NC Department of Health and Human Services

Expanding Access to Services and Supports for People with Intellectual and Developmental Disabilities

Inclusion Connects Quarterly Report
Data Collection Period: October 1, 2025, through December 31, 2025

April 15, 2026

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Executive Summary

Purpose

In May 2024, the North Carolina Department of Health and Human Services (NCDHHS or the Department) and Disability Rights North Carolina (DRNC) agreed to a consent order in the Samantha R. et al. vs. NCDHHS and the State of North Carolina litigation (the Consent Order), outlining specific activities NCDHHS will pursue to address gaps in the Intellectual and Developmental Disabilities (I/DD) system. The Consent Order contains detailed reporting requirements to measure progress toward ensuring people with I/DD can access community-based services and move out of institutional settings if they choose. This report details progress toward improving access to services and support for people with I/DD. The data, analysis, and narrative contained within this report fulfill Consent Order legal requirements and inform an intelligent approach to NCDHHS efforts in the future. As such, this report includes reporting elements required by the Consent Order and additional illustrative elements demonstrating NCDHHS' multifaceted commitment to supporting the I/DD community.

Background

NCDHHS Commitment

NCDHHS is committed to supporting people with I/DD in their communities. As part of this commitment, current services and systems are being transformed to ensure they are more inclusive and responsive to the needs of people with I/DD. NCDHHS efforts focus on educating people about housing and support options and connecting people with appropriate services and supports to meet their needs. The goal is to create an empowering environment that facilitates access to essential resources, thus enabling people with I/DD to thrive within their communities.

In March 2025, NCDHHS posted the Inclusion Connects Work Plan, North Carolina's complete strategy to improve services for people with I/DD. The first annual update of the Work Plan was posted on March 12, 2026 and provides an update on completed tasks over the past year, as well as outlines priorities for the coming year.

Data Collection Process

Under the terms of their respective contracts with NCDHHS, the Tailored Plans[1] and LME/MCOs (collectively, "LME/MCOs") are required to submit reports to NCDHHS on a predefined basis (e.g., monthly, quarterly) that includes detailed information on the services and supports provided to the I/DD community. NCDHHS supplements LME/MCO reporting with Claims and Encounter data for Medicaid

[1] NCDHHS launched the Behavioral Health and I/DD Tailored Plans (Tailored Plans) on July 1, 2024. Tailored Plans are integrated health plans designed specifically to serve individuals with severe mental illnesses, substance use disorders, or long-term care needs including I/DD and traumatic brain injury. Additional information about Tailored Plans is available at Behavioral Health and Intellectual/Developmental Disabilities Tailored Plans | NC Medicaid. The Local Management Entity/Managed Care Organizations (LME/MCOs) are companies that: manage NC Medicaid Tailored Plans, coordinate certain services for NC Medicaid Direct beneficiaries, and coordinate certain services for EBCI Tribal Option members. There are four (4) LME/MCOs in total, with one (1) LME/MCO for each county.

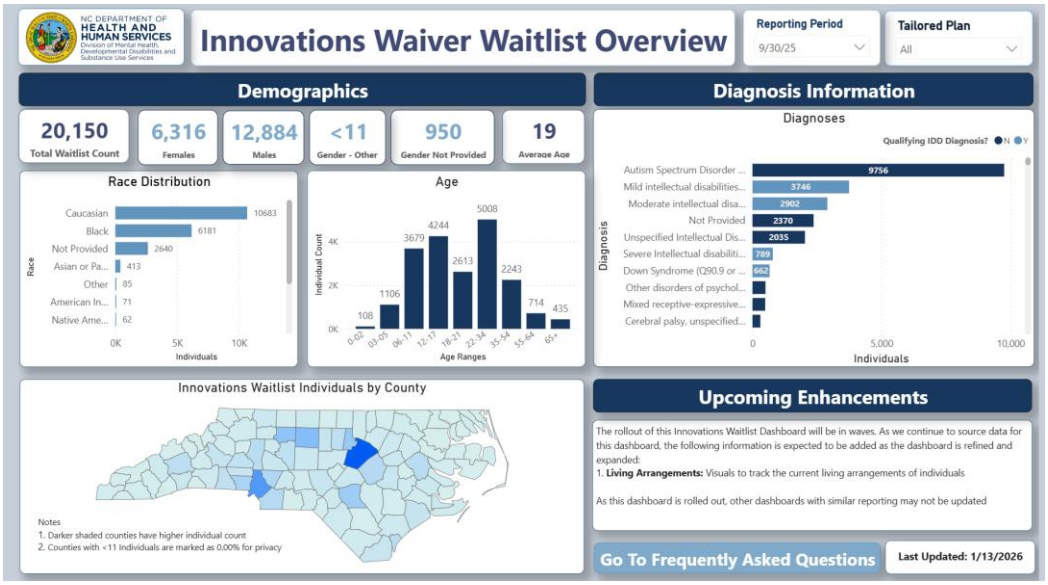
and State Funded Services to populate this report and drive action. The Department is grateful for the continued dedication and collaboration of the LME/MCOs and other stakeholders in supporting the I/DD community.

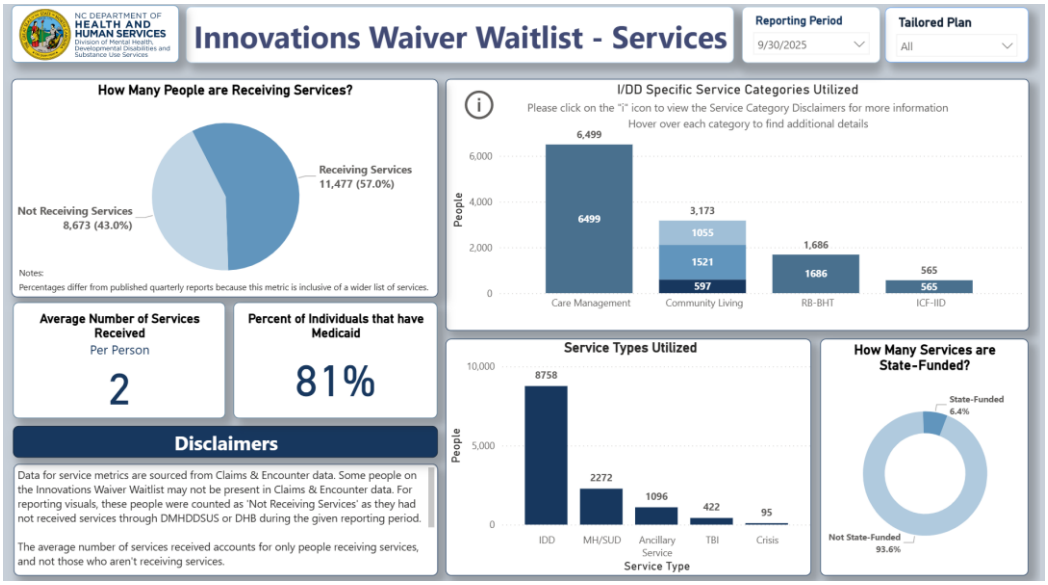
As part of continuous efforts to ensure data quality and provide operational oversight, NCDHHS reviews LME/MCO-submitted reports and works collaboratively with LME/MCOs to address potential gaps. This ongoing prioritization of data quality improvement helps ensure the most accurate information is collected. NCDHHS regularly engages with LME/MCOs and providers throughout the data collection period, including technical assistance and written feedback.

Once reports are collected and reviewed, NCDHHS leverages tools such as Power Business Intelligence (Power BI) for further analysis. Power BI connects various data sources and provides additional data cleansing and transformation tools that allow for in-depth insights and calculations. By leveraging Power BI's features, visuals and tables are generated, many of which are used in this report. In December 2024, NCDHHS Inclusion Connects[2] launched a Power BI dashboard to analyze information about people on the Innovations Waiver Waitlist. The Innovations Waiver Waitlist Dashboard is refreshed every quarter in alignment with data and reporting periods from the Inclusion Connects Quarterly Report publication.

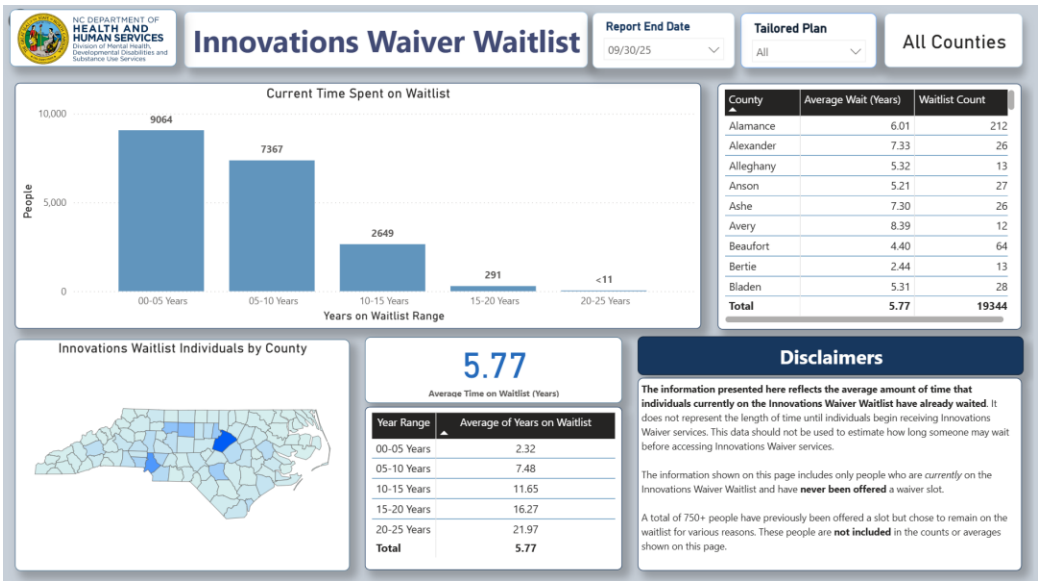
In August 2025, the Dashboard was expanded to include information on services provided to individuals on the Innovations Waiver Waitlist. The dashboard highlights key services being accessed, including Care Management, Home & Community Services, Respite, and Employment Supports. The Department seeks to better understand what services people are, and are not, receiving while on the Waitlist to identify gaps in education and care, guide system improvements, and ensure better access to critical community-based supports. These insights will strengthen NCDHHS' ability to plan and deliver services more effectively across North Carolina. The screenshots below represent data through September 30, 2025. All portions of the Innovations Waiver Waitlist Dashboard will be updated in April 2026 to show data through December 31, 2025.

