

**NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES**  
*Public Notice for Renewal Request of North Carolina's Medicaid Reform*  
*Section 1115 Demonstration*

Release Date: August 21, 2023

***PUBLIC NOTICE. This public notice provides information of public interest regarding the proposed renewal request of North Carolina's Medicaid Reform Section 1115 Demonstration.***

North Carolina is seeking to renew its Medicaid Reform Demonstration for another five-year period. During the first demonstration period, North Carolina began its transition to managed care and invested in novel programs to better respond to the diverse needs of North Carolinians who are enrolled in Medicaid. North Carolina is now ready to build on early successes and lessons learned to continue this progress over the next five years. The State's overarching goal for the demonstration is to improve health and well-being for all North Carolinians through a whole-person, well-coordinated system of care that addresses both medical and non-medical drivers of health and advances health access by reducing disparities for historically marginalized populations.

**I. Vision and Goals for Medicaid Reform Demonstration Renewal, 2024-2029**

The 1115 demonstration renewal will advance the State's overarching goal through the following specific objectives and related initiatives:

**Objective 1:** Support a continued, smooth transition to managed care with a focus on improving care for enrollees with the most complex needs

- **Initiative 1a.** Provide integrated whole-person, well-coordinated care for Medicaid enrollees through continued implementation of Standard Plans.
- **Initiative 1b.** Provide integrated care for individuals with serious mental illness, serious emotional disturbance (SED), severe substance use disorder (SUD), intellectual and developmental disabilities (I/DD), and/or traumatic brain injury (TBI), through the launch of Tailored Plans.
- **Initiative 1c.** Provide integrated care to address the complex needs of youth and families served by the child welfare system through the implementation of the Children and Families Specialty Plan (CFSP).

**Objective 2:** Strengthen access to a person-centered and well-coordinated system of care which addresses both medical and non-medical drivers of health:

- **Initiative 2a.** Build on the Healthy Opportunities Pilot (HOP) infrastructure and experience to expand health-related social needs services to North Carolinians across the state.
- **Initiative 2b.** Promote continuity of care by offering continuous enrollment in Medicaid to children and former foster care youth.
- **Initiative 2c.** Improve health outcomes and support reentry into the community for justice-involved individuals by providing targeted pre-release Medicaid services.

**Objective 3:** Strengthen the behavioral health and I/DD delivery system:

- **Initiative 3a.** Reduce incidence of opioid use disorder (OUD)/SUD by providing Medicaid coverage for individuals obtaining short-term residential services for SUD in an institution for mental disease (IMD).
- **Initiative 3b.** Improve the coordinated system of care for people with behavioral health and I/DD needs through targeted new investments in technology.
- **Initiative 3c.** Bolster the behavioral health and long-term services and supports (LTSS) workforce.
- **Initiative 3d.** Expand access to critical supports offered under the 1915(i) authority.

**Effective Dates:**

November 1, 2024 to October 31, 2029

## II. Opportunities for Public Comment

North Carolina invites public comments on the North Carolina Medicaid Reform Demonstration renewal application from August 21, 2023 through September 20, 2023.

To be assured consideration prior to submission of this demonstration renewal request, comments must be received by 5 p.m. (Eastern Time) on September 20, 2023.

Electronic copies of this public notice, the full proposed extension request, and the summary of comments received during this State public comment period upon submission to CMS will be available on the North Carolina Department of Health and Human Services (NCDHHS) Medicaid website at [medicaid.ncdhhs.gov/meetings-notices/proposed-program-design/nc-section-1115-demonstration-waiver](https://medicaid.ncdhhs.gov/meetings-notices/proposed-program-design/nc-section-1115-demonstration-waiver).

You may also request a copy of the proposed renewal request, notices, and/or a copy of submitted public comments, once available, related to the Medicaid Reform Section 1115 Demonstration renewal by requesting it in writing to the mailing or email addresses listed in this notice.

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](mailto:Medicaid.NCEngagement@dhhs.nc.gov). Please indicate “NC Section 1115 Waiver” in the subject line of the email message.

