



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

JOSH STEIN • Governor

DEV DUTTA SANGVAI • Secretary

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May 30, 2025

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Dear Ms. Cooper and Ms. Higgins:

We are writing to inform you of an important update regarding funding for the Healthy Opportunities Pilots. As the North Carolina General Assembly continues its work to finalize the biennium budget for State Fiscal Years 2026–2027, both the Senate and House budget proposals passed as of May 22, 2025, do not include continued state funding for Healthy Opportunities Pilots services beyond June 30, 2025. With this in mind, the North Carolina Department of Health and Human Services is preparing for the potential stop of Healthy Opportunities Pilots services beginning July 1, 2025. Our hope is that this will only be a pause, and Healthy Opportunities can resume once additional funds are appropriated by the General Assembly. We are deeply committed to the success of the Healthy Opportunities Pilots program, the value it provides North Carolinians, and appreciate CMS' ongoing partnership.

Per Special Term and Condition (STC) 10.12.a.iii of the North Carolina Medicaid Reform Section 1115(a) Demonstration (Project Number 11-W-00313/4), North Carolina must submit a letter to CMS 30 days prior to implementing changes to the State's service offerings and/or eligibility criteria under Healthy Opportunities Pilots. These changes, within what CMS has approved in Attachment O of the demonstration, do not require CMS approval. In compliance with this STC,

NC MEDICAID

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

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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

I am submitting this letter to inform CMS that in the absence of state funding for the Healthy Opportunities Pilots:

- The State will direct Healthy Opportunities Pilot Administrators to stop all new service authorizations at a date to be defined by the Department, but no sooner than July 1, 2025.
 - However, the State expects that Healthy Opportunities Pilot Administrators will stop new service authorizations sooner, within the parameters of their capped allocation authority, described in *Attachment L: 2022-2024 Healthy Opportunities Pilot (HOP) Program Eligibility and Services*, of North Carolina's STCs.
- The State also may require that Healthy Opportunities Pilot Administrators stop delivery of all existing services at a date to be defined by the Department, but no sooner than July 1, 2025. Any such action will be implemented in compliance with member notification requirements under STC 10.12.i.

Halting of 1) new service authorizations and/or 2) existing service deliveries will remain effective until funding to support the state share becomes available for the program. This is reflected in the updates to Attachment M and N of the demonstration, attached below. The Department will comply with the public notice requirements listed in 10.12.ii .

We will provide an update to CMS on the status of the State budget and impact on the Healthy Opportunities Pilots program as soon as one is available. The State is committed to improving the health of North Carolinians while simultaneously reducing utilization, costs, and recognizes the role the Healthy Opportunities Pilots program plays in advancing these goals.

We appreciate your ongoing partnership on the North Carolina Medicaid Reform Section 1115(a) Demonstration. If you have any questions, please contact Julia Lerche at Julia.Lerche@dhhs.nc.gov.

Sincerely,



Deputy Secretary, North Carolina Medicaid

cc: Drew Snyder, CMS
Angela Garner, CMS
Julia Lerche, North Carolina Department of Health and Human Services
Kathryn Horneffer, North Carolina Department of Health and Human Services
Kristen Dubay, North Carolina Department of Health and Human Services
Maria Ramirez Perez, North Carolina Department of Health and Human Services



Appendix 1: Active HOP HRSN Service Coverage and Eligibility Criteria

If State funds are available for HOP in Demonstration Year (DY)7, then the State will provide services to the eligible populations outlined in *Attachment L: 2022-2024 Healthy Opportunities Pilot Program Eligibility and Services*. In the absence of available state funding for HOP:

- The State will direct Healthy Opportunities Pilot Administrators to stop all new service authorizations at a date to be defined by the Department, but no sooner than July 1, 2025.
 - However, the State expects that Healthy Opportunities Pilot Administrators will stop new service authorizations sooner, within the parameters of their capped allocation authority, described in *Attachment L: 2022-2024 Healthy Opportunities Pilot (HOP) Program Eligibility and Services*, of North Carolina’s STCs.
- The State also may require that Healthy Opportunities Pilot Administrators stop delivery of all existing services at a date to be defined by the Department, but no sooner than July 1, 2025. Any such action will be implemented in compliance with member notification requirements under STC 10.12.i.