[2] Inclusion Connects | NCDHHS unites people with I/DD to more choices and more access to services and supports. This collaboration among NCDHHS divisions, including the Division of Mental Health, Developmental Disabilities, and Substance Use Services, and the Division of Health Benefits (NC Medicaid), to provide resources for connecting individuals with I/DD to services and supports available to live, work and play in their chosen communities.





In December 2025, the Innovations Waiver Waitlist Dashboard was further expanded to include data showing the average time people with I/DD who remain on the Waitlist. The wait time data is available by county and by Tailored Plan. It does not show how long it will take for someone to start receiving Innovations Waiver services. The Inclusion Connects team continues to investigate further and will provide updates on the dashboard. The screenshot below represents data through September 30, 2025. This page is updated on the same cadence, with the next update scheduled for April 2026.



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Findings

This report is structured to align with the reporting requirements listed in section IV of the Consent Order, with minor adjustments to group requirements related to a particular area (e.g., transition-related requirements, diversion-related requirements). Each section contains Consent Order requirements, corresponding data, and additional illustrative elements that demonstrate the Department's multifaceted commitment to serving the I/DD community. Specific Consent Order reporting requirements are clearly noted where present and included in a single, combined table in Attachment 1 on page A-1. Consent Order Benchmarks are included where work is ongoing, and all Benchmarks and their associated statuses are included in Attachment 2 on page A-4. Additional contextual information is provided in Attachment 3 on page A-8.

Diversion and Transition Services

NCDHHS is committed to **increasing awareness, education, and access to the entire continuum of community-based housing options for people with I/DD**. The following section is organized by key activities. It includes findings from LME/MCO reporting on In-Reach, diversion, and transition activities for the I/DD population. Based on feedback from LME/MCOs and diversion partners, the Inclusion Connects team created a revised template to improve data collection for In-Reach, diversion, and transition data. The revisions do not remove any reporting required in the Consent Order but serve to improve the accuracy of reporting requirements. The revisions also provide clarifications to definitions and instructions to aid LME/MCOs in completing the report.

Additionally, the Department has created a Scenario Guide for the I/DD In-Reach, Diversion, Transition Activity Report to support data collection activities at LME/MCOs. The draft was reviewed by LME/MCOs in December and was made available in February 2026 for use across LME/MCOs and the Children and Families Specialty Plan (CFSP) program. This document will continue to be updated as additional scenarios and guidance are identified by NCDHHS and LME/MCOs.

NCDHHS continues to pursue data collection on Transitions to Community Living (TCL) members with co-occurring I/DD diagnoses and Money Follows the Person (MFP) I/DD transitions. This data is reflected in this report. The addition of the data from both TCL and MFP has increased numbers for transitions and diversions. Please see the Transition and Diversion Data Tables to view cumulative counts, including TCL data. Beginning with the July 15, 2026 quarterly report, In-Reach, diversion, and transition data from the CFSP program will be added. This program began on December 1, 2025, so these members were captured by Tailored Plan reporting for the Oct – Dec 2025 reporting period.

In addition to the metrics derived from LME/MCOs, narrative summaries of NCDHHS-led initiatives designed to support education and access to community-based housing are included.

In-Reach Activities and Impact

To ensure people living in institutional settings and their legally responsible person/people (LRP) are educated on all available housing options, In-Reach remains a vital component of the Department's approach to transition and housing. The Consent Order defines In-Reach as frequent education efforts to individuals residing in institutional settings through face-to-face interactions. Face-to-face In-

Reach can include in-person, and telehealth (2-way audio visual) interactions. Education efforts are designed to inform people and their LRP about home and community-based service options. In-Reach efforts will help identify people interested in moving to a home or community-based setting, and make a referral for transition, if desired. Through these activities, people with I/DD and their LRP are provided information about the benefits of community-based services, can visit community-based settings, and are offered opportunities to interact with peers residing in integrated settings.

The NCDHHS Peer Supports workgroup has created an outline of the I/DD TBI Peer Mentoring curriculum with collaborative efforts from people with I/DD and people who work with this population. Currently, the workgroup and the NC Certified Peer Support Specialists (CPSS) Program are working on a Request for Applications (RFA) to contract out development of the training. The RFA is expected to launch in summer 2026, with a strong commitment to ensuring the program is shaped and built by people with lived experience. The Department will continue to provide updates as information is shared about the progress of the program.

Key Findings

Consent Order Reporting Requirement IV.1.c. Diversion and Transition Services: Number and percentage of individuals with I/DD eligible for In-Reach activities who are engaged in In-Reach activities.

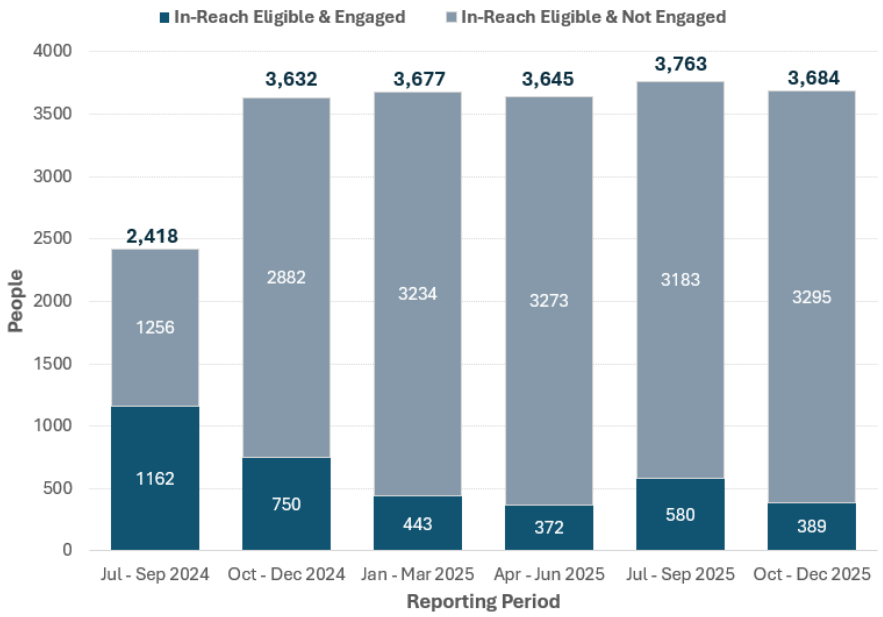
Consent Order Reporting Requirement IV.1.d Diversion and Transition Services: Number and percentage of individuals with I/DD who began transition planning following In-Reach.

Table 1: Findings for In-Reach Reporting Requirements (IV.1.c and IV.1.d)

IV.1.c Individuals with I/DD Eligible for and Engaged in In-Reach Activities				
Reporting Period	**Face to Face**	**Not Face to Face**	**Total**	**Percentage of Total Eligible Individuals**
Jul – Sep 2024	592	570	1,162	48.0%
Oct – Dec 2024	349	401	750	20.6%
Jan – Mar 2025	220	223	443	12.0%
Apr – Jun 2025	93	279	372	10.2%
Jul – Sep 2025	245	250	580	15.4%
Oct – Dec 2025	204	185	389	10.5%
IV.1.d Individuals with I/DD who Began Transition Planning Following In-Reach				
Jul – Sep 2024	389			33.4%
Oct – Dec 2024	119			15.9%
Jan – Mar 2025	132			29.7%
Apr – Jun 2025	132			35.5%
Jul – Sep 2025	108			18.6%
Oct – Dec 2025	108			27.9%

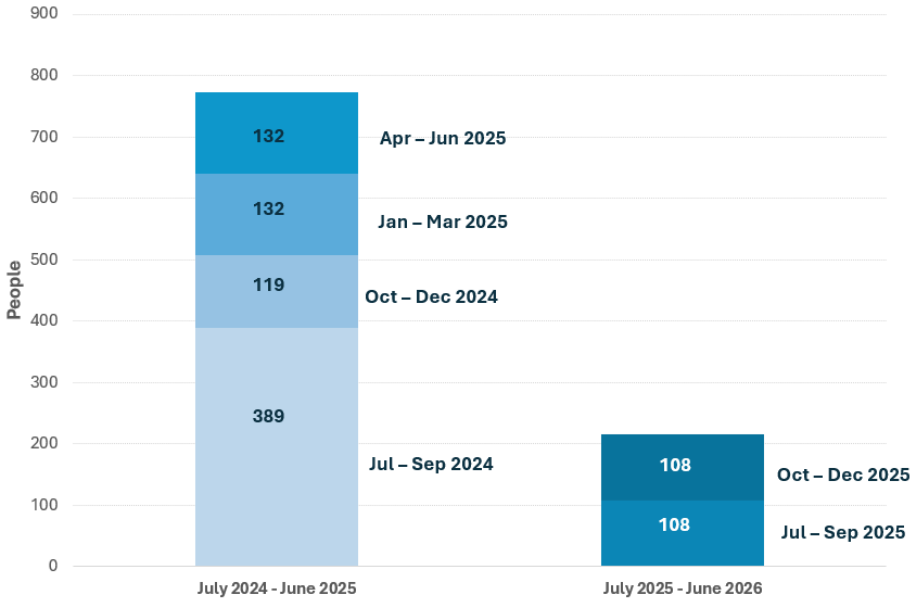
Source: LME/MCO Reporting

Chart 1: Individuals with I/DD Eligible for and Engaged in In-Reach Activities (IV.1.c)



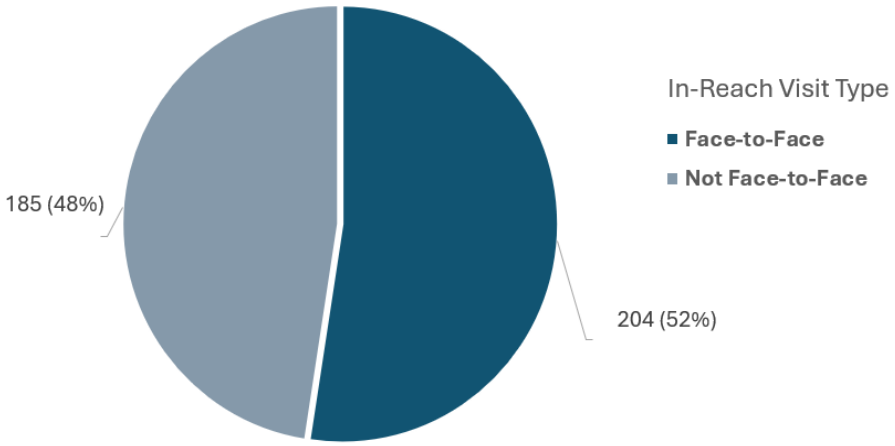
Source: LME/MCO Reporting

Chart 2: Individuals with I/DD who Began Transition Planning Following In-Reach (IV.1.d)



