



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

ROY COOPER • Governor

KODY H. KINSLEY • Secretary

JAY LUDLAM • Deputy Secretary, NC Medicaid

August 3, 2023

Ms. Mehreen Rashid  
Acting Director  
State Demonstrations Group  
Centers for Medicare & Medicaid Services  
Center for Medicaid and CHIP Services  
7500 Security Boulevard  
Baltimore, MD 21244-1850

Ms. Shelby Higgins  
State Project Officer  
Centers for Medicare & Medicaid Services  
Center for Medicaid and CHIP Services  
Mail Stop: S2-25-26  
7500 Security Boulevard  
Baltimore, MD 21244-1850

Dear Ms. Rashid and Ms. Higgins:

On behalf of North Carolina's Department of Health and Human Services (NC DHHS), I am pleased to provide written acceptance of the special terms and conditions (STCs) for the amendment of the State's section 1115(a) demonstration titled, "North Carolina Medicaid Reform Demonstration" (Project Numbers 11-W-00313/4 and 21-W-00070/4), effective July 7, 2023, through October 31, 2024. Please find enclosed proposed technical corrections to the STCs. As CMS recommended, these technical corrections include changes to reflect that North Carolina transitioned its Separate-CHIP (S-CHIP) program into the State's existing Medicaid Expansion-CHIP (M-CHIP) program effective April 1, 2023.

In accepting the STCs, we flag that North Carolina recently announced that launch of Behavioral Health Intellectual/Development Disability Tailored Plans (BH I/DD Tailored Plans) is delayed beyond October 1, 2023, the date noted in CMS's approval letter of the demonstration amendment. In addition, the approval letter incorrectly identifies the groups that must be enrolled in a BH I/DD Tailored Plan with no opt-out option. As indicated in the STCs, beneficiaries who meet one of the below criteria may not disenroll from a BH I/DD Tailored Plan if they receive residential services offered by the BH I/DD Tailored Plan that are not covered in a Standard Plan:

- Reside in an intermediate care facility for individuals with intellectual disabilities (ICF-IID)

**NC MEDICAID**

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

LOCATION: 1985 Umstead Drive, Kirby Building, Raleigh, NC 27603  
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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

- Participate in North Carolina's Transitions to Community Living
- Are enrolled in the Innovations or Traumatic Brain Injury 1915I waiver
- Receive services/supports in state-funded residential treatment (i.e., individuals receiving services to support them in their residence/house setting, including services provided in group homes or non-independent settings such as group living, family living, supported living, and residential supports)

We request that CMS clarify these points in the approval letter for the STC technical corrections.

I sincerely appreciate your team's partnership throughout this process and look forward to continuing to collaborate to improve the health of North Carolinians through a whole-person, equitable, well-coordinated system of care that addresses both medical and non-medical drivers of health.

Sincerely,

DocuSigned by:



cc: Daniel Tsai, CMS  
Sandra Phelps, CMS  
Michael Trieger, CMS  
Julia Lerche, North Carolina Department of Health and Human Services  
Emma Sandoe, North Carolina Department of Health and Human Services  
Amanda Van Vleet, North Carolina Department of Health and Human Services

Attachments: STC Technical Corrections