North Carolina will host five public hearings to seek input regarding the waiver extension request:

**First Public Hearing** (in person)

Sept. 5 from 9:30-11:00 a.m. EST  
Mountain Area Health Education Center (MAHEC)  
Blue Ridge A & B in the Education Building  
121 Hendersonville Road, Asheville NC 28803

**Second Public Hearing** (in person)

Sept. 6 from 9:30 -11:00 a.m. EST  
McKimmon Conference & Training Center  
NC State University, 1101 Gorman Street, Raleigh NC 27606

**Third Public Hearing**

Sept. 6 from 5:30-7:00 p.m. EST  
Virtual via Microsoft Teams Join on your computer, mobile app or room device  
[Click here to join the meeting](#)

Call in (audio only)  
[+1 984-204-1487, 902948880#](#) United States, Raleigh  
Phone Conference ID: 902 948 880#

**Fourth Public Hearing** (in person)

Sept. 7 from 2:30-4:00 p.m. EST  
Greenville Convention Center  
303 SW Greenville Blvd., Greenville NC 27834

**Fifth Public Hearing**

Sept. 15 from 11:30 a.m.-12:30 p.m., EST uring the Medical Care Advisory Committee Meeting (MCAC)

Virtual via Microsoft Teams Join on your computer, mobile app or room device  
[Click here to join the meeting](#)

Call in (audio only)  
[+1 984-204-1487, 412615457#](#) United States, Raleigh  
Phone Conference ID: 412 615 457#

Interested parties will also have the opportunity to officially comment on the demonstration renewal application during the federal public comment period; the submitted application will be available for comment on the CMS website at [medicaid.gov/medicaid/section-1115-demonstrations/index.html](https://www.medicaid.gov/medicaid/section-1115-demonstrations/index.html).

**III. Summary of Continuing Demonstration Features and Changes Requested to Demonstration, Including Populations Affected**

**Continuing Demonstration Features.** North Carolina is seeking continued authority to support a smooth transition to managed care with a focus on improving care for Medicaid enrollees with the most complex needs. Specifically, during the next demonstration period, North Carolina will continue its efforts to:

- Provide integrated whole-person, well-coordinated care for Medicaid enrollees through continued implementation of Standard Plans
- Provide integrated care for individuals with serious mental illness, serious emotional disturbance, severe SUD, I/DD and/or TBI, through the launch of Tailored Plans
- Provide integrated care to address the complex needs of youth and families served by the child welfare system through the implementation of the CFSP
- Reduce incidence of OUD/SUD by providing Medicaid coverage for individuals obtaining short-term residential services for SUD in an IMD.<sup>1</sup>

**Proposed Changes to Continuing Demonstration Features.** North Carolina is seeking authority to refine existing initiatives as follows:

- Expand access to critical supports offered under 1915(i) authority to Medicaid enrollees who need home and community-based services.
- Build on the HOP infrastructure and experience to expand health-related social needs services to North Carolinians across the state by:
  - Expanding HOP to operate statewide
  - Expanding HOP eligibility criteria
  - Procuring new Network Leads (NLs) to support statewide HOP expansion
  - Scaling Pilot services to new regions of the state based on service effectiveness, regional readiness to participate, and community-based Health Services Organization (HSO) capacity
  - Permitting direct contracting between managed care entities and HSOs that demonstrate readiness
  - Seeking additional capacity building funds to support program growth

**Proposed New Demonstration Features.** North Carolina is seeking authority to introduce the following features in line with the State’s objectives:

- **Improve health outcomes and support reentry into the community for justice-involved individuals by providing targeted pre-release Medicaid services.** North Carolina is requesting authority for federal Medicaid matching funds to provide a set of targeted Medicaid services to eligible justice-involved populations within the 90-day period prior to release, and to provide \$315 million total computable in capacity building funding to support service delivery. These services, which at a minimum will include case management, medication-assisted treatment (MAT), a 30-day supply of prescription medication, will be available to individuals incarcerated in the state’s prisons as well as to individuals incarcerated in select county- and tribal-operated jails and youth correctional facilities. Additional pre-release services, including physical and behavioral health clinical consultations, laboratory and radiology services, medications and medication administration, tobacco cessation, and durable medical equipment

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<sup>1</sup> North Carolina may consider seeking a waiver of the IMD exclusion for serious mental illness (SMI)/serious emotional disturbance (SED) treatment outside the renewal.

(DME) upon release, will be phased in over the course of the demonstration based on readiness to implement.

