



NC DEPARTMENT OF
HEALTH AND HUMAN SERVICES
 Office of the Secretary

ROY COOPER • Governor

KODY H. KINSLEY • Secretary

JAY LUDLAM • Deputy Secretary, NC Medicaid

SUSAN G. OSBORNE • Deputy Secretary for Opportunity and Well-Being

November 17, 2023

Dear County Managers and DSS Directors,

Medicaid expansion in North Carolina is now just days away. Thank you for the tremendous efforts of you and your teams in preparing for this historic moment. Beginning on December 1, Medicaid expansion will increase access to health coverage to more than 600,000 North Carolinians and improve the health and well-being of communities across the state.

While this is an unprecedented opportunity, we know that the important work to expand health coverage across our state begins at local DSS offices. We are grateful for your partnership in preparing for the launch of expansion and are committed to supporting you moving forward. We know the workload will be significant in managing the increased number of applications expected from expansion, in addition to the elevated workload associated with unwinding continuous coverage. We will continue to pursue opportunities to help you manage this challenge.

Leading up to the launch of expansion, the North Carolina Department of Health and Human Services (NCDHHS) is focused on providing policy changes, automation improvements, training opportunities, and financial support to help counties meet this increased demand. Below are some of the recent developments targeted to helping DSS staff effectively manage increased workloads moving forward, including a new flexibility we have just secured from our federal partners.

Policy changes to reduce staff workloads

NCDHHS has received a waiver from the Centers for Medicare and Medicaid Services (CMS) to extend eligibility for children under the age of 19 for recertifications for an additional year. We believe continuing health care coverage for children is not only in the best interest of North Carolina, but it will also help significantly reduce the immediate workload of County DSS staff. DSS agencies will receive guidance from NC Medicaid regarding this new flexibility soon.

Other changes that we have implemented or plan to implement include:

- Updated residency requirement to one form of residency verification instead of two;
- Updated beneficiary address using USPS forwarding address or National Change of Address without additional verification;
- Increased Reasonable Compatibility threshold from 10% to 20% to help increase application processing; and
- Automatically renewing Medicaid eligibility for individuals with aged/blind/disabled coverage who have income at or below 100% FPL and asset amounts below the reserve limit (targeted implementation in January).

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Financial support to counties

- In June, in response to requests from county leaders, NC DHHS distributed \$8.335 million in funding to counties, to support efforts to prepare to implement expansion before the funding from the Medicaid expansion legislation, S.L. 2023-7, became available.
- In accordance with S.L. 2023-7, NCDHHS will begin distributing an additional \$1.667 million per month to counties to support their implementation of Medicaid expansion beginning December 1, 2023. Per S.L. 2023-7, the funding to counties is set to increase in subsequent years.
- It is important to note that this funding represents the 25% or 50% county match for eligible Medicaid expenditures. The total funding to counties will be higher when the federal match is included.

Increased automation

NC Medicaid has implemented several technological improvements that reduce the county DSS workload by:

- Automating an increasing share of recertifications and applications with straight through processing that require no county caseworker touches – currently a monthly average of 56,000 applications and recertifications.
- Implementing automated proactive communications through texts, email, and phone calls.
- Using updated Food and Nutrition Services information to automatically determine Medicaid eligibility, easing workload from counties.
- Working with the Centers for Medicare and Medicaid Services (CMS) to become a federally facilitated marketplace determination state, so individuals can apply for Medicaid at [healthcare.gov](https://www.healthcare.gov), removing workload and liability from counties.

Training and engagement

NC Medicaid has prioritized and increased training opportunities and technical assistance to help bolster the County DSS workforce and collaboratively overcome challenges by:

- Providing targeted technical assistance to the counties on process improvements and workflow enhancements through multiple onsite meetings;
- Conducting quarterly county surveys to collect data on staffing, vacancies, application/recertification progress, call volume;
- Conducting Medicaid Expansion and Recertification Process Training;
- Identifying 39 counties to provide additional support and guidance;
- Convening a monthly DSS County Workgroup on expansion and the continuous coverage unwinding since last year;
- Increasing the frequency of Operational Support Team visits;
- Providing 30 statewide best practice recommendations;
- Distributing Staffing Tool for counties to use to estimate required staff for applications and recertification processing;
- Creating an Internal Monitoring Report to track application and recertification progress; and
- Developing and distributing a Medicaid expansion online toolkit with information and resources in English and Spanish.

We remain committed to working closely with you to identify additional opportunities to support counties. The preparation for Medicaid expansion at the state and county level has been significant and we are grateful for all that you have and are doing to expand health care access across our state. As we navigate through the coming weeks and months together, please direct questions, concerns, and opportunities for further collaboration and support to Deputy Secretary Jay Ludlam at jay.ludlam@dhhs.nc.gov. Thank you again for your continued partnership and the transformative work you are doing for North Carolinians.

In partnership,
Jay Ludlam
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Jay Ludlam
Deputy Secretary, NC Medicaid

DocuSigned by:
Susan Osborne
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Susan Osborne
Deputy Secretary, Opportunity and Well-Being