.

WHO WOULD BE ELIGIBLE

To enroll, an individual would need to:

- Be **enrolled in Medicare** and reside in, or be seeking admission to, a licensed **adult care home** or **special care unit**;
- Have an **assessed clinical need for PCS** under North Carolina's Medicaid criteria ([Clinical Coverage Policy 3L-1](#));
- Have income **above the State-County Special Assistance limit** but within the demonstration ceilings:
 - Up to **180% of the federal poverty level** for adult care home residents; and
 - Up to **200%** for special care unit residents; and

- Meet all other Special Assistance program requirements (such as resource limits)
- Meet Medicaid non-financial eligibility rules (such as North Carolina residency).

WHAT WOULD BE COVERED

Personal care services only

The demonstration covers PCS as already defined in the North Carolina Medicaid State Plan — the same service, providers, clinical criteria and payment rates used today. It does not add or change any other benefit.

Medicare stays primary

Medicare remains the primary payer for the services it covers. Medicaid would cover personal care services, which Medicare usually does not pay for.

GOALS OF THE DEMONSTRATION

- **Keep people in the right setting.** Support individuals in adult care homes and special care units and reduce avoidable moves to nursing facilities.
- **Improve continuity and stability of care** by preventing unnecessary transitions and disruptions.
- **Use resources efficiently** by aligning coverage with the level of care a person actually needs.
- **Maintain strong program integrity** through clear eligibility standards, verification and oversight.

HOW IT WOULD BE FUNDED

The demonstration is designed to be **budget neutral to the federal government** and is structured as a Medicaid Authorizable Populations and Services (MAPS) activity under current Centers for Medicare & Medicaid Services (CMS) budget-neutrality policy. Consistent with House Bill 546:

- The State will ensure the cost of the new coverage is **offset by savings or cost avoidance**.
- The non-federal share of costs would be paid with **State funds**.
- The demonstration does not affect other Medicaid eligibility groups, benefits or payment arrangements
- No additional State Plan or waiver authority is required to carry it out.

TIMELINE AND HOW TO SHARE INPUT

North Carolina is conducting a public comment period and tribal consultation before submitting the application to CMS. If approved, the demonstration would run for five years.

The public is invited to review the application and submit comments during the State comment period.

State Public Comment Period:

Sept. 10, 2026, through Nov. 9, 2026

How to Submit Comments

Email: Medicaid.NCEngagement@dhhs.nc.gov

(Subject line: "NC Section 1115 Waiver")

Mail:

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

(Please indicate "NC Section 1115 Waiver" in the written message)

PUBLIC HEARINGS

North Carolina will host four public hearings to seek input regarding this waiver.

Date	Time	Location	Reservation / Details
Sept. 16, 2026	5:30 – 7 p.m.	Virtual via Microsoft Teams	Click here to join meeting Call in (audio only) +1 984-204-1487, 438242315# Phone conference ID: 438 242 315#
Sept. 29, 2026	2:30 – 4 p.m.	303 SW Greenville Blvd, Greenville, NC 27834	In-person at the Greenville Convention Center
Oct. 12, 2026	2:30 – 4 p.m.	Blue Ridge A & B, Education Building 121 Hendersonville Road, Asheville, NC 28803	In-person at the Mountain Area Health Education Center (MAHEC)
Oct. 22, 2026	11:30 a.m. – 12:30 p.m.	Virtual via Microsoft Teams	Click here to join the meeting Call in (audio only) +1 984-204-1487, 352166225# Phone conference ID: 352 166 225#

FOR MORE INFORMATION

For more information, visit the [demonstration webpage](#) or contact the NC Medicaid Division of Health Benefits at Medicaid.NCEngagement@dhhs.nc.gov.

This fact sheet summarizes a proposed demonstration; the full application contains complete details.

Authority: N.C. Session Law 2025-64 (House Bill 546), Part VII. Personal care services are furnished under the North Carolina Medicaid State Plan and Clinical Coverage Policy 3L-1.