Source: LME/MCO Reporting

Chart 3: In-Reach Visit Type for July - September 2025



Source: LME/MCO Reporting

In-Reach Reporting Metric Data Narrative:

- This reporting period showed a decrease in the number of eligible people with I/DD engaged in In-Reach activities, as compared to the previous quarter. The Department expects the population living in institutional settings to fluctuate from quarter to quarter.
- For the Oct – Dec 2025 reporting period, there were 204 people involved in face-to-face In-Reach activities and 185 people involved in non-face-to-face In-Reach activities. Overall, there was a decrease in the total number of people engaged in In-Reach this quarter. The Department suspects this could be due to the impact of the holidays on staffing and availability. As seen in previous quarters, fluctuation in the total number of people engaged in In-Reach is to be expected.
- Overall, it is important to understand LME/MCO staff are trying to meet the needs of the people they are serving by providing In-Reach through multiple methods, thus not limiting them to only face-to-face interactions. Education about community-living options can be provided in more than face-to-face interactions, as is being proven by the data provided by LME/MCOs.
- The number of people who expressed an interest in transition planning after engaging with In-Reach remained steady at 108. This count is not entirely unique each quarter, as individuals still engaged in transition planning can span across quarterly reports. The number of people not engaged with In-Reach is not reflective of LME/MCOs efforts to educate people with I/DD and/or their LRPs about the benefits of receiving services in the community. Ultimately the choice to receive education about community-living options belongs to the person with I/DD and/or their LRP.
- Guardian objections continue to be the number one reason people are choosing not to begin transition planning after In-Reach attempts (n = 145). Additionally, people either not interested in transition planning or who are satisfied with their current placement continue to be commonly cited reasons for not entering into the transition planning process as well (n = 50).

- Other reasons individuals were not interested include hesitation about moving to a perceived lower level of care and service needs (I/DD, Physical Health, and Behavioral Health).
- Guidance and standardization around in-reach will help address guardian/LRP concerns by ensuring people are well educated about the availability of services and placement options before they make a decision.

Transition Planning and Discharge

Transition planning is critical to the success of someone interested in moving into a community-based setting of their choice. LME/MCOs are trained to work with the person with I/DD and their LRP, if applicable, on developing a transition plan. The plan will ensure appropriate services are in place prior to transition, using person centered planning throughout the process. The teams will also make sure the person with I/DD is prepared for potential challenges upon discharge and help work toward resolutions. The education provided by LME/MCOs to people with I/DD and LRPs enables them to participate in the transition planning process and make an informed decision about where they want to live and receive services.

NCDHHS continues to add information to the Inclusion Connects webpage to help people interested in and/or participating in the transition process. These tools are designed to help people with I/DD and their LRPs choose the living situation to meet their preferences and needs. If a person decides to move from an institution into a community-based setting, it is captured on the LME/MCO report. All discharges from institutional settings are captured on the report for each reporting period, but people are tracked for one-year after the discharge date before being reported a "successful" transition for Inclusion Connects. NCDHHS continues to provide technical assistance to LME/MCOs regarding reporting, when necessary.

Key Findings

Consent Order Reporting Requirement IV.1.b. Diversion and Transition Services: Number of people transitioned from institutional settings during the preceding fiscal quarter, each preceding fiscal year (if applicable), and cumulatively.

- NCDHHS made a concerted effort to collect data regarding the number of people with I/DD moving from institutional settings to ensure it comes from a variety of sources. The Department continues to collaborate across Divisions to track data on transitions for Money Follows the Person (MFP), Community Alternatives Program for Disabled Adults (CAP-DA), Pre-Admission Screening and Resident Review (PASRR), and Transitions to Community Living (TCL). These NCDHHS programs are not I/DD population specific, but do support people with I/DD, to move into the community. NCDHHS will continue to work with other programs to collect data to provide a more accurate reflection of all people with I/DD who move from institutional settings to community-based settings.

Consent Order Reporting Requirement IV.1.g. Diversion and Transition Services: Number and percentage of individuals with I/DD age 18 and above identified for transition who are discharged through the transition planning process.

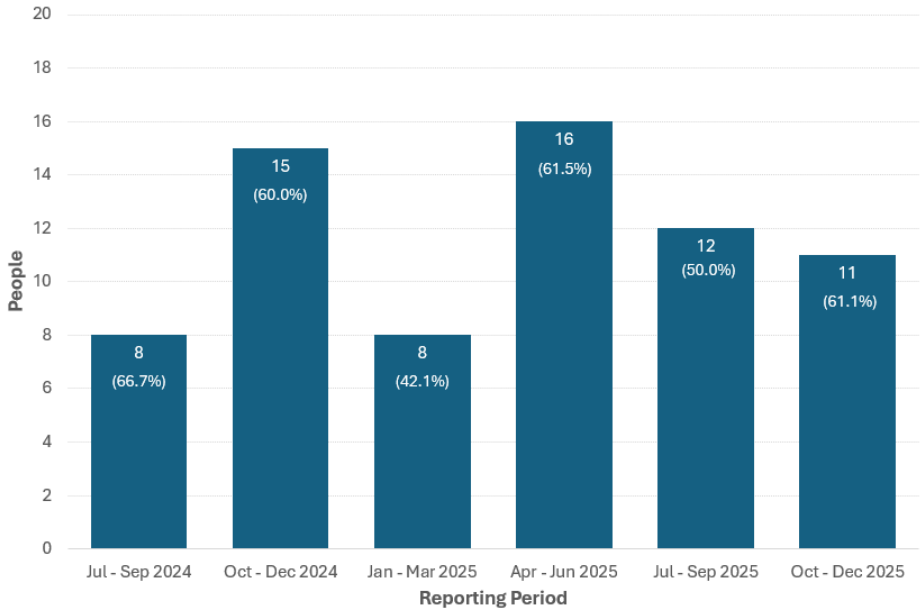
Table 2: Findings for Transition Reporting Requirements (IV.1.b and IV.1.g)

IV.1.b Number of Individuals with I/DD Transitioned from Institutional Settings		
Reporting Period	**Number**	
Jul – Sep 2024	12	
Oct – Dec 2024	25	
Jan – Mar 2025	19	
Apr – Jun 2025	26	
FY25 Cumulative (Jul 2024 – Jun 2025)	**82**	
FY25 Cumulative (Jul 2024 – Jun 2025) with TCL Data Included	129	
Jul – Sep 2025	24	
Oct – Dec 2025	18	
FY26 Cumulative (Jul – Dec 2025)	**42**	
FY26 Cumulative (Jul – Dec 2025) with TCL Data (Jul – Sep 2025) Included	48	
IV.1.g Individuals with I/DD Age 18 and above Discharged through Transition Process[3]		
Reporting Period	**Number**	**Percentage**
Jul – Sep 2024	8	66.7%
Oct – Dec 2024	15	60.0%
Jan – Mar 2025	8	42.1%
Apr – Jun 2025	16	61.5%
Jul – Sep 2025	12	50.0%
Oct – Dec 2025	11	61.1%

Source: LME/MCO Reporting

[3] The methodology for calculating percentage has been updated to better reflect the inclusion of additional data sources and more accurately capture the proportion of the transition population age 18 and over. Values for Apr – June 2025 have been updated to reflect more complete internal data identified during routine data validation of the ages of members who transitioned during this reporting period.

Chart 4: Individuals with I/DD Age 18 and Above Discharged Through Transition Process (IV.1.g)[4]



Source: LME/MCO Reporting

Transition Reporting Metric Data Narrative:

- To be more transparent for all audiences, the Department differentiated those who moved using TCL services and those who did not. Those individuals who do qualify for TCL benefit from the program and move into permanent supportive housing. It is important to recognize the value of the various programs available to those with I/DD who also have mental health and physical health needs.
- The TCL data is reported on a quarter delay and will be included in the cumulative TCL counts (see Table 2). This means that the cumulative count with TCL for Oct – Dec 2025 includes the TCL data from Jul – Sep 2025.
- MFP continues to be a leading source of transitional support for people with I/DD into community-based settings. Community-based settings include group homes of ≤ 4 residents, private and family homes, and alternative family living (AFL) arrangements.
- Besides "other," top reported barriers to transition included Exceptional Behavioral Health Needs (n= 24), Guardian Objections (n= 12), and Lack of Accessible Units Available (n= 9). It is important to note that many people who reported barriers did move into community-based settings during this quarter.
- The primary funding source for transitions continues to be the Innovations Waiver, most frequently through the Money Follows the Person program. 1915(i) Services were the second most used funding source for transitions this reporting period.

[4] The percentages displayed in Chart 4 represent the percent of transitions of individuals age 18 and above out of the total number of transitions for that quarter

- All 37 individuals from the July – Sept 2024 and Oct – Dec 2024 reporting periods have successfully remained in the community for a full year from their transition dates.

Consent Order Reporting Requirement IV.1.h. Diversion and Transition Services: Information related to both successful and unsuccessful transitions.

- There are 4 people with a transition status of "Did Not Transition," which means the person did not move into a community-based setting and they are no longer participating in transition planning. Reasons for not transitioning include physical health decline, guardian objections, and other. This number is down from 14 in the previous quarter. The majority of people included on the LME/MCO report remain in the active transition planning stage.
- For those in the Transition Planning process, high behavioral and medical needs continue to impact the ability to find and successfully secure housing. This may be lengthening the time a member remains in the Transition Planning phase before Transitioning. The type of housing desired/needed for people who are currently in the Transition Planning process shows the top settings to be Community Intermediate Care Facilities (ICFs), group homes, and Alternate Family Living (AFL).
- There is a continued lack of interest in permanent supportive housing in this reporting period. NCDHHS Strategic Housing Plan defines permanent supportive housing as an evidence-based intervention designed to serve people with disabilities in integrated, community-based settings. The plan's key components of permanent supportive housing are lease and housing assistance and supportive services. Supported Living continues to be listed as a type of housing desired/needed, as part of the service package for the Innovations Waiver. The Department is holding a webinar in June 2026 to educate I/DD housing staff, at LME/MCOs on permanent supportive housing and how the model can benefit people with I/DD looking to live more independently.

Consent Order Reporting Benchmark III.1.A. Transitions: For the fiscal year ending June 30, 2026, Defendants will transition at least 83 individuals with I/DD from institutional settings to community-based settings.

- During the second quarter (Oct – Dec 2025) of Fiscal Year 2026, there were 18 reported transitions of people with I/DD from institutional settings to community-based settings. The Department will continue to report transitions quarterly to track toward the fiscal year benchmark of 83 total transitions by June 30, 2026. From Jul – Dec 2025, there have been 42 total transitions.
- The Department is also pleased to report that all 37 transitions reported from Jul – Dec 2024 have remained in the community for a year past their transition date and can be considered successful transitions.