- **Improve the coordinated system of care for people with behavioral health and I/DD needs through targeted new investments in technology.** North Carolina is seeking \$45 million in expenditure authority to allow Medicaid match health information technology and related technical assistance for behavioral health, I/DD and TBI providers and schools to improve access to behavioral health services and promote care integration and whole-person care.
- **Bolster the behavioral health and LTSS workforce.** North Carolina is seeking expenditure authority for \$70 million in total computable funding to strengthen the behavioral health workforce, as well as providers and other professionals who serve individuals with I/DD and provide LTSS.
- **Promote continuity of care by offering continuous enrollment in Medicaid to children and former foster care youth.** Under the next demonstration, North Carolina is requesting authority to implement continuous enrollment for children through age five, extend the continuous enrollment period to 24 months for children and youth ages six through 18, and offer continuous enrollment for youth who have aged out of foster care prior to January 1, 2023, up to age 26, aligning eligibility determination practices for these former foster care youth with other former foster care youth who aged out of foster care after January 1, 2023.
- **Designated State Health Program (DSHP) funding.** North Carolina is seeking expenditure authority to receive matching funds for certain DSHP expenditures and will use freed up state dollars from these funds to support select waiver initiatives. North Carolina is requesting \$610 million in total computable DSHP funding.

#### **IV. Benefits, Eligibility, Delivery System, and Cost Sharing**

**Benefits.** Managed care benefits will continue to be defined under the State Plan or, where applicable, the 1915(c) waiver. The State continues to request an enhanced set of benefits for the Tailored Plans and CFSP in comparison to the Standard Plans as described in the full renewal application.

Other changes to benefits proposed in the renewal are described in the renewal application and above, and include:

- Expanding HOP statewide, reauthorizing the existing list of HOP services, and modifying service definitions
- Providing targeted pre-release services for justice-involved individuals in the 90 days prior to release
- Allowing individuals with incomes above 150% FPL to be eligible for 1915(i) services
- Permitting individuals transitioning out of an IMD to obtain North Carolina's 1915(i) community transition benefit, if they otherwise meet the otherwise meet the 1915(i) eligibility criteria

**Eligibility.** This demonstration renewal proposes to continue managed care eligibility as authorized in the current demonstration with no changes. All eligibility is defined under the State Plan, including M-CHIP, or, where applicable, the 1915(c) waiver as described in Table A. This demonstration affects all

eligibility groups other than those listed in Table B below. The groups listed in Table B below will not be affected by the demonstration and will continue to receive Medicaid benefits through the service delivery system under the approved state plan or under existing waivers.

**Table A: Full Benefit Medicaid Beneficiaries in This Table Are Eligible for SUD and HOP (if they meet the HOP criteria and are served by a HOP Administrator consistent with these STCs)<sup>2</sup>**

GROUP NAME	CITATIONS
<b>Duals Eligible for Full Medicaid</b> , except those who are enrolled in the state’s Innovations and TBI 1915(c) waiver programs, which qualifies the beneficiary for enrollment in the Tailored Plans	
<b>Medically Needy</b> <ul style="list-style-type: none"> <li>• Medically Needy Pregnant Individuals except those covered by Innovations or TBI waivers</li> <li>• Medically Needy Children under 18 except those covered by Innovations or TBI waivers</li> <li>• Medically Needy Children Age 18 through 20 except those covered by Innovations or TBI waivers</li> <li>• Medically Needy Parents and Other Caretaker Relatives except those covered by Innovations or TBI waivers</li> <li>• Medically Needy Aged, Blind, or Disabled except those covered by Innovations or TBI waivers</li> <li>• Medically Needy Blind or Disabled Individuals Eligible in 1973 except those covered by Innovations or TBI waivers</li> </ul>	1902(a)(10)(C)
Individuals Participating in the NC Health Insurance Premium Payment (HIPP) program except those covered by Innovations or TBI waivers	1906
Medicaid-only Beneficiaries Receiving Long-Stay Nursing Home Services	State Plan Eligibility
Community Alternatives Program for Children (CAP/C)	1915(c) waiver
Community Alternatives Program for Disabled Adults (CAP/DA)	1915(c) waiver
Individuals in any eligibility category not otherwise excluded during their period of retroactive eligibility or prior to the effective date of PHP coverage <sup>3</sup>	1902(a)(34)

<sup>2</sup> North Carolina, consistent with requirements in state statute, intends to enroll dual eligible and long-term stay nursing home populations into managed care in the future, and will update these tables as appropriate when more information is available on that change.

<sup>3</sup> Individuals in any eligibility category not otherwise excluded during their period of retroactive eligibility or prior to the effective date of PHP coverage are eligible for the SUD component of the demonstration but are not eligible for HOP.

