

**REVISED PUBLIC NOTICE #2
(SPA #25-0026)**

**~~NC Medicaid State Budget Rate Reductions~~
Skilled Nursing Facility Rate Methodology**

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 to implement rate methodology components required to transition the Skilled Nursing Facility (SNF) program from the Resource Utilization Group (RUG) version IV model to the Patient-Driven Payment Model (PDPM) rate structure.

Note: The Skilled Nursing Facilities (SNF) rate changes during this transition will include any required adjustments to the assessment rate and allocation of assessment collections.

This amendment will become effective October 1, 2025.

The annual estimated State fiscal impact of this change is:

- a. SFY 2026 \$ 41,393,618
- b. SFY 2027 \$ 37,576,557

This public notice has been revised to remove previously-planned provider rate reductions that are no longer being implemented. It also revises the title of the SPA accordingly.

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.

Comments may also be mailed to the address listed below:

Melanie Bush
Deputy Secretary for NC Medicaid
Division of Health Benefits
2501 Mail Service Center
Raleigh, NC 27699-2501
medicaidrulescomments@dhhs.nc.gov

Posted on the Division of Health Benefits Website: September 28, 2026
<https://medicaid.ncdhhs.gov/get-involved/nc-health-choice-state-plan>