Diversion Activities and Engagement

Diversion, identifying people living in the community at risk of requiring care in an institutional setting and providing more intensive support, remains an essential component of the Department's approach to ensuring people can live successfully in their chosen settings. People with I/DD engaged in diversion activities live in various community-based settings (e.g., group homes, their own home, family homes, etc.). The diversion process includes providing people with services and support that allow them to live

successfully in the community. These services can include Medicaid home and community-based services including the 1915(c) Waivers, 1915(i) Services, Medicaid In Lieu of Services (ILOS), Medicaid State Plan Services, or state-funded services.

Key Findings

Consent Order Reporting Requirement IV.1.a Diversion and Transition Services: Number of individuals diverted from institutional settings during the preceding fiscal quarter, each preceding fiscal year (if applicable), and cumulatively.

Consent Order Reporting Requirement IV.1.e. Diversion and Transition Services: Number and percentage of individuals with I/DD are eligible for diversion activities.

Consent Order Reporting Requirement IV.1.f. Diversion and Transition Services: Number and percentage of individuals with I/DD who remain in the community after engaging in diversion activities.[5]

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[5] The LME/MCO report used to calculate Diversion and Transition Service metrics does not explicitly track individuals past their diversion into a community-based setting, as these individuals will not be residing in an institutional setting. NCDHHS reports a diversion to a community-based setting as a successful diversion. For the April 2026 report, NCDHHS confirmed that 15 out of the 16 individuals who were reported as "diversions" in the January 2026 report remained in the community.

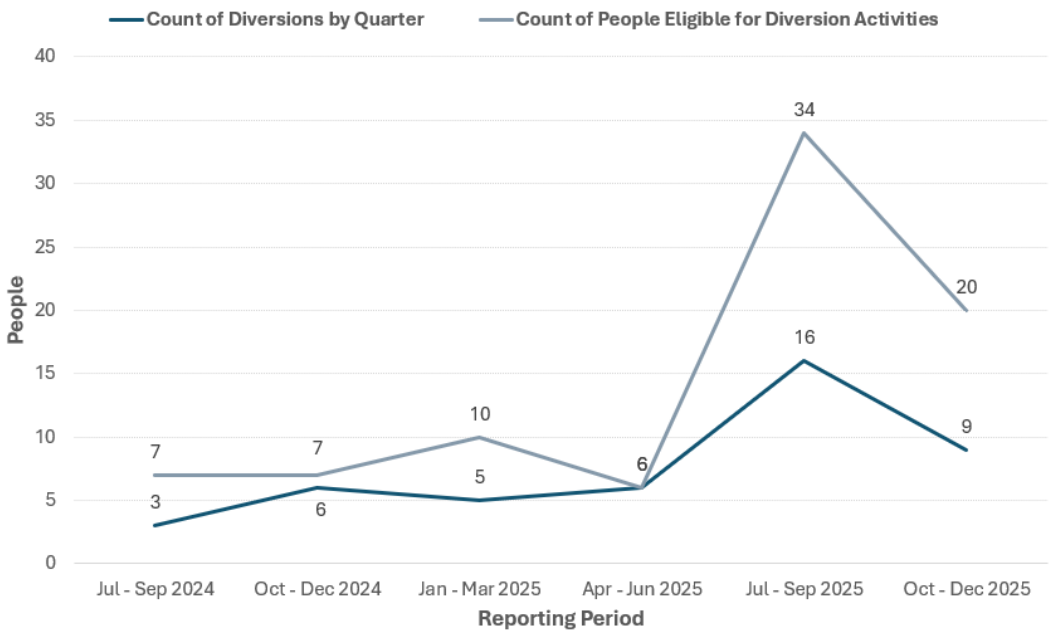
Table 3: Findings for Diversion Reporting Requirements (IV.1.a, IV.1.e, and IV.1.f)

IV.1.a Individuals with I/DD Diverted from Institutional Settings		
Reporting Period	**Number**	
Jul – Sep 2024	3	
Oct – Dec 2024	6	
Jan – Mar 2025	5	
Apr – Jun 2025	6	
FY25 Cumulative (Jul 2024 – Jun 2025)	**20**	
FY25 Cumulative (Jul 2024 – Jun 2025) with TCL Data Included	101	
Jul – Sep 2025	16	
Oct – Dec 2025	9	
FY26 Cumulative (Jul – Dec 2025)	**25**	
FY26 Cumulative (Jul – Dec 2025) with TCL Data (Jul – Sep 2025) Included	35	
IV.1.e Individuals with I/DD Eligible for Diversion Activities		
Reporting Period	**Number**	**Percentage**
Jul – Sep 2024	7	N/A
Oct – Dec 2024	7	N/A
Jan – Mar 2025	10	N/A
Apr – Jun 2025	6	N/A
Jul – Sep 2025	34	N/A
Oct – Dec 2025	20	55.6%[6]
IV.1.f Individuals with I/DD who Remain in the Community Following Diversion Activities		
Jul – Sep 2024	N/A	N/A
Oct – Dec 2024	3	100%
Jan – Mar 2025	1	16.7%
Apr – Jun 2025	2	40.0%
Jul – Sep 2025	5	83.3%
Oct – Dec 2025	15	93.8%

Source: LME/MCO Reporting

[6] This percentage represents the number of individuals reported as "at risk for institutionalization" divided by the total diversion population reported by the LME/MCOs on the quarterly reporting tool.

Chart 5: Individuals with I/DD Eligible for Diversion Activities and Individuals with I/DD Diverted from Institutional Settings (IV.1.a and e)



Source: LME/MCO Reporting

Diversion Reporting Metrics Data Narrative:

- There was a decrease in the number of people who were reported as eligible for diversion and who were successfully diverted from institutional settings during the Oct – Dec 2025 reporting period. Many people were reported as in the "in progress" stage of diversion and are working to secure services and supports to remain successfully in the community. This process can take time and impacts the number of reported diversions per quarter. It is promising to see that the total diversion count for this Fiscal Year has already surpassed last year's total, with just two quarters of reporting so far.
- The Department is pleased to note that the majority of people who were diverted in the Jul – Sept 2025 quarter have remained in the community through Dec, 31, 2025, as seen in Table 3.
- Based on reporting notes provided by LME/MCOs, the majority of individuals who were successfully diverted moved back to their guardian/family's homes. To ensure success at home, diverted individuals were often connected to outpatient therapeutic supports (Applied Behavior Analysis services, Intensive In-Home services, etc.) and NC Medicaid-funded HCBS services (Innovations Waiver and 1915(i)).
- TCL data has been separated out of cumulative counts but will continue to be included in this report. As previously noted, TCL data is reported on a quarter delay and will be included in the cumulative TCL counts (see Table 3). This means that the cumulative count with TCL for Oct – Dec 2025 includes the TCL data from Jul – Sep 2025.

NCDHHS Initiatives to Support Community Living

Inclusion Connects will continue to report on various communication formats for In-Reach that are being used to educate people with I/DD and their families/LRPs about community living options so they may make an informed decision. The Department understands data on face-to-face interactions will only be counted per the Consent Order. The Department intends to provide greater In-Reach guidance to help standardize activities and expectations across LME/MCOs. Ensuring all people with I/DD and their guardians are educated on the community-based options, supports, and services available to them and able to make a fully informed living decision will be central to this effort.

The Department recognizes that recent changes have created challenges affecting multiple federal agencies, including HUD. In light of these impacts, the Department will remain available as needed, to help support the voucher process so that vouchers can continue to be available for individuals with intellectual and developmental disabilities (I/DD) who need accessible and affordable community-based housing opportunities.

HUD responded to the remedial preference request in June 2025 by providing an existing Public and Indian Housing (PIH) Notice issued June 29, 2012. The notice describes actions public housing agencies (PHAs) can take to establish a local preference for people with disabilities under Olmstead implementation efforts. PHAs may establish local preferences for people with disabilities transitioning from institutional settings and people at risk of institutionalization. The preference gives PHAs the authority to limit a set number of vouchers or a percentage of vouchers for all disabled populations (not limited to the I/DD population) as they become available. HUD has suggested this may be an expeditious way to still meet the needs of the I/DD population while the remedial preference request is still under review. The Department continues to work with Technical Assistance Collaborative (TAC) and the Olmstead Housing team on how to engage PHAs to implement the local preference for the I/DD population. Updates will be placed in future reports, as they are known.

NCDHHS will continue to work with stakeholders to identify funding opportunities to support rental assistance programs for people with I/DD who are interested in living more independently in community-based settings.

NCDHHS continues to work with LME/MCOs to make sure all people who are eligible for diversion receive assistance and those diverted from institutional settings are being counted on the quarterly reports. The updated definition of diversion eligibility was implemented into the LME/MCO reporting tool for use in the Oct – Dec 2025 reporting period, which is included in this report. The updated definition is a more inclusive definition to include all people with I/DD in need of diversion assistance (see Attachment 3 for full definition).

- It is important for people at risk of institutionalization to connect with LME/MCO staff knowledgeable in home and community-based services to help avoid institutionalization.
- Inclusion Connects continues to work with the LME/MCOs to better understand their diversion process and provide guidance to best support those at risk of avoidable institutionalization.

Services: 1915(i) and Continuing Unmet Needs

NCDHHS is committed to ensuring people with I/DD access the appropriate services and supports to live fulfilling lives in their communities. Through targeted outreach, strategic partnerships, and program expansions, the Department aims to improve service accessibility and address the unique needs of people with I/DD across the state. In line with this commitment, NCDHHS launched the 1915(i) Home and Community Based Services (HCBS) Medicaid State Plan in July 2023. This program is critical in addressing service gaps and reducing extended wait periods.

Reporting Requirements for 1915(i) Services

The 1915(i) reporting requirements focus on tracking benchmarks for people with I/DD receiving services. These include the number of people who have completed the assessment and approval process and those actively receiving 1915(i) services. The report provides data on the number and percentage of people on the Innovations Waiver Waitlist receiving I/DD-related services during the quarterly reporting period, encompassing services provided through 1915(i), other HCBS, State-Funded Services, and In-Lieu of Services.

Key Findings

Consent Order Reporting Requirement IV.1.i: Number of individuals with I/DD for whom the 1915(i) assessment and approval process has been completed.

