

**PUBLIC NOTICE**  
**(SPA #25-0026)**

**NC Medicaid State Budget Rate Reductions**

The Department of Health and Human Services, Division of Health Benefits (DHB), hereby provides notice of its intent to amend the NC Medicaid State Plan (State Plan) to implement service rate reductions of 3%, 8%, or 10% for SFY 2025-26, effective October 1, 2025. These rate reductions are necessary to enable the NC Medicaid program to operate within the funding appropriated by the North Carolina General Assembly (NCGA) for SFY 2025-26. Please note that these rate reductions are subject to change if the NCGA provides NC Medicaid with additional appropriations that would support the higher reimbursement for the affected service programs. Listed below are the affected services and their corresponding rate reduction percentage(s). The resulting rates will be reflected in fee schedules for the affected services, effective Oct. 1, 2025.

Note: The Skilled Nursing Facilities (SNF) rate reduction includes required adjustments to the assessment rate and allocation of assessment collections. The amendment to the SNF section of the State Plan will also include changes to the rate methodology components required to transition the SNF program from the Resource Utilization Group (RUG) version IV model to the Patient-Driven Payment Model (PDPM).

<b>State Medicaid Fee Schedule – Program</b>	<b>Applicable Reduction Percentage</b>
Ambulance Services	3%
Ambulatory Infusion Therapy Centers	Physician codes only- 8%
Ambulatory Surgical Centers	10%
Anesthesiology Base Units	Anesthesiology codes- 10%, Physician codes - 8%
Auditory Implants	3%
Children Developmental Services Agency	CDSA codes - 3%, Physician codes - 8%
Chiropractic Services	Chiropractic codes - 3%, Physician codes - 8%
Clinical Pharmacist Practitioner	CPP codes- 3% Physician codes - 8%
Community Alternatives Program	Personal Care-like Services - 8%, Non-Personal Care Service codes - 3%
Dental	Dental Codes – 3% Ambulatory Service Center codes - 10% FQHC/RHC Dental codes- 3%
Dialysis	3%
Dietary and Nutritional Services	Dietary & Nutritional codes - 3%, Physician codes - 8%
Durable Medical Equipment	3%
Enhanced Mental Health Services	3%
Federally Qualified Health Centers	FQHC - 3%, (non-Physician codes) Physician codes - 8%
Freestanding Birth Center	10%
Hearing Aid Program	3%
HIV Case Management	3%
Home Health Services	3%
Home Infusion Therapy	3%

Hospice	Room & Board (0658/0659) only -10%
Hospital Outpatient Laboratory	10%
Hospitals	10%
Indian Tribal (I/T/U) Home Health	3%
Indian Tribal (I/T/U) Pharmacy	0%
Int. Care Facility... (ICF-IID)	8%
Laboratory (Independent Diagnostic Testing Facilities)	Lab & X-ray codes - 3%, Physician codes - 8%
Local Health Departments	LHD codes - 3%, Physician codes - 8%
NC Medicaid State Institutions	8%
Nurse Midwives	8%
Nurse Practitioner and CRNA	8%
Nursing Facility Rates	10%
Optical Program	3%
Optometry Services	Optometry codes - 3%, Physician codes - 8%
Orthotics and Prosthetics	3%
Other Behavioral Health Services	RBI-BHT (97151-97157) - 10% Other - 8%
Outpatient Specialized Therapies	3%
Personal Care Services	8%
Pharmacy	0%
Physician Administered Drug Program	0%
Physician Assistant	8%
Physician Services	ER (99281-99285) - 10% Physician codes - 8%
Podiatry Services	3%
Private Duty Nursing	3%
Public Ambulance Provider Managed Care	3%
Radiological/Imaging Services	3%
Rural Health Clinic	RHC codes - 3%, Physician codes - 8%
Targeted Case Management	3%
Vent Facility Rates	10%

**Non-Published State Fee Schedule Services:**

- Innovations, 1915(i), and TBI Waiver Services which are managed by Tailored Plans. These services are to receive a 3% reduction.
- Psychiatric Residential Treatment Facilities (PRTFs) are to receive a 10% reduction.
- Non-Emergent Transportation to receive a 3% reduction.

This amendment will become effective October 1, 2025.

The annual estimated State fiscal impact of this change is:

a. SFY 2026     \$ (240,258,955)  
b. SFY 2027     \$0

A copy of the proposed public notice may be viewed at the 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 [MedicaidRulesComments@dhhs.nc.gov](mailto:MedicaidRulesComments@dhhs.nc.gov) .

Comments may also be mailed to the address listed below:

Jay Ludlam  
Deputy Secretary for NC Medicaid  
Division of Health Benefits  
2501 Mail Service Center  
Raleigh, NC 27699-2501

Posted on the Division of Health Benefits Website: September 29, 2025  
<https://medicaid.ncdhhs.gov/get-involved/nc-health-choice-state-plan>