The table below outlines the HRSN services and eligibility criteria that the state will cover in DY8 if the North Carolina General Assembly approves a HOP budget by the start of DY8.

This Appendix can be updated at any time, with notification to CMS as detailed in STC 10.12, to include any subset of the HRSN services and eligibility criteria outlined in Attachment L (in DY7 only) and Sections 1 through 4 of *Attachment M: Protocol for Assessment of Beneficiary Eligibility and Needs and Provider Qualifications for Healthy Opportunities Pilots (HOP) HRSN Services*, and to include additional regions of the state or new delivery systems.

DY8 Program Coverage Details: Healthy Opportunities Pilots (HOP) HRSN Services

Applicable Geography	Applicable HOP Administrators	Program Feature	Program Coverage Details
<ul style="list-style-type: none">• Impact Health Region: Avery, Buncombe, Burke, Cherokee, Clay, Graham, Haywood,	<ul style="list-style-type: none">• Standard Plans• Tailored Plans• Prepaid Inpatient	Covered Services	<ul style="list-style-type: none">• Housing Navigation, Support, and Sustaining Services• Inspection for Housing Safety and Quality• Housing Move-In Supports• Essential Utilities Set-Up• Home Remediation Services

Applicable Geography	Applicable HOP Administrators	Program Feature	Program Coverage Details
<p>Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania, and Yancey County</p> <ul style="list-style-type: none"> • Community Care of the Lower Cape Fear Region: Bladen, Brunswick, Columbus, New Hanover, Onslow, and Pender County • Access East Region: Beaufort, Bertie, Chowan, Edgecombe, Halifax, Hertford, Martin, Northampton, and Pitt County 	<p>Health Plans (PIHPs)</p> <ul style="list-style-type: none"> • Eastern Band of Cherokee Indians (EBCI) Tribal Option • Children and Families Specialty Plan 		<ul style="list-style-type: none"> • Healthy Home Goods • Home Accessibility and Safety Modifications • One-Time Payment for Security Deposit and First Month's Rent • Recuperative Care (i.e., Medical Respite) • Short-Term Post-Transition Housing • Food and Nutrition Access Case Management Services • Evidence-Based Group Nutrition Classes • Fruit and Vegetable Prescriptions • Healthy Food Boxes (For Pick-Up) • Healthy Food Boxes (Home-Delivered) • Healthy Meals (For Pick-Up) • Healthy Meals (Home-Delivered) • Medically Tailored Home-Delivered Meals
		Qualifying Health Criteria	<p>For individuals ages 21+, at least one of the following:</p> <ul style="list-style-type: none"> • 2 or more chronic conditions • Repeated incidents of emergency department use or hospital admissions (defined as more than four visits per year) <p>For pregnant individuals, at least one of the following:</p> <ul style="list-style-type: none"> • Multifetal gestation • Chronic condition likely to complicate pregnancy • Current or recent (month prior to learning of pregnancy) use of drugs or heavy alcohol • Adolescence \leq 15 years of age • Advanced maternal age \geq 40 years of age • Less than one year since last delivery • History of a poor birth outcome including preterm birth, low birth weight, fetal death, or neonatal death <p>For children ages 0 through 3, at least one of the following:</p> <ul style="list-style-type: none"> • Neonatal intensive care unit graduate

Applicable Geography	Applicable HOP Administrators	Program Feature	Program Coverage Details
			<ul style="list-style-type: none"> • Neonatal Abstinence Syndrome • Prematurity defined by birth occurring at or before 36 completed weeks gestation • Low birth weight defined as weighing less than 2500 grams or 5 pounds 8 ounces upon birth • Positive maternal depression screen at an infant well-visit <p>For children ages 0 through 20, at least one of the following:</p> <ul style="list-style-type: none"> • One or more significant uncontrolled chronic conditions or one or more controlled chronic conditions that have a high risk of becoming uncontrolled due to unmet social need • A health condition, including a behavioral health or developmental syndrome, stemming from trauma, child abuse, or neglect <p>For individuals under the age of 26 who were previously placed in North Carolina's foster care or kinship placement system and/or formerly justice-involved:</p> <ul style="list-style-type: none"> • A health condition, including a behavioral health or developmental syndrome, stemming from trauma, child abuse, and neglect
		Qualifying Social Risk Factors	<ul style="list-style-type: none"> • Homelessness • At risk of homelessness • Housing insecurity • Food insecurity
Statewide Expansion Counties: Alamance, Alexander, Alleghany, Anson, Ashe, Cabarrus, Caldwell, Camden, Carteret, Caswell, Catawba, Chatham, Cleveland, Craven,	No participation in DY8	Covered Services	Not covered in DY8
		Qualifying Health Criteria	Not covered in DY8
		Qualifying Social	Not covered in DY8