**Table B: Populations Excluded from Comprehensive Managed Care and This Demonstration**

GROUP NAME	CITATIONS
<p><b>Duals Eligible for Cost-Sharing Assistance</b></p> <ul style="list-style-type: none"> <li>• Qualified Medicare Beneficiaries</li> <li>• Qualified Disabled and Working Individuals</li> <li>• Specified Low Income Medicare Beneficiaries</li> <li>• Qualifying Individuals</li> </ul>	<p>1902(a)(10)(E)(i) 1905(p)(1) 1902(a)(10)(E)(ii) 1902(a)(10)(E)(iii) • 1902(a)(10)(E)(iv)</p>
<p>Individuals with Limited or no Medicaid Coverage (e.g., eligible for emergency services only)</p>	<ul style="list-style-type: none"> <li>• 1903(v)(2) and (3)</li> </ul>
<p>Individuals Eligible for Family Planning Services</p>	<p>1902(a)(10)(A)(ii)(XXI) • 42 CFR 435.214</p>
<p>Incarcerated Individuals (<i>Inpatient stays only</i>), <i>except for the provision of pre-release services to certain incarcerated individuals as described in this application</i></p>	<p>Clause (A) following 1905(a)(29)(A) • 42 CFR 435.1009, 1010</p>
<p><b>Presumptively Eligible</b></p> <ul style="list-style-type: none"> <li>• Presumptively Eligible Pregnant Individuals</li> <li>• Presumptively Eligible MAGI Individuals</li> </ul>	<p>1902(a)(47) 1920 1920A 1920B 1920C</p>
<p>Individuals Participating in the Program of All-Inclusive Care for the Elderly (PACE)</p>	<ul style="list-style-type: none"> <li>• 1905(a)(26)</li> <li>• 1934</li> </ul>

See section IV above for information on eligibility-related changes proposed in the demonstration for HOP and continuous enrollment for certain children and youth.

**Delivery System.** North Carolina is not requesting changes to the delivery system, as compared to the State’s currently authorized demonstration features. North Carolina is proposing changes to implementation dates as described in the full application.

Beneficiaries, except those excluded or exempted, shall be enrolled to receive services through a Prepaid Health Plan (PHP) in the state that will be under contract with the state. All Medicaid populations except for those who are excluded or exempt are either currently enrolled in PHPs or will be phased in to PHPs according to the schedule detailed in Table C of the application. For these populations, Medicaid managed care enrollment is mandatory. Members of federally recognized

tribes, including members of the Eastern Band of Cherokee Indians (EBCI), may voluntarily enroll in PHPs on an opt-in basis.

**Cost Sharing.** There are no changes to cost sharing proposed under this demonstration. Cost sharing under this demonstration is consistent with the provisions of the approved state plan.

## V. Waiver and Expenditure Authorities

North Carolina is requesting the following waiver and expenditure authorities to operate the 1115 demonstration renewal:

**Table C. Requested Waiver and Expenditure Authorities**

Waiver/Expenditure Authority	Use for Waiver / Expenditure Authority	Currently Approved Waiver / Expenditure Authority
<b>Waiver Authorities</b>		
<b>Statewideness:</b> Section 1902(a)(1)	To the extent necessary to enable the state to operate managed care on less than a statewide basis	Currently approved
	To the extent necessary to enable the state to implement HOP in geographically limited areas of the state	Currently approved
	To enable the state to provide pre-release services to qualifying beneficiaries on a facility limited basis, as outlined in this application	Not currently approved
<b>Freedom of Choice:</b> Section 1902(a)(23)(A)	To the extent necessary to enable the state to restrict freedom of choice of provider by mandatory enrollment in managed care plans for the receipt of covered services including individuals in the Innovations and TBI 1915(c) waivers NC 0423.RO2.00, NC1326.R00.00, respectively. No waiver of freedom of choice is authorized for family planning providers.	Currently approved
	To enable the state to require qualifying beneficiaries to receive pre-release services, as described in this application, through only certain providers.	Not currently approved
	To the extent necessary to enable the state to vary the amount, duration, and	Currently approved



