



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
DAVE RICHARD • Deputy Secretary for Medical Assistance

November 20, 2018

Administrator Seema Verma
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

RE: Acceptance of Section 1115 Demonstration Waiver Terms and Conditions

Dear Administrator Verma:

North Carolina is pleased to accept the Centers for Medicare & Medicaid Services' (CMS) approval of our Medicaid Reform Demonstration. Approval was granted on October 24, 2018 in accordance with Section 1115(a) of the Social Security Act in two parts: the period of January 1, 2019 to October 31, 2023 for expenditure authority for substance use disorder services delivered in settings that meet the definition of an Institution for Mental Disease, and the period of November 1, 2019 to October 31, 2024 for the remainder of the State's 1115 waiver.

With this letter, North Carolina acknowledges the award and formally accepts the Special Terms and Conditions and waiver and expenditure authorities, as described in CMS' approval letter, with the understanding that the enclosed technical corrections will be made.

The State's demonstration will afford the State authority and flexibility to launch its managed care program in a way that drives value and addresses specific high-need populations, like individuals with significant behavioral health issues or children in foster care, by providing tailored benefit packages and specialized care management. Additionally, the demonstration permits the State to cover substance use disorder services delivered in an IMD setting. Significantly, the State will pilot enhanced evidence-based interventions addressing beneficiaries' needs related to housing instability, transportation insecurity, food security and interpersonal violence and toxic stress that directly impact health outcomes and cost.

On behalf of North Carolina's Department of Health and Human Services, I thank you for your time and commitment, as well as that of your team, in reaching this agreement. We look forward to continuing to collaborate with CMS over the course of this demonstration and in particular on the following pended requests:

- Behavioral Health, Health Home Capacity Building
- Tribal Uncompensated Care Pool
- Workforce Development
- Providing short-term behavioral health crisis services in the IMD setting for beneficiaries with behavioral health as a primary diagnosis.

Our work together will benefit the lives of the more than 2 million North Carolinians served by North Carolina Medicaid and North Carolina Health Choice. Thank you again for your support throughout this process.

Sincerely,


Dave Richard
Deputy Secretary for NC Medicaid

Enclosure: NC STC Technical Corrections
cc: Secretary Mandy Cohen, MD, MPH

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF MEDICAL ASSISTANCE

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