Applicable Geography	Applicable HOP Administrators	Program Feature	Program Coverage Details
Cumberland, Currituck, Dare, Davidson, Davie, Duplin, Durham, Forsyth, Franklin, Gaston, Gate, Granville, Greene, Guilford, Harnett, Hoke, Hyde, Iredell, Johnston, Jones, Lee, Lenoir, Lincoln, Mecklenburg, Montgomery, Moore, Nash, Orange, Pamlico, Pasquotank, Perquimans, Person, Randolph, Richmond, Robeson, Rockingham, Rowan, Sampson, Scotland, Stanly, Stokes, Surry, Tyrrell, Union, Vance, Wake, Warren, Washington, Watauga, Wayne, Wilkes, Wilson, and Yadkin		Risk Factors	

Appendix 2: Active HOP Non-HRSN Service Coverage and Eligibility Criteria

If State funds are available for HOP in DY7, the State will provide services to the eligible populations outlined in *Attachment L: 2022-2024 Healthy Opportunities Pilot Program Eligibility and Services*. In the absence of available state funding for HOP:

- The State will direct Healthy Opportunities Pilot Administrators to stop all new service authorizations at a date to be defined by the Department, but no sooner than July 1, 2025.
 - However, the State expects that Healthy Opportunities Pilot Administrators will stop new service authorizations sooner, within the parameters of their capped allocation authority, described in *Attachment L: 2022-2024 Healthy Opportunities Pilot (HOP) Program Eligibility and Services*, of North Carolina's STCs.
- The State also may require that Healthy Opportunities Pilot Administrators stop delivery of all existing services at a date to be defined by the Department, but no sooner than July 1, 2025. Any such action will be implemented in compliance with member notification requirements under STC 10.12.i.

The table below outlines the non-HRSN services and eligibility criteria that the state will cover in DY8 if the North Carolina General Assembly approves a HOP budget by the start of DY8.

This Appendix can be updated at any time, with notification to CMS as detailed in STC 10.12, to include any subset of the non-HRSN services and eligibility criteria outlined in Attachment L (in DY7 only) and Sections 1 through 4 of *Attachment N: Additional HOP Non-HRSN Services Protocol*, and to include additional regions of the state or new delivery systems.

DY 8 Non-HRSN Program Coverage Details

Applicable Geography	Applicable HOP Administrators	Program Feature	Program Coverage Details
<ul style="list-style-type: none"> • Impact Health Region: Avery, Buncombe, Burke, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, 	<ul style="list-style-type: none"> • Standard Plans • Tailored Plans • Prepaid Inpatient Health Plans (PIHPs) 	Covered Services	<ul style="list-style-type: none"> • Interpersonal Violence (IPV) Case Management Services • Violence Intervention Services • Evidence-Based Parenting Classes • Home Visiting Services • Diabetes Prevention Program • Holistic High Intensity Enhanced Case Management • Linkages to Health-Related Legal Supports