<p><b>Amount, Duration, and Scope of Services:</b> Section 1902(a)(10)(B)</p> <p><b>Comparability:</b> Section 1902(a)(17)</p>	scope of services offered to individuals in managed care under this demonstration, regardless of eligibility category	
	To enable the state to provide HOP services as described in this application and that are not otherwise available to all beneficiaries in the same eligibility group.	Currently approved <i>(Note: language is slightly modified from previous approval)</i>
	To enable the state to provide additional benefits to Medicaid beneficiaries who are enrolled in the HOP program.	Currently approved
	To enable the state to provide only a limited set of pre-release services to qualifying beneficiaries, as described in this application, that is different than the services available to all other enrollees outside of carceral settings in the same eligibility groups authorized under the state plan or the demonstration	Not currently approved
<b>Expenditure Authorities<sup>4</sup></b>		
<b>Managed Care</b>		
Tailored Plans	<p>Expenditures under contracts with managed care entities that do not meet the requirements in 1903(m)(2)(A) and 1932(a) of the Act as implemented in 42 CFR 438.52(a), to the extent necessary to allow the state to limit the choice to a single Tailored Plan in each county for Medicaid enrollees meeting one of the following criteria:</p> <ul style="list-style-type: none"> <li>a. Residing in an ICF-IID</li> <li>b. Participating in North Carolina's Transitions to Community Living</li> <li>c. Enrolled in the Innovations or Traumatic Brain Injury 1915(c) waiver</li> <li>d. Receiving services/supports in state-funded residential treatment (i.e., individuals receiving services to support</li> </ul>	Currently approved

<sup>4</sup> In the SUD waiver extension request submitted to CMS on [XXX], North Carolina requested to continue expenditure authority for Residential and Inpatient Treatment for Individuals with a Substance Use Disorder (SUD).

	them in their residence/house setting, including services provided in group homes or non-independent settings such as Group Living, Family Living, Supported Living, and Residential Supports)	
<b>Healthy Opportunities Pilot</b>		
Expenditures Related to Healthy Opportunities Pilot Services	Expenditures to provide HOP services for individuals who meet the eligibility criteria and in accordance with this application.	Currently approved <i>(Note: language is modified from previous approval to reflect statewide expansion and to remove October 31, 2024, expiration date)</i>
Expenditures Related to Healthy Opportunities Pilot Program Capacity Building Funding	Expenditures for capacity building funding to support implementation of HOP.	Currently approved <i>(Note: Capacity building dollars were previously incorporated in the expenditure authority for Pilot services; North Carolina is proposing a separate expenditure authority in this application)</i>
<b>Continuous Enrollment for Children</b>		
Expenditures Related to Continuous Enrollment	Expenditures for continued benefits for individuals who have been determined eligible for the applicable continuous eligibility period who would otherwise lose coverage during an eligibility determination.	Not currently approved
<b>Coverage for Justice-Involved Reentry</b>		
Expenditures Related to Pre-Release Services	Expenditures for pre-release services provided to qualifying demonstration beneficiaries who would be eligible for Medicaid if not for their incarceration	Not currently approved

	status, for up to 90 days immediately prior to the expected date of release from a participating state prison, county jail, or youth correctional facility.	
Expenditures Related to Pre-Release Services Capacity Building Funding	Expenditures for capacity building funding to support implementation of Justice-Involved Reentry Initiative.	Not currently approved
<b><i>Behavioral Health and I/DD Technology</i></b>		
Expenditures Related to Behavioral Health and I/DD HIT Infrastructure	Expenditures for the HIT Grants initiative.	Not currently approved
Expenditures Related to School Health Capabilities	Expenditures for the School Health and Health-Related Capabilities initiative.	Not currently approved
<b><i>Behavioral Health and LTSS Workforce</i></b>		
Expenditures Related to Clinical Loan Repayment Program	Expenditures for the Clinical Loan Repayment initiative.	Not currently approved
Expenditures Related to Recruitment and Retention	Expenditures for the Recruitment and Retention Payments for Direct Care Workers and Paraprofessionals initiative.	Not currently approved
<b><i>1915(i) Services</i></b>		
Community Transition Services	Expenditures to provide 1915(i) community transition services to Medicaid-enrolled individuals transitioning out of an IMD	Not currently approved
Expenditures Related to 1915(i) Services	Expenditures to provide 1915(i) services to Medicaid-enrolled individuals with incomes above 150% FPL	Not currently approved
<b><i>Designated State Health Programs</i></b>		
Designated State Health Programs	Expenditures for Designated State Health Programs, as described in this application, which are otherwise fully state-funded, and not otherwise eligible for Medicaid matching funds.	Not currently approved

## VI. Hypotheses and Evaluation Approach

As required under the terms of the original demonstration, North Carolina engaged an independent

research organization, the North Carolina University Cecil G. Sheps Center for Health Services Research (“Sheps Center”), to evaluate the performance of the demonstration initiatives. The approved evaluation design, inclusive of the Department’s objectives and hypotheses, is available [here](#).

