



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

JOSH STEIN • Governor

DEV DUTTA SANGVAI • Secretary

MELANIE BUSH • Deputy Secretary, NC Medicaid

MICHAEL LEIGHS • Deputy Secretary, Opportunity & Well-Being

July 27, 2026

DEAR COUNTY DIRECTORS OF SOCIAL SERVICES

ATTENTION: DIRECTORS, FISCAL OFFICERS

SUBJECT: FUNDING FOR COUNTIES' IMPLEMENTATION AND ONGOING SUPPORT OF MEDICAID EXPANSION REQUIREMENTS

REQUIRED ACTION: ☒ Immediate ☐ Information Only ☐ Time Sensitive

PURPOSE: NOTIFY COUNTIES OF CONTINUED FUNDING DISTRIBUTION TO ASSIST WITH THE CONTINUED SUPPORT OF MEDICAID EXPANSION ELIGIBILITY CHANGES

The Medicaid expansion legislation signed into law by Governor Cooper in March 2023 (S.L. 2023-7/House Bill 76) was originally communicated in Dear County Director Letter BG-06-23 SUPPORT FOR COUNTIES DURING THE CONTINUOUS COVERAGE UNWINDING (CCU) AND IN PREPARATION FOR MEDICAID EXPANSION.

For 2026-2027 State fiscal year, the base county administration subcomponent is being increased over the prior year's quarterly amount of \$7,800,000 by a percentage that is the sum of each monthly percentage change in the Consumer Price Index. This is calculated at 1.8%, which adjusts the quarterly amount to \$7,942,401. Counties will draw down this funding when workers code Daysheets to program codes MAE and MIX. Counties began drawing this funding down with the June 1571 submitted in July.

These continued Medicaid Expansion County Funds are in addition to the new supplemental allocation shared in the July 6, 2026, DCDL SUPPORT FOR COUNTIES' IMPLEMENTATION AND ONGOING SUPPORT OF CHANGES IN ELIGIBILITY REDETERMINATIONS REQUIREMENTS AND COMMUNITY ENGAGEMENT REQUIREMENTS.

Please find below specific conditions to which counties must adhere to receive this funding:

- This funding represents the county's share of costs incurred for the specified intended purposes which are eligible for the Medicaid 75% or 50% federal match, via the standard County Admin Reimbursement/1571 process.
- Previous 1571 Codes for Part I and Part II reporting of specified costs still apply.
- These funds will be added to the Monthly 411 Report for tracking purposes.

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

MAILING ADDRESS: 2501 Mail Service Center, Raleigh NC 27699-2501

www.ncdhhs.gov • TEL: 919-813-5340 • FAX: 919-882-8934

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

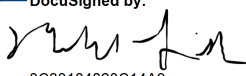
- Any unused funds must be reverted back to DHHS by the end of each state fiscal year for potential reallocation.

County Directors and County Managers are asked to sign the attached Allocation of MXP County Allocation for County Acceptance for State Fiscal Year 2026 – 2027 form and submit it to Medicaid.NCFASTCert@dhhs.nc.gov.

Sincerely,

DocuSigned by:

B8DC650BFB454DA...
Melanie Bush
Deputy Secretary, NC Medicaid

DocuSigned by:

3C33184820C14A9...
Michael Leighs
Deputy Secretary, Opportunity and Well-Being

cc: Sarah Gregosky, Assistant Secretary and Deputy Medicaid Director, NC Medicaid
Lisa Tucker Cauley, Division Director for Human Services
Carla West, Division Director for Human Services
Adam Levinson, Chief Financial Officer
Chris Gordon, Chief Finance Officer, NC Medicaid
Wayne Mohr, Director, Division of Budget and Analysis
Laketha M. Miller, Controller, Office of the Controller
Gloria J. Waters, Budget Officer, Division of Social Services
Caleb Hawkins, Lead Local Business Liaison, Division of Social Services
Jill Simmerman Lawrence, Chief of Staff and Senior Advisor, Opportunity and Well-Being