



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

JOSH STEIN • Governor

DEV DUTTA SANGVAI • Secretary

JAY LUDLAM • Deputy Secretary, NC Medicaid

September 29, 2025

RE: Important Change in Provider Reimbursement

Dear County Department of Social Service Directors:

NC Medicaid is advising local agencies of changes to Medicaid provider reimbursement rates. Due to a funding shortfall from the NC General Assembly (NCGA) in HB 125, NC Medicaid will make changes to the provider reimbursement rates to align with the available funding.

Effective October 1, 2025, provider reimbursement rates for Non-Emergency Medical Transportation (NEMT) services not on a fee schedule are being reduced by 3%. Contracts are being amended by NC Medicaid to reflect the rate reduction for state directed payments for NEMT services. The reimbursement rate for impacted NEMT services provided on and after October 1, 2025, will be 97% of the reimbursement rate for the same service provided on or before September 30, 2025.

Local agencies are responsible for managing the reimbursement rate reduction with current NEMT providers. This may include revising agreements with NEMT providers who are contracted with the local agency. If the local agency chooses not to revise the contracted reimbursement rate with a vendor, the local agency will be responsible for the 3% difference.

NC Medicaid understands the negative impact these changes may have and is committed to working with providers and stakeholders to ensure a smooth transition. We remain committed to and will continue to work with the NCGA to emphasize the importance of adequately funding the Medicaid Program for the people of North Carolina and its health care providers.

Additional guidance can be found on the [NC Medicaid provider bulletin webpage](#). The updated fee schedules will be published to the [NC Medicaid Covered Codes and Fee Schedules Portal](#) on October 1, 2025.

For questions regarding the fee schedule changes or the date on which fee schedules will be available, please contact the Division of Health Benefits (DHB) Provider Reimbursement Team at medicaid.providerreimbursement@dhhs.nc.gov.

Sincerely,

DocuSigned by:

Jay Ludlam
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Jay Ludlam

Deputy Secretary, NC Medicaid

NC MEDICAID

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