Because the many programs included in the demonstration have different time frames, structures, and funding streams, the evaluation designs and timelines for the programs also vary. The full application include findings from the following reports:

- Annual report from Demonstration Year 4
- Qualitative evaluation findings from Demonstration Year 3
- Interim Evaluation between October 1, 2015 – September 31, 2022, of the SUD components of the demonstration
- Latest Rapid Cycle Assessment on the HOP program for the period between March 15, 2022, and November 30, 2022

**Plans for Evaluating Impact of Demonstration Renewal**

North Carolina will continue to contract with an external evaluator to assess the impact of proposed new demonstration features. North Carolina is proposing the research questions, hypotheses, and proposed evaluation approaches described below to include as part of its evaluation design. Additional information on evaluation for the demonstration renewal can be found in the full application.

**Table D. Approach to Evaluation for Demonstration Renewal**

Hypotheses	Evaluation Approach and Data Sources
<b><i>Managed Care</i></b>	
<ul style="list-style-type: none"> <li>• Improve health outcomes for Medicaid enrollees in managed care via a new delivery system</li> <li>• Maximize high-value care to ensure sustainability of the Medicaid program</li> <li>• Reduce SUD</li> </ul>	Approach and data sources will be consistent with the <a href="#">North Carolina Medicaid Reform Demonstration Approved Evaluation Design</a> , including: <ul style="list-style-type: none"> <li>• Primary care/obstetrics survey</li> <li>• Beneficiary interviews</li> </ul>
<b><i>Healthy Opportunities</i></b>	
<ul style="list-style-type: none"> <li>• Improve health outcomes for HOP participants</li> <li>• Improve the share of Medicaid enrollees receiving Pilot services that report improvements in unmet resource needs</li> </ul>	Approach and data sources will be consistent with the <a href="#">Enhanced Case Management and Other Services Pilots Evaluation Design; Attachment H</a>
<b><i>Continuous Enrollment</i></b>	

<ul style="list-style-type: none"> <li>• Reduce churn and gaps in Medicaid coverage for children and youth, including for racial and ethnic groups that experience disproportionately high rates of churn</li> <li>• Improve health outcomes for children and youth</li> </ul>	<p>Analysis of enrollment and claims files</p>
<p><b><i>Justice Involved Pre-Release Services</i></b></p>	
<ul style="list-style-type: none"> <li>• Increase Medicaid coverage for justice-involved individuals</li> <li>• Improve health outcomes for justice-involved individuals, including by improving transitions into the community following release</li> </ul>	<p>Analysis of data files, including:</p> <ul style="list-style-type: none"> <li>• Claims linked with criminal justice indicators</li> <li>• Data on preventive and routine physical and behavioral health care</li> <li>• Data on avoidable emergency department (ED) visits and inpatient hospitalizations</li> </ul>
<p><b><i>Behavioral Health and I/DD Technology</i></b></p>	
<ul style="list-style-type: none"> <li>• Improve rates of real-time data sharing with the North Carolina HIE (HealthConnex) among participating behavioral health and I/DD providers</li> <li>• Improve rates of schools equipped with technologies need to improve billing and tracking for delivery of services and referrals among participating school providers</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of Medicaid Enterprise Systems (MES), which incentivizes Electronic Health Record (EHR) improvements</li> <li>• Survey and/or analysis of providers</li> </ul>
<p><b><i>Behavioral Health and LTSS Workforce</i></b></p>	
<ul style="list-style-type: none"> <li>• Reduce workforce shortages</li> <li>• Increase provider retention and Medicaid participation among Behavioral Health, I/DD and LTSS providers who serve Medicaid beneficiaries in North Carolina</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of administrative data such as Medicaid billing data, NC Health Professions Data System, and/or HCBS electronic visit verification</li> <li>• Survey and interviews of providers</li> </ul>

## VII. Enrollment and Expenditures<sup>5</sup>

<sup>5</sup> The calculations and figures included in this Section have been developed for purposes of illustrating 1115 demonstration budget neutrality as required by CMS. 1115 demonstrations must be budget neutral to the federal government, not to the State, according to the policies negotiated in each demonstration. The required approach, inputs and methods for CMS may not align with estimates performed by the State for other purposes. For example, the illustrated per capita caps and expenditures do not consider the impact of pharmacy rebates or other costs that are outside of the managed care programs and populations included in this document.

## Enrollment

Table E provides historical data on Member Months and estimated Person Count for North Carolina Medicaid Reform 1115 demonstration populations from November 1, 2019, to October 31, 2024. Note that a portion of the DY5 and all the DY6 figures reflect continuation of reported experience through March 31, 2023.

