



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Health Benefits

JOSH STEIN • Governor

DEV DUTTA SANGVAI • Secretary

JAY LUDLAM • Deputy Secretary, NC Medicaid

November 21, 2025

Re: Update: Important Change in Provider Reimbursement

Dear County Department of Social Services Directors:

On September 29, 2025, NC Medicaid notified local agencies of changes to the provider reimbursement rates for Non-Emergency Medicaid Transportation (NEMT) services. As a reminder, effective October 1, 2025, NEMT services are reimbursed at 97% of the previous reimbursement rate, resulting in a 3% rate reduction.

To align with the 3% rate reduction, local agencies may choose to amend current contract agreements with NEMT providers. Local agencies who choose to keep the contracted reimbursement rate will be responsible for the 3% difference. Local agencies **should not** increase their vendor reimbursement rate to make up the 3% difference. Rate reductions are applied to the reimbursement rate paid for NEMT services in effect on September 30, 2025. The 3% rate reduction is applicable for all trips completed on or after October 1, 2025, and submitted through NCTracks.

Local agencies were previously instructed to apply the 3% rate reduction to the reimbursement amount prior to submitting the claim to NCTracks. Effective November 23, 2025, NCTracks will apply the 3% rate reduction to all NEMT claims submitted through NCTracks. Local agencies will no longer need to manually calculate the 3% rate reductions and should enter the 100% rate agreement in effect September 30, 2025.

NEMT services are reimbursed based on Prior Authorization (PA), so the reduction will be applied to the approved PA amount as submitted to NCTracks. The rate reduction will be applied if:

- PA date of service is Oct. 1, 2025, or later; **and**
- PA is submitted to NCTracks Nov. 23, 2025, or later

Previously, the local agencies were instructed to maintain a record of providers, dates of trips, and reimbursement amounts for any claims subject to the 3% rate reduction and submitted to NCTracks with the full reimbursement rate. Instructions on how to submit this information will be provided soon.

NC MEDICAID

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH BENEFITS

LOCATION: 65 Moore Drive Durham, NC 27709

MAILING ADDRESS: P.O. Box 110606 Durham, NC 27709

www.ncdhhs.gov • TEL: 919-813-5340 • FAX: 919-882-8934

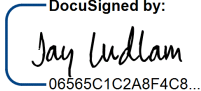
AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

The 3% rate reduction does not apply to NEMT services directly reimbursed by the local agencies, such as mileage reimbursement, gas vouchers, meals or lodging. Local agencies will continue to reimburse Medicaid beneficiaries per Medicaid policy and submit claims to NC Medicaid using the DHB-2055, Reimbursement for Medical Transportation.

We will provide updates as needed. If you have any questions, please contact Brenda Gooch, NEMT Senior Manager at brenda.gooch@dhhs.nc.gov.

Sincerely,

DocuSigned by:


06565C1C2A8F4C8...

Jay Ludlum

Deputy Secretary, NC Medicaid