Table 4: 1915(i) Implementation (IV.1.i)

Individuals with I/DD for whom 1915(i) Assessment and Approval Process has been Completed	
Reporting Period	**Number**
Jul – Sep 2024	2,164
Oct – Dec 2024	2,413
Jan – Mar 2025	1,702
Apr – Jun 2025	3,527
FY25 Cumulative (Jul 2024 – Jun 2025)	**9,806**
Jul – Sep 2025	4,261
Oct – Dec 2025	2,840
FY26 Cumulative (Jul – Dec 2025)	**7,101**

Source: 1915(i) Assessment Data

Consent Order Reporting Requirement IV.1.j: Number of individuals with I/DD receiving 1915(i) services.[7]

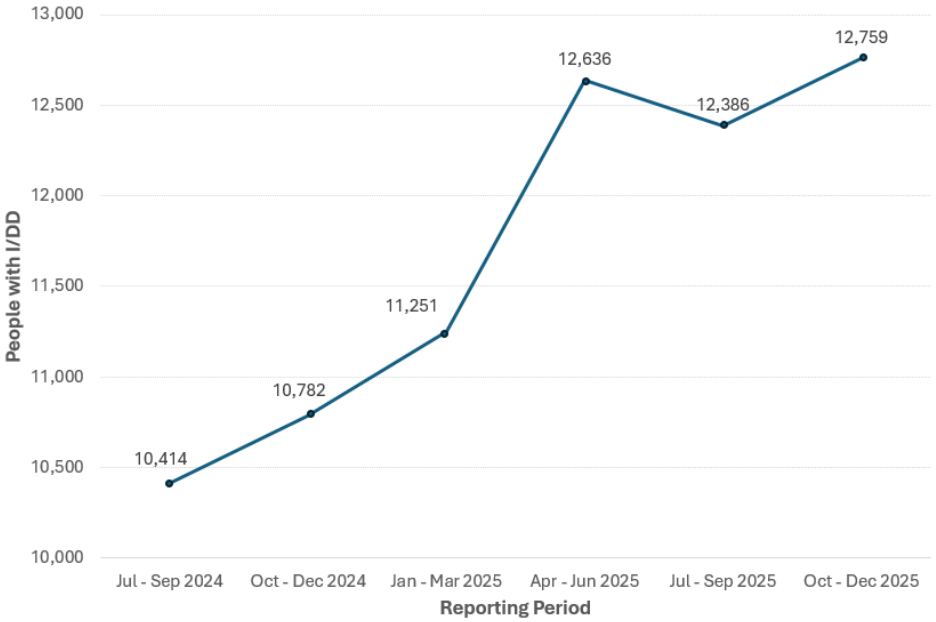
[7] Tailored Care Management (TCM) is **not** a 1915(i) service and is therefore not included in the counts for Reporting Requirement IV.1.j. The quarterly number reported for this metric is a snapshot of the total count for the reporting period. Therefore, overlap of individuals receiving services should exist from quarter to quarter.

Table 5: 1915(i) Implementation (IV.1.j.)

Individuals with I/DD Receiving 1915(i) Services	
Reporting Period	**Number**
Jul – Sep 2024	10,414
Oct – Dec 2024	10,782
Jan – Mar 2025	11,251
Apr – Jun 2025	12,636
Jul – Sep 2025	12,386
Oct – Dec 2025	12,759

Source: Claims and Encounters Data

Chart 6: Individuals with I/DD Receiving 1915(i) Services (IV.1.j)



Source: Claims and Encounters Data

Consent Order Reporting Requirement IV.1.k.: Number of individuals who received an assessment for 1915(i) services within 90 days of requesting an evaluation.

Consent Order Reporting Requirement IV.1.l.: Number of individuals who waited, or have waited, more than 90 days for an assessment, including the number of additional days waiting.

Table 6: 1915(i) Implementation (IV.1.k., IV.1.l)

Number of individuals who received an assessment for 1915(i) services within 90 days of requesting an evaluation	
Reporting Period	**Number**
Jul – Sep 2024	N/A
Oct – Dec 2024	N/A
Jan – Mar 2025	N/A
Apr – Jun 2025	N/A
Jul – Sep 2025	N/A
Oct – Dec 2025	1, 496 (97%)[8]
Number of individuals who waited, or have waited, more than 90 days for an assessment, including the number of additional days waiting	
Jul – Sep 2024	N/A
Oct – Dec 2024	N/A
Jan – Mar 2025	N/A
Apr – Jun 2025	N/A
Jul – Sep 2025	N/A
Oct – Dec 2025	91 – 180 days: 4 people 180 – 365 days: 25 people More than 365 days: 24 people Total: 53 people

Source: N/A

Data Narrative for 1915(i) Implementation

- This quarter notes a decrease in the number of 1915(i) assessments completed. However, the number of people utilizing 1915(i) is currently at an all-time high.
- NCDHHS is in the process of providing targeted educational materials to people who are likely to qualify for 1915(i) services but have not completed a 1915(i) assessment.
- The report aims to provide timeliness measures, including the number of people assessed within 90 days of requesting an assessment and those who waited beyond 90 days, including extended waiting periods. The vast majority of 1915(i) assessments were completed within 90 days of request (97%). There are, however, some outliers, as this was the first submission of this report. NCDHHS continues to make efforts to minimize these outliers by providing technical assistance.
- NCDHHS will continue to provide guidance and education to Tailored Care Managers on how to correctly complete 1915(i) assessments to increase timeliness and accuracy of data surrounding timeliness of assessment completion.

Communication and Stakeholder Engagement

In line with the requirements for quarterly or as-needed discussions (Benchmark III.1.B.), NCDHHS has employed and implemented various communication mechanisms for stakeholder engagement regarding the implementation and outcomes of 1915(i) services. These include standing quarterly meetings with Tailored Plans, additional quarterly meetings to review data and reports, and ad hoc meetings as

[8] This count represents people with I/DD who requested 1915(i) services for the first time and received an initial assessment. The data reported in Table 6 exclude individuals with incomplete records, defined as missing the service request date, the assessment completion date, or both. The Department will be addressing these discrepancies through technical assistance.

needed. Additionally, the Department launched the Inclusion Connects Advisory Committee, which meets each quarter, and related subcommittees, which meet monthly (including a workgroup specifically focused on Access to Services) to gather feedback and input from a variety of stakeholders.[9] Lastly, beginning with the Jan. 15, 2026, report, the Department will release a prerecorded video walkthrough to explain key findings from the quarterly reports. These recordings will be available on North Carolina Department of Health and Human Services - YouTube and available on the Inclusion Connects website.

Continuing Unmet Needs

This section addresses the Department's ongoing responsibility to track and report the needs of people with I/DD who remain on service waitlists or require additional services beyond their current provisions. This section outlines the key metrics NCDHHS must report to ensure transparency and accountability in addressing service gaps for the I/DD population.

The Innovations Waiver Waitlist, formerly the Registry of Unmet Needs, includes individuals waiting for services under the Innovations Waiver program. This waiver program provides home and community-based services to people with I/DD to help them live more independently. Due to the limited number of Innovation Waiver slots approved by the General Assembly, the waitlist tracks potentially eligible people who have not yet been assigned a Waiver slot. To improve access, the state monitors and evaluates the waitlist through quarterly reporting and continuous data tracking.

Key Findings

Consent Order Reporting Requirement IV.1.m Continuing Unmet Needs: Number and percentage of people on the waitlist receiving I/DD-related services for the reporting quarterly period, including 1915(i), HCBS, State-Funded Services, or In-Lieu of Services.

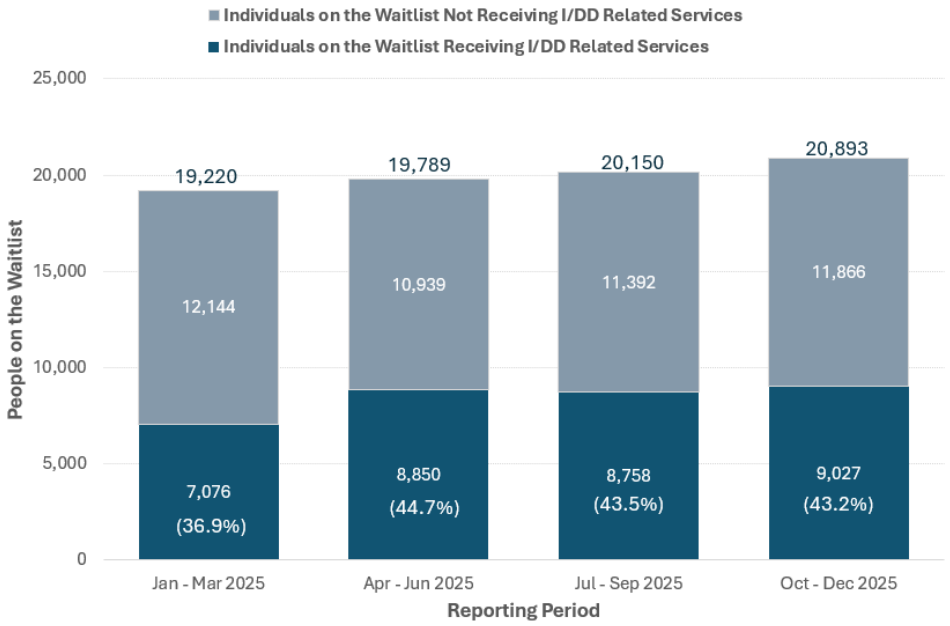
Table 7: Continuing Unmet Needs (IV.1.m)[10]

Number of Individuals on the Innovations Waiver Waitlist That Are Receiving I/DD-Related Services		
Reporting Period	**Number**	**Percentage**
Jan – Mar 2025	7,076	36.8%
Apr – Jun 2025	8,850	44.7%
Jul – Sep 2025	8,758	43.5%
Oct – Dec 2025	9,027	43.2%

Source: LME/MCO Reporting, Claims and Encounters Data

[9] Learn more about the Inclusion Connects Advisory Committee by visiting: Inclusion Connects Updates | NCDHHS.
[10] To minimize confusion and align reported data across sources, Table 7 has been updated to reflect services data reported on the Innovations Waiver Waitlist Dashboard, including care management. As the Services page of the Dashboard was introduced for the Jan – Mar 2025 reporting period, Jul – Sep 2024 and Oct – Dec 2024 have been removed from Table 7 as they utilized a different subset of I/DD services. The data previously reported for these two quarters is Jul – Sep 2024: 6,722 individuals (36.4%) and Oct – Dec 2024: 7, 132 (37.8%).

Chart 7: Number of Individuals on the Innovations Waiver Waitlist That Are Receiving I/DD-Related Services (IV.1.m)[10]



Source: LME/MCO Reporting, Claims and Encounters Data

Consent Order Reporting Requirement IV.1.n Continuing Unmet Needs: Number and percentage of individuals receiving 1915(i) services who need additional services in addition to their approved 1915(i) services.

