

October 29, 2025

Dear Provider Association Partners,

Beginning November 1, 2025, the four LME/MCOs will implement the rate reductions established by the North Carolina Department of Health and Human Services (NCDHHS), effective October 1, 2025.

As you know, the Tailored Plans collectively delayed implementation by one month to minimize provider disruption and allow additional time to identify a possible resolution. Unfortunately, it now appears that no solution will be reached before November 1.

We understand that these reductions are significant and will have serious consequences for North Carolina Medicaid providers. However, the Tailored Plans must proceed with implementation as directed by NCDHHS, as no alternative path is currently available.

While all four LME/MCOs operating Tailored Plans will begin applying the reduced rates on November 1, the processes for recouping October payments made at the previous (higher) rate may vary by organization. We encourage providers to closely review forthcoming communications from each LME/MCO for details and timelines.

The NC Association of Public Community Health Plans will continue to advocate with the North Carolina General Assembly and the Governor's Office to reverse these cuts as soon as possible. We remain committed to open communication and to working alongside our provider and community partners to preserve the strength and stability of North Carolina's public behavioral health system.

Sincerely,

Rob Robinson, Area Director and Chief Executive Officer, Alliance Health
Libby McCraw, Area Director and Chief Executive Officer, Partners Health Management
Joy Futrell, Area Director and Chief Executive Officer, Trillium Health Resources
Tracy Hayes, Area Director and Chief Executive Officer, Vaya Health

