



FACT SHEET

North Carolina Medicaid Reform: Healthy Opportunities Pilot

October 2023

In October 2018, North Carolina received federal approval to significantly transform its Medicaid program through the [Medicaid Reform Section 1115 Demonstration](#).

North Carolina is seeking to renew its Medicaid Reform Demonstration for another five-year period 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. In line with this overarching goal, North Carolina is seeking authority through the Demonstration renewal to build on the Healthy Opportunities Pilot (HOP) program successes to date, expanding the program statewide and broadening eligibility to reach more individuals with non-medical health needs.

For additional information on the other initiatives in the demonstration request, see the [“North Carolina Medicaid Reform: Section 1115 Demonstration Renewal Request”](#) fact sheet.

HOP Successes to Date

HOP is a first-in-the-nation program to test and evaluate the impact of providing evidence-based, non-medical interventions.¹ Today, Medicaid enrollees must live in one of the [three regions](#) where HOP operates and have at least one qualifying physical or behavioral health condition and one qualifying social risk factor to receive Pilot services. Pilot services include [29 non-medical services](#) selected based on their potential to improve health outcomes, lower health care costs, and address the needs of qualifying enrollees.

- Since the program’s launch in March 2022, more than 13,000 individuals have enrolled in the Pilots and over 146,000 services have been delivered. More than 8,900 enrollees have received healthy food boxes to support access to healthy, nutritious foods and over 3,400 enrollees have received housing navigation, support, and sustaining services.
- Early evidence shows that HOP services are filling gaps and meeting enrollee needs in housing, food, transportation and interpersonal violence (IPV)/toxic stress, highlighting the potential for HOP to meaningfully address the non-medical health needs of enrollees over time.
- A diverse set of stakeholders across the health and human services continuum have built partnerships—often working together for the first time – to operationalize HOP, including the North Carolina Department of Health and Human Services, Medicaid health plans, care managers, new organizations called “Network Leads,” and human service organizations (HSOs) that deliver Pilot services.

- The development of a statewide technology platform has allowed Pilot entities to utilize a single system for exchanging most Pilot-related data.
- Through HOP, North Carolina is dedicated to ensuring enrollees can access necessary non-medical services in a way that meets their needs and improves their health. At the same time, HOP has strengthened community capacity to provide non-medical services, enabled a diverse ecosystem of stakeholders to work together, and pursued the elimination of health disparities across the Pilot regions.

HOP Demonstration Renewal Request

Under the next demonstration period, North Carolina is requesting to expand the HOP program statewide, scale services and make other program improvements and changes outlined below. The State is also requesting \$375 million in capacity building funds to support implementation of the program.

Expanding HOP Statewide and Scaling Services

North Carolina’s vision is to expand HOP statewide, scale services, and make other program improvements over the course of the next demonstration:

- North Carolina intends to continue working with current Network Leads and procure new Network Leads to operate in new Pilot regions.
- The State plans to determine which Pilot services are scaled in new regions of the State based on service effectiveness, readiness to participate, and capacity to provide select Pilot services.
- Health plans and HSOs will have the flexibility to contract directly with one another.

Modifying HOP Services

North Carolina currently has authority to provide 29 Pilot services across four domains (housing, food, transportation and interpersonal violence/toxic stress) in Pilot regions.

North Carolina is also seeking authority to modify Pilot services:

- Allow up to three meals per day for key Pilot services within the food domain, including Healthy Food Boxes, Healthy Meals and Medically Tailored Meals
- Adapt an existing housing service to provide six months of rental or mortgage assistance (including payment of arrears) for high-needs enrollees
- Add a new “firearm safety” service that provides, at a minimum, locks and/or safes to support firearm safety
- Add a new targeted childcare support services to provide affordable childcare and related services to qualifying, high-need children and families
- Continue to test the efficacy of all existing services in current Pilot regions

The State would seek to retain its existing ability to discontinue Pilot services as appropriate, based on experience, service effectiveness, and HSO capacity to provide services across the State.

Expanding Eligibility Criteria for HOP

Based on experience to date, North Carolina is seeking authority to expand Pilot eligibility criteria to increase access to Pilot services. Proposed new eligibility criteria (in addition to existing criteria) includes:

- For adults 21+, presence of one or more chronic conditions
- Individuals “at risk” of a chronic condition across all eligibility categories
- All pregnant women enrolled in Medicaid
- All Tailored Plan enrollees and individuals eligible for Tailored Care Management in Prepaid Inpatient Health Plans (PIHPs)
- Individuals who are currently or have recently been impacted by natural disasters in the past 12 months
- Individuals who have prior experience with the justice system; for example, individuals who have been released from incarceration or who are pre-release, where appropriate
- Children/youth who receive adoption assistance

North Carolina is requesting an additional \$375 million in HOP capacity building funding to support expansion of the Pilots statewide. Capacity building funds will enhance the investments made during the prior demonstration by strengthening statewide infrastructure to support comprehensive HSO networks needed to deliver Pilot services statewide.

This funding will be used for HOP-related capacity building activities, including but not limited to:

- Building the capabilities necessary to execute Pilot responsibilities
- Engaging with external partners and providing training/technical assistance
- Community engagement activities
- Hiring and training new staff
- Strengthening health information technology systems
- Covering essential overhead costs
- Establishing operational workflows processes necessary to participate in HOP

¹ North Carolina uses the term “non-medical drivers of health” to reference what CMS terms “health-related social needs (HRSN).” Non-medical drivers of health initiatives are intended to align with CMS guidance on HRSN.