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Table 8: Continuing Unmet Needs (IV.1.n)[11]

Number and percentage of individuals receiving 1915(i) services who need additional services in addition to their approved 1915(i) services.			
Measure	**Jul 2024 – Jun 2025 Count**	**Jul 2024 – Jun 2025 Percentage**	**Jul – Sep 2025**
Care Plans/ISPs in which the services and supports reflect beneficiary assessed needs and life goals	2,544 individuals reported that the care plan reflects their assessed needs and life goals and has the services they need. [12]	0% of members reported they need additional services.	Not Available
Beneficiaries reporting that their Care Plan/ISP has the services they need	No individuals reported the need for changes to their Care Plan/ISP.		Not Available

Source: LME/MCO Reporting – only includes Alliance, Partners, and Vaya reporting as Trillium did not provide data for these two measures.

Consent Order Reporting Requirement IV.1.o Continuing Unmet Needs: Number of people remaining on the Waitlist and the number removed from the Waitlist during the data reporting fiscal quarter, each preceding fiscal year (if applicable), and cumulatively**.**

Table 9: Continuing Unmet Needs (IV.1.o)

Number of People Remaining on the Waitlist		
Reporting Period	**Number Remaining on Waitlist**	**Number Removed from Waitlist**
Jul - Sep 2024	18,457[13]	409
Oct – Dec 2024	18,846[13]	291
Jan – Mar 2025	19,220 [14]	245
Apr – Jun 2025	19,789	215
Jul – Sep 2025	20,150	106
Oct – Dec 2025	20,893	230

Source: LME/MCO Reporting

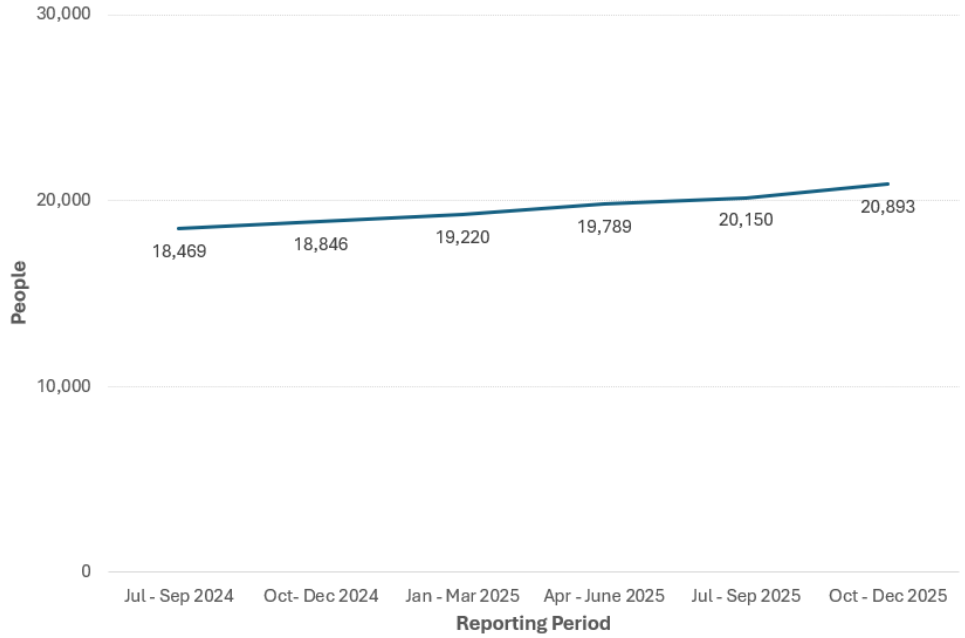
[11] Table 8 has been updated to include only two measures, as per instruction from DRNC. The Department has submitted a Contract Amendment to update the cadence of these two measures to quarterly. The Amendment is expected to go into effect in July 2026, pending any NC Medicaid Contracting delays.

[12] The count for these two measures has been updated to more accurately reflect the count of individuals receiving 1915(i) services who need additional services, as reflected in their Care Plan/ISP.

[13] The data source for this metric has changed and a new report from LME/MCOs is now used to generate Waitlist related values. This results in a slight variation between the table value from Jul – Sep 2024 and the number displayed in the visual for the same reporting period.

[14] Values for this reporting period have been updated to reflect more complete internal data identified during routine data validation.

Chart 8: Number of People Remaining on the Waitlist (IV.1.o)



Source: LME/MCO Reporting

Consent Order Reporting Requirement IV.1.p Continuing Unmet Needs: Waiver slots and reserve capacity use status.

Table 10: Continuing Unmet Needs (IV.1.p)[15]

Status of the use of Waiver Slots and Remaining Reserve Capacity – Fiscal Year 2025		
Reporting Period	**Number Active**	**Remaining Reserve Capacity**
Jul - Sep 2024	13,938	132
Oct – Dec 2024	14,308	89[16]
Jan – Mar 2025	14,420	25
Apr – Jun 2025	14,089	14
Status of the use of Waiver Slots and Remaining Reserve Capacity – Fiscal Year 2026		
Jul – Sep 2025	14,185	123
Oct – Dec 2025	14,161	89

Source: LME/MCO Reporting

[15] For fiscal year 2024-2025 there were 14,736 approved active slots for the Innovations Waiver, with 161 slots retained for reserve capacity. Values reported are from the end of each fiscal quarter, 9/30/2024, 12/31/2024, 3/31/2025, and 6/30/2025, and are expected to continue to change as year progresses. For fiscal year 2025-2026, there are 14,736 approved active slots for the Innovations Waiver, as no additional slots were approved by the General Assembly this year. Values reported for remaining reserve capacity are from the end of each fiscal quarter and will continue to change as the year progresses.

[16] This value is an estimate as not all LME/MCOs have submitted the requested information.

Data Narrative for Continuing Unmet Needs

- While the number of people on the Innovations Waiver waitlist has grown, the percentage of those receiving services has remained consistent, showing that those accessing services are increasing at approximately the same rate as the waitlist. Refer to footnote 10 for more details on efforts to align with the Services page of the Innovations Waiver Waitlist Dashboard.
- When people are removed from the Innovations Waiver Waitlist (Table 9), it can be due to receiving the waiver, withdrawing due to lack of interest, moving out of state, a change in Level of Care eligibility status, or the member passing away.
- NCDHHS has completed internal design work on how to assess those on the Innovations Waiver waitlist. Funding to complete this work has been requested but has not been received.
- To increase data quality, NCDHHS has requested further clarification on LME/MCOs' data collection processes for the metrics in Table 8. All LME/MCOs gather this information through their UM team as care plans are reviewed.
    - The Department recognizes that the data reported in Table 8 may not accurately reflect the full population of individuals with unmet needs. The Department is engaged in ongoing discussions with the Tailored Plans to improve understanding of reporting practices and more accurately identify individuals whose Care Plans and ISPs require additional services to adequately address their care needs.

Direct Service Professionals (DSP) Workforce

According to State of the Workforce Survey Report for 2024[17], by National Core Indicators Intellectual and Developmental Disabilities, North Carolina continues to be a leader in DSP retention, with a turnover rate of 23.9%, which is significantly below the national average of 37.1%. In addition, around 40% of DSPs in North Carolina have been employed for 36+ months, about 10 percentage points higher than the national average, indicating relative workforce stability in the state. Additional key findings include:

- **Referral Management**: About 1 in 3 agencies turned away new referrals due to staffing shortages, representing an improvement from 2023. This is also better than many other participating states.
- **Service Type Diversity**: Agencies in North Carolina provide a mix of supports: 69% residential, 50% in-home, and 76.2% non-residential services. This indicates a diverse service network.
- **Wage Improvements:** The average hourly wage for DSPs in North Carolina was $15.90, showing an increase from 2023, when the average wage was $15.02. However, North Carolina is still below the national average of $18.49. Increasing pay for DSPs remains vital.

While the Department is encouraged to see improvements from 2023, the work continues to address barriers and provide greater support for DSPs, as well trained, available and accessible DSPs are critical to ensuring that people with I/DD can receive appropriate services in a setting of their choice. North Carolina is continuing to face a critical shortage of DSPs, which is significantly affecting the availability and quality of home and community-based services for people with I/DD.

[17] NCI-IDD State of the Workforce for 2024. See North Carolina specific results at SotW IDD 2024 At a Glance.

A Tailored Plan Contract Amendment was executed to raise the minimum utilization rate of authorized Community Living and Supports (CLS) services **to qualified individuals on the Innovations Waiver** to align with the Consent Order requirements:

- *By June 30, 2024, the minimum utilization rate of authorized CLS services provided to qualified individuals on the Innovations Waiver will be 82 percent.*
- *By June 30, 2025, the minimum utilization rate of authorized CLS services provided to qualified individuals on the Innovations waiver will be 85 percent.*

Key Findings

Consent Order Reporting Requirement IV.1.q. DSP Availability: Overall percentage of authorized Community Living and Supports (CLS) billed hours.

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Table 11: Findings for Overall DSP Availability (IV.1.q)

Authorized Hours of CLS Billed		
Reporting Period	**Total Number Hours Authorized**	**Percentage**
Jul - Sep 2024	8,921,654	Total: 48.3% Alliance: 83.5% Partners: 36.9% Trillium: 40.0% Vaya: 81.6%
Oct – Dec 2024	3,541,357	Total: 80.5%[18] Alliance: 76.8% Partners: 85.3% Trillium: 199.0% Vaya: 77.5%
Jan – Mar 2025	3,517,028	Total: 85.2% Alliance: 83.3% Partners: 86.8% Trillium: 89.6% Vaya: 82.6%
Apr – Jun 2025	3,003,503	Total: 73.3% Alliance: 77.1% Partners: 83.6% Trillium: 40.1% Vaya: 83.7%
Jul – Sep 2025	3,512,700	Total: 80.6% Alliance: 71.4% Partners: 87.6% Trillium: 56.2% Vaya: 87.2%
Oct – Dec 2025	3,347,317	Total: 79.1% Alliance: 67.4% Partners: 88.0% Trillium: 49.9% Vaya: 87.3%

Source: LME/MCO Reporting

Consent Order Reporting Requirement IV.1.r. DSP Availability: Number of units of CLS authorized by LME/MCO.

Consent Order Reporting Requirement IV.1.s. DSP Availability: Number of units of CLS billed by LME/MCO.

Consent Order Reporting Requirement IV.1.t. DSP Availability: Number of units of CLS not utilized because of lack of provider or staff availability by LME/MCO.

