



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

JOSH STEIN • Governor

DEV DUTTA SANGVAI • Secretary

LISA TUCKER CAULEY • Division Director, Human Services

June 4, 2026

DEAR COUNTY DIRECTORS OF SOCIAL SERVICES

ATTENTION: DIRECTORS, CHILD WELFARE PROGRAM ADMINISTRATORS, MANAGERS, SUPERVISORS, SOCIAL WORKERS, AND LICENSED CHILD PLACING AGENCIES

SUBJECT: TRANSITION OF CARE FLEXIBILITIES UPDATE

REQUIRED ACTION: Information Only Time Sensitive Action Required

This communication serves as an important update to the current Transition of Care (TOC) flexibilities for the Children and Families Specialty Plan (CFSP). Due to the successful launch and stabilization of the CFSP program, most of the TOC flexibilities are set to expire June 30, 2026. There is no impact to services covered by the CFSP. If a CFSP member sees an out-of-network provider, work with the Care Manager to identify an in-network provider or check to see if the provider is in the process of contracting to become an in-network provider.

Below is a summary of what will change upon the expiration of most of the TOC flexibilities.

Medical Prior Authorizations

Starting July 1, 2026, the CFSP may deny payment for services which require a prior authorization (PA) if the provider did not obtain authorization before delivering the service, except in cases of retroactive eligibility.

Pharmacy Prior Authorizations

Starting July 1, 2026, the CFSP may deny payment for drugs which require PA if the provider did not obtain authorization before dispensing the medication, except in cases of retroactive eligibility. Providers are encouraged to continue to utilize the 72-Hour Emergency supply override allowed for a drug requiring prior approval.

Out-of-Network Provider Rates

Starting July 1, 2026:

- Out-of-network providers with whom the CFSP has made a good faith effort to contract will be reimbursed at no more than 90% of the Medicaid fee-for-service rate.
- Out-of-network primary care physicians and physician extenders will be reimbursed by the CFSP at 100% of the NC Medicaid fee-for-service rate, unless the CFSP and provider have a mutually agreed alternative reimbursement arrangement.

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

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Note: *Out-of-network providers must still be enrolled in NC Medicaid to receive reimbursement from the CFSP.*

Primary Care Provider Changes

Starting July 1, 2026, members can change their primary care provider (PCP) once each year for any reason and may change their PCP at any time with cause, such as:

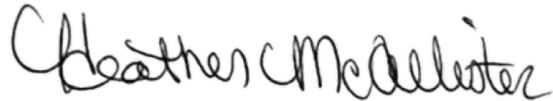
- The member changes placement or moves to a location when the PCP is no longer reasonably accessible
- The member disagrees with the treatment plan
- The PCP cannot accommodate the member's needs
- The PCP moves to a different location that is not convenient for the member
- The provider leaves the CFSP network

Continuing Flexibility: Out-of-Network Providers Follow In-Network Prior Authorization Rules

Please note the non-participating providers follow in-network prior authorization flexibility will continue through **Oct. 31, 2026**. This means, through Oct. 31, 2026, the CFSP will permit uncontracted, out-of-network providers enrolled in NC Medicaid to follow in-network provider prior authorization rules.

Thank you for your continued partnership with North Carolina's children and families.

Sincerely,



Heather McAllister, MSW, LCSW, LCAS, CBIS
Section Chief for Well-Being

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