

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-25-26
Baltimore, Maryland 21244-1850



State Demonstrations Group

October 23, 2024

Jay Ludlam
Deputy Secretary, North Carolina Medicaid
North Carolina Department of Health and Human Services
2501 Mail Service Center
Raleigh, NC 27699-2501

Dear Deputy Secretary Ludlam:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) has approved a temporary extension of the state's section 1115 demonstration, entitled "North Carolina Medicaid Reform Demonstration" (Project Number 11-W-00313/4), in order to allow the state and CMS to continue negotiations over the state's demonstration extension application submitted on October 31, 2023. This demonstration will now expire December 13, 2024.

CMS's approval is conditioned upon the state's continued compliance with the special terms and conditions (STCs) defining the nature, character, and extent of anticipated federal involvement in the project. The current STCs and expenditure authorities will continue to apply during the temporary extension of this demonstration. The state's current budget neutrality agreement and per member per month amounts (as of Demonstration Year 6) will continue to apply as described in the STCs, until December 13, 2024, or until the demonstration is extended, whichever is sooner.

For the temporary extension period, the state must continue to monitor its demonstration as stipulated in the current STCs. In addition, the state is required to include this and the prior temporary extension periods in its demonstration evaluation. The state may choose to include this and the prior temporary extension periods within its summative evaluation for the demonstration approval period beginning January 1, 2019. In this case, the Summative Evaluation Report is due 18 months after the end of this temporary extension period. Alternatively, if CMS approves an extension beyond December 13, 2024, the state may choose to include the temporary extension periods in the Evaluation Design and activities of the next full demonstration approval period.

Your CMS project officer for this demonstration is Ms. Shelby Higgins. She is available to answer any questions concerning your section 1115 demonstration and can be reached at Shelby.Higgins@cms.hhs.gov. If you have questions regarding this communication, please contact me at (410) 786 - 9686.

Sincerely,

Jacey Cooper
Director

cc: Morlan Lannaman, State Monitoring Lead, Medicaid and CHIP Operations Group