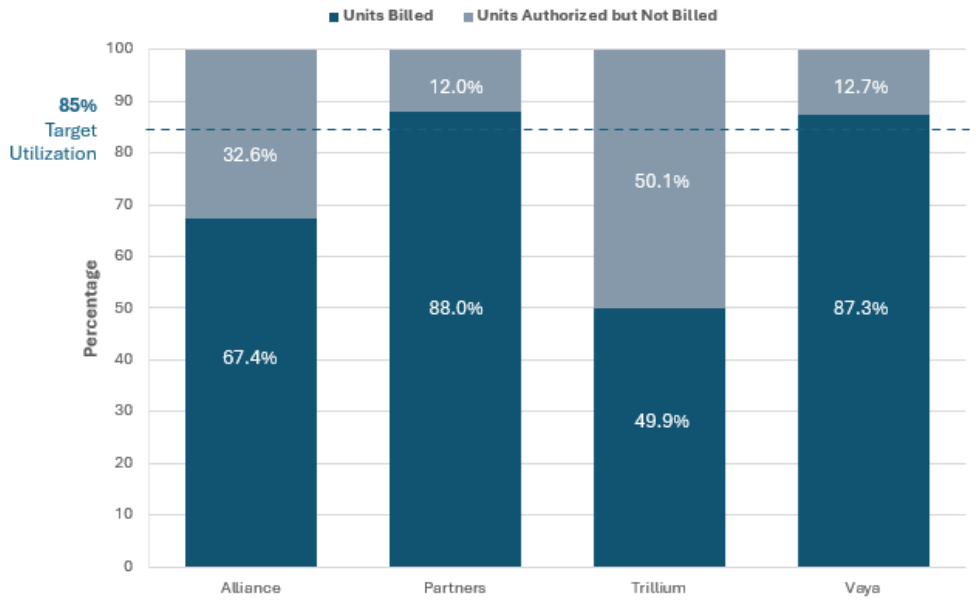
[18] We do not expect hours billed to exceed hours authorized. For the Oct – Dec 2024 Reporting Period, Trillium reported hours billed exceeding hours authorized due to prior authorization waivers, resulting in a percentage greater than 100%. We have excluded Trillium from our total percentage as we investigate their methodology used.

Table 12: Findings for DSP Availability by Number of Units (IV.1.r, IV.1.s and IV.1.t)

Number of Units of CLS Authorized				
	Number by LME/MCO			
Reporting Period	Alliance	Partners	Trillium	Vaya
Jul - Sep 2024	4,462,758	10,244,700	17,782,750	3,196,408
Oct – Dec 2024	3,142,980	4,792,859	2,944,769	3,284,822
Jan – Mar 2025	4,899,722	3,842,835	2,362,768	2,962,788
Apr – Jun 2025	1,994,941	4,316,340	2,562,080	3,140,652
Jul – Sep 2025	5,669,930	5,059,890	174,571	3,251,219
Oct – Dec 2025	5,364,980	4,895,736	174,366	2,954,184
Number of Units of CLS Billed				
Jul - Sep 2024	3,724,916	3,776,753	7,123,906	2,609,513
Oct – Dec 2024	2,412,263	4,086,047	5,861,142	2,544,260
Jan – Mar 2025	4,080,952	3,336,897	2,116,485	2,448,448
Apr – Jun 2025	1,538,157	3,608,806	1,034,595	2,630,289
Jul – Sep 2025	4,048,780	4,433,140	98,168	2,833,730
Oct – Dec 2025	3,615,655	4,308,454	86,945	2,580,208
Number of Units of CLS not Utilized due to Lack of Provider or Staff Availability				
Jan – Mar 2025	241,333	177,033	Not Reported	56,201
Apr – Jun 2025	91,269	214,737	13,457	92,499
Jul – Sep 2025	324,166	159,535	37,898	105,192
Oct – Dec 2025	349,377	82,331	19,744	97,844

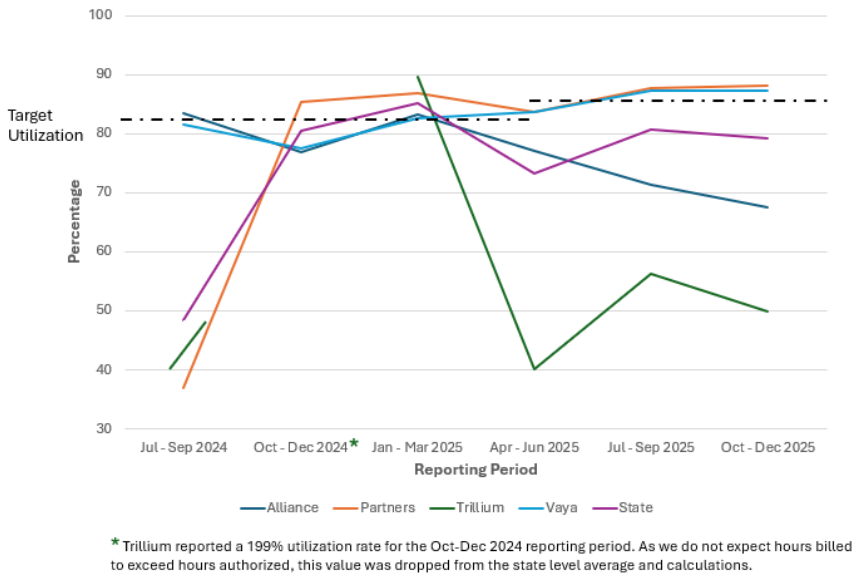
Source: LME/MCO Reporting

Chart 9: Percentage of Authorized Units Billed (IV.1.r and IV.1.s)
Oct – Dec 2025



Source: LME/MCO Reporting

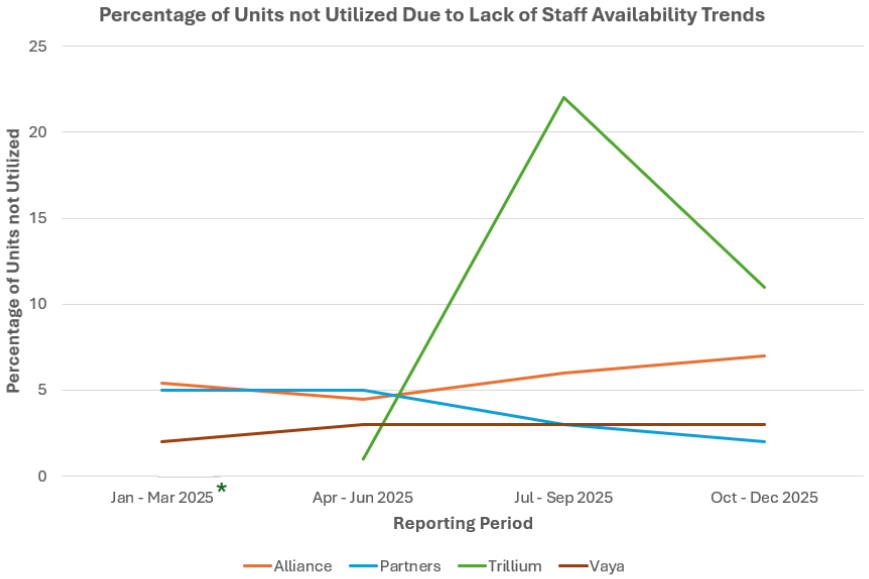
Chart 10: CLS Utilization Rate Trends (Tailored Plan and Overall State Rates)[19]



* Trillium reported a 199% utilization rate for the Oct-Dec 2024 reporting period. As we do not expect hours billed to exceed hours authorized, this value was dropped from the state level average and calculations.

Source: LME/MCO Reporting

Chart 11: Percentage of Units not Provided due to Lack of Staff Availability Trend



* Trillium did not report data for the Jan – Mar 2025 reporting period.

Source: LME/MCO Reporting

[19] Data presented for 2024 and 2025 are not directly comparable, nor are comparisons across quarters. Beginning in January – March 2025, the data collection methodology changed to include only individuals whose plans ended during the reporting period. As the same methodology continues to be applied consistently over time, future year-over-year comparisons (e.g., Q1 2025 to Q1 2026) will be more appropriate for assessing trends.

DSP Workforce Metrics Data Narrative

- The data contained in Tables 11 and 12 is part of the LME/MCO report to capture CLS utilization. The sixth submittal from LME/MCOs was received in March 2026. NCDHHS continues to provide technical assistance calls with each LME/MCO on improving the data reported and understanding the context around the individual plan's reported rates.
- For the reporting period, Oct – Dec 2025, Alliance and Trillium reported lower CLS utilization rates than in the previous quarter and as compared to Partners and Vaya. The Department met with all Tailored Plans prior to the submission of this report and discussed the following reasons that may be contributing to this decline:
    - Decreases seen in reported CLS utilization rates may be more influenced by methodology changes, not necessarily a true decline in units being provided. The LME/MCOs are investigating historical trends to better substantiate this claim.
    - The methodology was changed, after the Oct- Dec 2024 quarter, from capturing all members to including only those whose plans expired within the reporting period. As a result, quarterly data from 2024 and 2025 are not directly comparable.
    - The LME/MCOs additionally discussed the impact of the Back-Up Staffing report as a data source, noting that only those with formally reported staffing disruptions are identifiable through this source, which contributes to lower apparent counts.
    - An additional potential contributing factor for this reporting period specifically may be holiday-related service interruptions, such as vacations and temporary breaks in care, resulting in lower utilization rates.
- The Department is confident that the CLS utilization rates will increase over future quarters due to various strategies being implemented by the Tailored Plans, including:
    - Implementing a self-reporting tool, where providers can explain reasons why units may not be utilized due to staff availability.
    - Streamlining internal reporting systems to improve data collection and educating provider networks on reporting methods.
- The Department is aware that Relatives as Providers (RAP) and Relatives as Direct Support Employees (RADSE) contribute to a number of these hours. We are working with our Tailored Plan partners to understand the percentage and the preferences of the families providing RAP/RADSE.

NCDHHS DSP Workforce Initiatives

- In August 2025, the Department released an updated Direct Support Professional Workforce Plan,[20] which outlines the Department's multi-year, comprehensive strategy to enhance training, recruitment, and retention methods to address the state's critical shortage of DSPs. This Plan will be updated annually, with the next update expected in summer 2026.
- To support the recruitment and retention of Direct Support Professionals (DSPs), NCDHHS created funding opportunities for provider agencies and Employers of Record (EORs). In the first

[20] The updated DSP Workforce Plan can be found here.

round, $3 million was awarded to assist with the funding of hiring and retention bonuses, on-the-job training, and supports designed to make DSP roles more appealing. A second round of incentives focused on recruitment and retention was launched in spring 2025.