**Table E. Estimated Historical Person Count**

		Historical Member Months and Person Count				
		DY2 <sup>6</sup>	DY3	DY4	DY5	DY6
Medicaid Eligibility Group		Nov 2019 to Oct 2020	Nov 2020 to Oct 2021	Nov 2021 to Oct 2022	Nov 2022 to Oct 2023	Nov 2023 to Oct 2024
Aged, Blind, Disabled (ABD)	Member months	0	303,156	1,198,700	1,256,600	1,256,600
	Person count	0	101,052	99,892	104,717	104,717
TANF & Related Adults	Member months	0	937,257	4,326,423	5,180,866	5,180,866
	Person count	0	312,419	360,535	431,739	431,739
TANF & Related Children	Member months	0	2,856,570	11,789,555	12,238,814	12,238,814
	Person count	0	952,190	982,463	1,019,901	1,019,901
Innovations/Traumatic Brain Injury (TBI)	Member months	0	0	0	0	0
	Person count	0	0	0	0	0
Medicaid Expansion	Member months	N/A	N/A	N/A	0*	0*
	Person count	N/A	N/A	N/A	0*	0*

\*Launch of Medicaid expansion is pending given ongoing budget negotiations. Estimates in DY5 and DY6 are subject to change. North Carolina will update and include final projections in the demonstration renewal request submitted to CMS.

North Carolina has estimated enrollment for the next demonstration period for the purposes of public comment. Table F provides the estimated enrollment for the five years of the 1115 demonstration renewal from November 1, 2024, to October 31, 2029. The State will include final projections in the demonstration renewal request submitted to CMS.

<sup>6</sup> Demonstration Year 1 was associated with SUD waiver implementation only. This table reflects the appropriate Demonstration years for the comprehensive Medicaid Reform Demonstration.

**Table F. Projected Member Months and Person Count Under Renewal**

		Projected Member Months and Person Count Under Renewal				
		DY7	DY8	DY9	DY10	DY11
Medicaid Eligibility Group		Nov 2024 to Oct 2025	Nov 2025 to Oct 2026	Nov 2026 to Oct 2027	Nov 2027 to Oct 2028	Nov 2028 to Oct 2029
<b>Medicaid Eligibility Groups</b>						
ABD	Member months	2,217,445	2,239,620	2,262,016	2,284,636	2,307,482
	Person count	184,787	186,635	188,501	190,386	192,290
TANF & Related Adults	Member months	3,682,854	3,719,682	3,756,879	3,794,448	3,832,393
	Person count	306,904	309,974	313,073	316,204	319,366
TANF & Related Children	Member months	15,642,839	16,212,785	16,792,565	16,960,491	17,130,095
	Person count	1,303,570	1,351,065	1,399,380	1,413,374	1,427,508
Innovations/TBI	Member months	168,000	168,000	168,000	168,000	168,000
	Person count	14,000	14,000	14,000	14,000	14,000
Medicaid Expansion	Member months	7,415,187	7,489,339	7,564,232	7,639,874	7,716,273
	Person count	617,932	624,112	630,353	636,656	643,023

Continuously enrolled children and former foster youth are included in the TANF & Related Children Medicaid Eligibility Group projections noted above. Table G provides a summary of the number of individuals impacted by these continuous enrollment changes.

**Table G. Continuous Enrollment Impacts**

	Estimated Number of Individuals Affected by Continuous Enrollment				
	DY7	DY8	DY9	DY10	DY11
Continuous Enrollment Groups	Nov 2024 to Oct 2025	Nov 2025 to Oct 2026	Nov 2026 to Oct 2027	Nov 2027 to Oct 2028	Nov 2028 to Oct 2029

	Estimated Number of Individuals Affected by Continuous Enrollment				
	DY7	DY8	DY9	DY10	DY11
Children age 0 through five	27,431	41,558	55,964	56,524	57,089
Individuals age 6 through 18	35,792	54,224	73,022	73,752	74,490
Former foster care youth	5,015	7,597	10,231	10,333	10,437

Justice-involved individuals are not included in the Medicaid Eligibility Group projections noted above. Table H provides a summary of the estimated number of individuals who will receive pre-release services under this demonstration.

**Table H. Estimated Justice-Involved Reentry Initiative Impacts**

	Estimated Number of Individuals Affected by Justice-Involved Reentry Initiative				
	DY7	DY8	DY9	DY10	DY11
	Nov 2024 to Oct 2025	Nov 2025 to Oct 2026	Nov 2026 to Oct 2027	Nov 2027 to Oct 2028	Nov 2028 to Oct 2029
Justice-involved Individuals	2,925	6,825	9,750	9,750	9,750

## Expenditures

Table I provides historical data on the total expenditures for the North Carolina Medicaid Reform 1115 demonstration services and populations from November 1, 2019, to October 31, 2024. Note that a portion of the DY5 and all the DY6 figures are estimated based on reported experience through March 31, 2023.

