

Thursday, October 2, 2025

Dear Provider Association Partners,

On behalf of North Carolina's Medicaid managed care Standard Plans (SPs), thank you for your continued partnership as we navigate the difficult challenges posed by the fee schedule changes directed by the North Carolina Department of Health and Human Services (NCDHHS). I am writing to outline the approach that the Standard Plans will take to implement these changes.

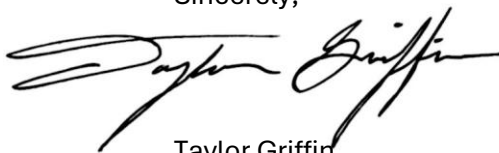
We remain committed to working closely with you to mitigate, to the extent possible, the hardship these reimbursement reductions may impose on providers. Based on your feedback, all five Standard Plans have agreed to the following implementation process:

- **Effective Date:** The revised fee schedules will be effective October 1, 2025, as required by NCDHHS. However, plans have up to 45 days to implement these changes and will use that flexibility to delay the immediate impact on providers.
- **Implementation of Rate Reductions (November 1, 2025):** All five Standard Plans will continue to pay claims at the previous rates through October. Reduced rates will take effect for claims paid on or after November 1, 2025.
- **Recoupment:** After implementation of the new fee schedules, plans will begin notifying providers of any overpayments for claims paid after the October 1 effective date.
- **Legislative or DHHS Action:** If NCDHHS rescinds the rate reductions before November 1, plans will not proceed with implementation of the reduced fee schedules.

This approach aligns the implementation timelines for both the Tailored Plans and Standard Plans, helping to simplify administration for providers. Delaying the reductions until November 1 will also provide a brief buffer to ease immediate cash flow disruptions. However, absent a resolution to the current budget impasse, NCDHHS has indicated that plans will be required to recoup any overpayments made for dates of service on or after October 1.

We will continue to work closely with you in the weeks ahead as we face these difficult challenges together. We remain proud of what we've accomplished in partnership on behalf of North Carolina's Medicaid beneficiaries, and we are committed to advocating for solutions to the current funding shortfall. Thank you for your ongoing collaboration and for the important work of the providers you represent.

Sincerely,



Taylor Griffin