



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Social Services

JOSH STEIN • Governor
DEV DUTTA SANGVAI • Secretary
CARLA WEST • Division Director, Human Services

January 7, 2025

Dear County Manager and County Director of Social Services:

In April 2024, the North Carolina Department of Health and Human Services (NCDHHS) sent the Memorandum of Understanding (MOU) for State Fiscal Years 2024-2025 and 2025-2026 to all counties, as required under Session Law 2017-41. At that time, we recognized that the ongoing impacts of the pandemic, along with challenges such as Medicaid unwinding, Medicaid Expansion, Tailored Plans, and workforce shortages would significantly affect the ability of counties to meet many of the performance measures outlined in the MOU for SFY 2024-2025 and SFY 2025-2026.

NCDHHS has committed to considering a pause in issuing corrective action or development plans on a county-by-county basis when external factors, such as natural disasters, were identified as barriers outside a county's control. In April 2024, NCDHHS determined that the challenges counties faced met the criteria for a statewide pause on corrective action plans. This pause provided counties with the opportunity to address and implement procedures to overcome these barriers. It was also noted that the situation would be reassessed in December 2024.

Session Law 2017-41, Part III, which amended NCGS §108A-74, outlines the steps the state must take if mandated performance requirements and administrative responsibilities concerning social services programs (other than medical assistance) are not met as per the MOU. [See excerpts below; full statute attached.]

§ 108A-74. Counties and regional social services departments required to enter into annual written agreement for all social services programs other than medical assistance; local department failure to comply with the written agreement or applicable law; corrective action; State intervention in or control of service delivery.

(a2) The Secretary shall require all counties and regional social services departments to

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enter into a written agreement each year that specifies mandated performance requirements and administrative responsibilities with regard to all social services programs other than medical assistance, [subject to the following:]

(a3) If a department of social services fails to comply with the terms of the written agreement, the mandated performance measures, or other applicable law for three consecutive months or for five months within any consecutive 12-month period for those terms or mandated performance measures that are measured less than annually, or fails to comply for two consecutive 12-month periods for those terms or mandated performance measures that are measured on an annual basis, the Secretary and the department of social services shall enter into a joint corrective action plan within 60 working days. The Secretary may also require a corrective action plan more quickly in urgent circumstances, regardless of whether the circumstances are directly related to a mandated performance requirement specified in the written agreement. The board of social services and the county manager shall be notified of any joint corrective action plan.

Starting in January 2025, we will begin implementing the required corrective action process outlined in (a3). Counties that fail to comply with the terms of the MOU, mandated performance measures, or other applicable laws for three consecutive months, or for five months within any consecutive 12-month period, will be required to enter into a joint corrective action plan within 60 working days of failing to meet the MOU requirements. For those metrics that are measured on an annual basis, failure to comply for two consecutive 12-month periods will also trigger the corrective action plan process. A county's compliance with the performance measures prior to January 1, 2025, will not be included in the timeframes outlined above.

The corrective action process, as outlined in the General Statute, will be delayed for the 25 counties that were most impacted by Hurricane Helene and remain under a federal state of emergency. The 25 counties that remain under a pause are Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Catawba, Clay, Cleveland, Gaston, Haywood, Henderson, Jackson, Lincoln, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Transylvania, Watauga, Wilkes, and Yancy. Although no formal performance improvement plans or corrective actions will be initiated for these counties related to MOU performance as long as the state of emergency is in effect, each county's performance will continue to be monitored, and data will be shared as needed to support process improvements. This pause will remain in place as long as the state of emergency is in effect.

It is important to note that the goal of these procedures is to ensure that we are meeting the performance expectations outlined in federal and state laws. NCDHHS is committed to working collaboratively with counties facing challenges in meeting the performance

measures. We will provide support through a Continuous Quality Improvement framework established by our regional teams to help counties improve and succeed.

Attached, you will find Attachment I: Performance Measures At-A-Glance from the SFY 2024-25 and 2025-2026 MOU, which outlines the performance requirements for the following programs: Energy, Work First, Food and Nutrition Services, Child Welfare, Adult Protective Services, Special Assistance, and Child Support.

In accordance with Session Law 2017-41, Section 2.1(d), the state is also required to develop a Social Services System Transparency and Wellness Dashboard that includes the standard set of performance and outcome metrics as outlined in the MOU and make that dashboard available to the general public. To fulfill this requirement, a dashboard that includes performance by county for each of the measures in the MOU will be made publicly accessible in July 2025. If you have questions regarding this requirement and/or the dashboard, please reach out to your Regional Director.

As previously mentioned, a workgroup is being formed to discuss the current MOU process. We greatly value your ongoing partnership in providing essential services to the citizens of North Carolina. If you have any questions or need additional information, please feel free to reach out to me directly.

Sincerely,



Carla West
Division Director, Human Services
Child Support, Economic Services, Aging and Operations

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Attached: Attachment I: Performance Measures At-A-Glance
N.C.G.S. §108A-74