**Table I. Historical Total Computable Expenditures**

	Historical Total Computable Expenditures (in \$M)				
	DY2 <sup>7</sup>	DY3	DY4	DY5	DY6
Historical Expenditures	Nov 2019 to Oct 2020	Nov 2020 to Oct 2021	Nov 2021 to Oct 2022	Nov 2022 to Oct 2023	Nov 2023 to Oct 2024
<b>Medicaid Eligibility Groups</b>					

<sup>7</sup> Demonstration Year 1 was associated with SUD waiver implementation only. This table reflects the appropriate Demonstration years for the comprehensive Medicaid Reform Demonstration.



	Historical Total Computable Expenditures (in \$M)				
	DY2 <sup>7</sup>	DY3	DY4	DY5	DY6
ABD	0	\$508,987,665	\$2,046,744,665	\$2,253,393,450	\$2,253,393,450
TANF & Related Adults	0	\$374,099,591	\$2,287,582,053	\$2,738,045,214	\$2,738,045,214
TANF & Related Children	0	\$620,287,515	\$2,708,208,039	\$2,863,757,092	\$2,863,757,092
Innovations/TBI	0	0	0	0	0
Medicaid Expansion	0	0	0	0*	0*
<b>Healthy Opportunities Pilot</b>					
ECM Capacity Building	0	\$19,024,872	\$18,689,376	\$10,000,000	0
ECM Services	0	\$16,660,324	\$5,010,877	\$84,000,000	\$84,000,000

\*Launch of Medicaid expansion is pending given ongoing budget negotiations. Estimates in DY5 and DY6 are subject to change. North Carolina will update and include final projections in the demonstration renewal request submitted to CMS.

For the purposes of public notice and comment, the State has summarized in the table below the projected expenditures for the renewal. The State will include final projections in the demonstration renewal request submitted to CMS.

**Table J. Projected Total Computable Expenditures Under Renewal**

	Projected Total Computable Expenditures				
	DY7	DY8	DY9	DY10	DY11
With Waiver Expenditures	Nov 2024 to Oct 2025	Nov 2025 to Oct 2026	Nov 2026 to Oct 2027	Nov 2027 to Oct 2028	Nov 2028 to Oct 2029
<b>Medicaid Eligibility Groups</b>					
ABD	\$5,586,941,191	\$5,896,737,080	\$6,223,711,151	\$6,568,815,934	\$6,933,056,778
TANF & Related Adults	\$3,064,472,454	\$3,234,397,451	\$3,413,744,790	\$3,603,036,938	\$3,802,825,337
TANF & Related Children	\$5,188,185,940	\$5,619,191,812	\$6,082,044,107	\$6,419,293,452	\$6,775,243,274
Innovations/TBI	\$1,561,052,272	\$1,631,299,624	\$1,704,708,107	\$1,781,419,972	\$1,861,583,871

	<b>Projected Total Computable Expenditures</b>				
	<b>DY7</b>	<b>DY8</b>	<b>DY9</b>	<b>DY10</b>	<b>DY11</b>
Medicaid Expansion	\$9,780,541,039	\$10,372,263,772	\$10,999,785,730	\$11,665,272,767	\$12,371,021,789
<b>Healthy Opportunities Pilots</b>					
Services	\$340,000,000	\$340,000,000	\$340,000,000	\$340,000,000	\$340,000,000
Capacity Building	\$50,000,000	\$100,000,000	\$100,000,000	\$25,000,000	\$25,000,000
<b>Justice-Involved Reentry Capacity Building</b>					
Services	\$4,096,381	\$10,036,134	\$15,054,201	\$15,806,911	\$16,597,256
Capacity Building	\$100,000,000	\$125,000,000	\$50,000,000	\$30,000,000	\$10,000,000
<b>Behavioral Health and I/DD Provider Technology</b>					
	\$15,000,000	\$15,000,000	\$0	\$0	\$0
<b>Behavioral Health and LTSS Workforce</b>					
	\$35,000,000	\$35,000,000	\$0	\$0	\$0
<b>Technology to Advance Schools</b>					
	\$7,500,000	\$7,500,000	\$0	\$0	\$0
<b>DSHP</b>					
	\$122,000,000	\$122,000,000	\$122,000,000	\$122,000,000	\$122,000,000