



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

JOSH STEIN • Governor

DEVPUTTA SANGVAI • Secretary

MELANIE BUSH • Deputy Secretary, NC Medicaid

October 8, 2026

Sarak Aker
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. Aker and Ms. Higgins:

On September 25, 2026, the North Carolina Department of Health and Human Services (NC DHHS) received an overlay letter and new Attachment V from the Centers for Medicare & Medicaid Services (CMS), which applies to the State's section 1115(a) demonstration titled "North Carolina Medicaid Reform Demonstration" (Project Numbers 11-W-00313/4). The purpose of this overlay letter and new Attachment V is to make conforming changes to Special Terms and Conditions (STCs) to align with Public Law 119-21. Specifically, the STC changes align North Carolina's section 1115 authorities for continuous eligibility for children and youth with section 71109 changes related to Medicaid coverage for noncitizens, effective October 1, 2026.

This letter serves as North Carolina's official acceptance of the conforming changes to the STCs included in the September 25, 2026 CMS action.

We appreciate CMS's continued collaboration and support.

NC MEDICAID

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

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Sincerely,



Melanie Bush
Deputy Secretary for NC Medicaid
North Carolina Department of Health and Human Services

Cc: Michael Trieger, CMS
Leilani Ochai, CMS
Todd Baustert, North Carolina Department of Health and Human Services
Kathryn Horneffer, North Carolina Department of Health and Human Services