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PUBLIC NOTICE "REVISED"
SPA 25-0006
CAA 5121 TARGETED CASE MANAGEMENT SERVICES

The North Carolina Department of Health and Human Services, Division of Health Benefits, hereby provides notice of its intent to amend the North Carolina Medicaid State Plan to add pre-release and post-release reentry Targeted Case Management services for eligible youth who are incarcerated or formerly incarcerated including individuals under 21 or former foster care youth through age 26.

Pursuant to section 5121 of the Consolidated Appropriations Act, 2023, North Carolina will provide reentry Targeted Case Management services to qualified youth during the 30 days immediately prior to release from a public institution and for up to one year following release. The services will begin November 1, 2026.

This change is required by the federal government under section 5121 of the Consolidated Appropriations Act, 2023. Prior to this federal requirement, individuals who were inmates of a public institution were generally not eligible for Medicaid coverage of care management services while incarcerated. The change allows qualified youth to receive reentry Targeted Case Management services before and after release to support continuity of care during the transition back to the community.

The estimated increases in aggregate Medicaid expenditures are shown below:

State Fiscal Year	State Budget Impact	Federal Budget Impact	Total Impact
2027	$48,880	$87,504	$136,384
2028	$73,320	$131,256	$204,576

Federal Fiscal Year	State Budget Impact	Federal Budget Impact	Total Impact
2027	$67,210	$120,318	$187,528
2028	$73,320	$131,256	$204,576

A copy of the proposed public notice may be viewed at any NC County Department of Social Services. Questions, comments, and requests for copies of the proposed State Plan amendment should be directed to the Division of Health Benefits at the address listed below or can be sent via email to medicaidrulescomments@dhhs.nc.gov.

Melanie Bush
Deputy Secretary
Division of Health Benefits
2501 Mail Service Center
Raleigh, NC 27699-2501

Posted on the Division of Health Benefits Website: October 30, 2026
https://medicaid.ncdhhs.gov/get-involved/nc-health-choice-state-plan