Applicable Geography	Applicable HOP Administrators	Program Feature	Program Coverage Details
<p>Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania, and Yancey County</p> <ul style="list-style-type: none"> • Community Care of the Lower Cape Fear Region: Bladen, Brunswick, Columbus, New Hanover, Onslow, and Pender County • Access East Region: Beaufort, Bertie, Chowan, Edgecombe, Halifax, Hertford, Martin, Northampton, and Pitt County 	<ul style="list-style-type: none"> • Eastern Band of Cherokee Indians (EBCI) Tribal Option • Children and Families Specialty Plan 	<p>Qualifying Health Criteria</p>	<ul style="list-style-type: none"> • Reimbursement for NMT and NEMT <p>For individuals ages 21+, at least one of the following:</p> <ul style="list-style-type: none"> • 2 or more chronic conditions • Repeated incidents of emergency department use or hospital admissions (defined as more than four visits per year) <p>For pregnant individuals, at least one of the following:</p> <ul style="list-style-type: none"> • Multifetal gestation • Chronic condition likely to complicate pregnancy • Current or recent (month prior to learning of pregnancy) use of drugs or heavy alcohol • Adolescence ≤ 15 years of age • Advanced maternal age ≥ 40 years of age • Less than one year since last delivery • History of a poor birth outcome including preterm birth, low birth weight, fetal death, or neonatal death <p>For children ages 0 through 3, at least one of the following:</p> <ul style="list-style-type: none"> • Neonatal intensive care unit graduate • Neonatal Abstinence Syndrome • Prematurity defined by birth occurring at or before 36 completed weeks gestation • Low birth weight defined as weighing less than 2500 grams or 5 pounds 8 ounces upon birth • Positive maternal depression screen at an infant well-visit <p>For children ages 0 through 20, at least one of the following:</p> <ul style="list-style-type: none"> • One or more significant uncontrolled chronic conditions or one or more controlled chronic conditions that have a high risk of becoming uncontrolled due to unmet social need

Applicable Geography	Applicable HOP Administrators	Program Feature	Program Coverage Details
			<ul style="list-style-type: none"> A health condition, including a behavioral health or developmental syndrome, stemming from trauma, child abuse, or neglect <p>For individuals under the age of 26 who were previously placed in North Carolina’s foster care or kinship placement system and/or formerly justice-involved:</p> <ul style="list-style-type: none"> A health condition, including a behavioral health or developmental syndrome, stemming from trauma, child abuse, and neglect
		Qualifying Social Risk Factors	<ul style="list-style-type: none"> Individual is at risk of witnessing, or experiencing interpersonal violence and/or toxic stress, as defined based on the principles in the questions used to establish interpersonal violence in the Accountable Health Communities Health Related Screening Tool or the North Carolina SDOH screening tool. Individual is eligible for and would benefit from participation in the CDC-recognized Diabetes Prevention Program to avoid or delay onset of diabetes. Individual has co-occurring social risk factors requiring intensive case management, defined as at least two of the following: <ul style="list-style-type: none"> Housing social risk factor(s), as defined in Attachment M; and/or, Nutrition social risk factor, as defined in Attachment M; and/or, Is at risk of witnessing, or experiencing interpersonal violence as described above. Individual requires assistance in accessing supports to assess legal issues in the housing, nutrition, and/or interpersonal violence/toxic stress service domains.

Applicable Geography	Applicable HOP Administrators	Program Feature	Program Coverage Details
			<ul style="list-style-type: none"> Individual has been authorized for any other HOP service (HRSN or non-HRSN) and requires transportation to access that service.
Statewide Expansion Counties: Alamance, Alexander, Alleghany, Anson, Ashe, Cabarrus, Caldwell, Camden, Carteret, Caswell, Catawba, Chatham, Cleveland, Craven, Cumberland, Currituck, Dare, Davidson, Davie, Duplin, Durham, Forsyth, Franklin, Gaston, Gate, Granville, Greene, Guilford, Harnett, Hoke, Hyde, Iredell, Johnston, Jones, Lee, Lenoir, Lincoln, Mecklenburg, Montgomery, Moore, Nash, Orange, Pamlico, Pasquotank, Perquimans, Person, Randolph, Richmond, Robeson, Rockingham, Rowan, Sampson, Scotland, Stanly, Stokes, Surry, Tyrrell,	No participation in DY8	Covered Services	Not covered in DY8
		Qualifying Health Criteria	Not covered in DY8
		Qualifying Social Risk Factors	Not covered in DY8

Applicable Geography	Applicable HOP Administrators	Program Feature	Program Coverage Details
Union, Vance, Wake, Warren, Washington, Watauga, Wayne, Wilkes, Wilson, and Yadkin			