- The DSP Advanced Training Certificate Program, offered through the North Carolina Community College System, is designed to provide specialized education for Direct Support Professionals to enhance their skills and career opportunities. The program was launched in fall 2025 at three community colleges: Asheville-Buncombe Technical Community College, Stanly Community College, and Forsyth Community College, with potential expansion to other institutions in future semesters. The program consists of two courses, focusing on advanced knowledge for supporting individuals with intellectual and developmental disabilities.
- The course series continues to be a success. Seventy-nine people enrolled in the fall 2025 courses across all three community college sites, with 47 of these people completing the course. The next round of Advanced Training courses is running from March – July, 2026. For the spring and summer courses, participants will be required to attend a weekly online meeting so that instructors can offer support and ensure success. So far, there are 120 enrollees in the spring courses across community college sites and course types. We are confident this format update will result in an increased number of participants completing advanced training, as we are already seeing with spring course enrollment numbers.

Conclusion

NCDHHS is committed to connecting people with I/DD to more choices and more access to services and supports. Inclusion Connects is a collaboration among NCDHHS divisions, including DMHDDSUS and DHB (NC Medicaid), to provide resources that connect people with I/DD to services and supports available to live, work, and thrive in their chosen communities. NCDHHS will continue to gather performance metrics from the initiatives above and adjust the workplan as necessary to meet and exceed the needs of the I/DD population in North Carolina.

Attachment 1 - Summary of Consent Order Reporting Requirements

Consent Order Section	Consent Order Subject Area	Reporting Requirement	Current Quarter (Jul - Sep 2025)
IV.1.a	Diversion and Transition Services	Number of individuals diverted from institutional settings during the preceding fiscal quarter, each preceding fiscal year (if applicable), and cumulatively.	Previous Quarters: (Jul – Sep 2024): 3 (Oct – Dec 2024): 6 (Jan – Mar 2025): 5 (Apr – Jun 2025): 6 (Jul – Sep 2025): 16 FY25 Cumulative (Jul 2024 – Jun 2025): 20 FY25 Cumulative (Jul 2024 – Jun 2025) with TCL Data Included: 101 Current Quarter (Oct – Dec 2025): 9 FY26 Cumulative (Jul – Dec 2025): 25
IV.1.b	Diversion and Transition Services	Number of people transitioned from institutional settings during the preceding fiscal quarter, each preceding fiscal year (if applicable), and cumulatively	Previous Quarters: (Jul – Sep 2024): 12 (Oct – Dec 2024): 25 (Jan – Mar 2025): 19 (Apr – Jun 2025): 26 (Jul – Sep 2025): 24 Current Quarter (Oct – Dec 2025): 18 FY25 Cumulative (Jul 2024 – Jun 2025): 82 FY25 Cumulative (Jul 2024 – Jun 2025) with TCL Data Included: 129 FY26 Cumulative (Jul – Dec 2025): 42
IV.1.c	Diversion and Transition Services	Number and percentage of individuals with I/DD eligible for In-Reach activities who are engaged in In-Reach activities.	389; 10.5%
IV.1.d	Diversion and Transition Services	Number and percentage of individuals with I/DD who began transition planning following In-Reach.	108; 27.9%
IV.1.e	Diversion and Transition Services	Number and percentage of individuals with I/DD eligible for diversion activities.	20; 55.6%

Consent Order Section	Consent Order Subject Area	Reporting Requirement	Current Quarter (Jul - Sep 2025)
IV.1.f	Diversion and Transition Services	Number and percentage of individuals with I/DD who remain in the community after engaging in diversion activities.	15; 93.8%
IV.1.g	Diversion and Transition Services	Number and percentage of individuals with I/DD age 18 and above identified for transition who are discharged through the transition planning process.	11; 61.1%
IV.1.h	Diversion and Transition Services	Information related to both successful and unsuccessful transitions.	See Transition narrative section
IV.1.i	1915(i) Implementation	Number of individuals with I/DD for whom the 1915(i) assessment and approval process has been completed.	2,840
IV.1.j	1915(i) Implementation	Number of individuals with I/DD receiving 1915(i) services.	12,759
IV.1.k	1915(i) Implementation	Number of individuals who received an assessment for 1915(i) services within 90 days of requesting an evaluation.	1,496; 97%
IV.1.l	1915(i) Implementation	Number of individuals who waited, or have waited, more than 90 days for an assessment, including the number of additional days waiting.	53; See Table 6 for details
IV.1.m	Continuing Unmet Need	Number and percentage of people on the Registry receiving I/DD-related services for the reporting quarterly period, including 1915(i), HCBS, State-Funded Services, or In-Lieu of Services.	9,027 (43.2%)
IV.1.n	Continuing Unmet Need	Number and percentage of individuals receiving 1915(i) services who need additional services in addition to their approved 1915(i) services.	Measure 3 (Jul 2024 – Jun 2025): 0 (0%) Measure 4 (Jul 2024 – Jun 2025): 0 (0%)
IV.1.o	Continuing Unmet Need	Number of people remaining on the Registry and the number removed from the Registry during the data reporting fiscal quarter, each preceding fiscal year (if applicable), and cumulatively.	Remaining: 20,893 Removed: 230
IV.1.p	Continuing Unmet Need	Status of the use of waiver slots and reserve capacity.	Active Slots: 14,161 Reserve Slots: 89
IV.1.q	DSP Availability	Overall percentage of authorized hours of Community Living and Supports (CLS) were billed. Consent Order Target Utilization by June 30, 2024: 82% Consent Order Target Utilization by June 30, 2025: 85%	Total Number Hours Authorized: Percentage Total (Oct - Dec 2025): 79.1% Alliance: 67.4% Partners: 88.0% Trillium: 49.9%

Consent Order Section	Consent Order Subject Area	Reporting Requirement	Current Quarter (Jul - Sep 2025)
			Vaya: 87.3%
IV.1.r	DSP Availability	Number of units of CLS authorized by LME/MCO.	Alliance: 5,364,980 Partners: 4,895,736 Trillium: 174,366 Vaya: 2,954,184
IV.1.s	DSP Availability	Number of units of CLS billed by LME/MCO.	Alliance: 3,615,655 Partners: 4,308,454 Trillium: 86,945 Vaya: 2,580,208
IV.1.t	DSP Availability	Number of units of CLS not utilized because of lack of provider or staff availability by LME/MCO.	Alliance: 349,377 Partners: 82,331 Trillium: 19,744 Vaya: 97,844

Attachment 2 - Summary of Consent Order Reporting Benchmarks

Consent Order Section	Benchmark	Current Quarter (Jul – Sep 2025)
III.A. Transitions	Defendants will support increased access to community-based services by transitioning eligible individuals who make an informed choice to transition to a community-based setting, and for whom a community-based setting is appropriate, as provided in the schedule below. These transitions may be facilitated and funded through Money Follows the Person and/or other appropriate funding sources. • For the fiscal year ending June 30, 2025, Defendants will transition at least 78 individuals with I/DD from institutional settings to community-based settings. • For the fiscal year ending June 30, 2026, Defendants will transition at least 83 individuals with I/DD from institutional settings to community-based settings. • For the fiscal year ending June 30, 2027, Defendants will transition at least 88 individuals with I/DD from institutional settings to community-based settings.	**Complete for fiscal year ending June 30, 2025 –** 82 transitions reported from July 1, 2024 – June 30, 2025. **Ongoing** for fiscal year ending June 30, 2026. Quarterly updates provided.
III.A. Transitions	Defendants will require LME/MCOs to engage in and track In-Reach efforts, as defined above, about individuals with I/DD living in the following settings: (1) Intermediate Care Facilities for Individuals with Intellectual Disabilities not operated by the State, (2) State Developmental Centers, (3) State psychiatric hospitals, (4) Psychiatric Residential Treatment Facilities, and (5) Adult Care Homes (at present, for member with Serious Mental Illness only).	**Ongoing -** NCDHHS continues to receive data on In-Reach efforts from LME/MCOs quarterly.
III.A. Transitions	With respect to In-Reach within Adult Care Homes, NCDHHS will update its contract language with LME/MCOs to remove the limitation that In-Reach obligations pertain to members with Serious Mental Illness only.	**Complete**
III.1.B. Diversion and Addressing Unmet Needs Through the Medicaid 1915(i) Service Option and Collecting Data	By June 30, 2024, Defendants will have completed the assessment and approval process for 3,000 individuals with I/DD for eligibility for 1915(i) services. Completing the approval process may include approving services, denying services, or approving in part and denying in part requested services. NCDHHS will document evidence of the number of individuals with I/DD who are not interested in being assessed for 1915(i) services, in the quarterly report.	**Complete**

Consent Order Section	Benchmark	Current Quarter (Jul – Sep 2025)
Relating to Its Implementation.		
III.1.B. Diversion and Addressing Unmet Needs Through the Medicaid 1915(i) Service Option and Collecting Data Relating to Its Implementation.	By June 30, 2024, all 1915(i) eligible individuals with I/DD with open authorizations for 1915(b)(3) services will be transitioned to appropriate 1915(i) services.	**Complete**
III.1.B. Diversion and Addressing Unmet Needs Through the Medicaid 1915(i) Service Option and Collecting Data Relating to Its Implementation.	To advance implementation of 1915(i) services, NCDHHS will do the following: • Initiate and participate in quarterly and as-needed discussions with LME/MCOs, providers, community stakeholders and the public about the implementation of 1915(i) services.	**Ongoing** - NCDHHS regularly engages with LME/MCOs (ensuring member transitions, clarity on process flow, policy clarification/questions), provider training, and creation of educational materials (FAQ, fact sheets). NCDHHS also regularly attends the NC Council on Developmental Disabilities, NC Provider Council meeting where updates on 1915(i) are provided. Other stakeholder engagement activities include regular TCM engagement, monthly Office Hours with health plans, and a bi-monthly benefits call with the health plans.
III.1.B. Diversion and Addressing Unmet Needs Through the Medicaid 1915(i) Service Option and Collecting Data Relating to Its Implementation.	To advance implementation of 1915(i) services, NCDHHS will do the following: • Create a plain-language messaging campaign for potential beneficiaries of the 1915(i) service. NCDHHS will issue at least one communication using plain language to explain the 1915(i) service, and the implementation of same, to potential beneficiaries by June 30, 2024.	**Complete**

Consent Order Section	Benchmark	Current Quarter (Jul – Sep 2025)
III.1.B. Diversion and Addressing Unmet Needs Through the Medicaid 1915(i) Service Option and Collecting Data Relating to Its Implementation.	To advance the implementation of 1915(i) services, NCDHHS will do the following: • Ensure that trainings are in place for LME/MCOs, Tailored Care Management entities, and Tailored Care Management providers.	**Complete**
III.2.A. Establish minimum utilization rates for Community Living and Supports.	To increase access to CLS, NCDHHS will provide for the following minimum utilization percentages for CLS, revising or amending its contracts with LME/MCOs as needed: • By June 30, 2024, the minimum utilization rate of authorized CLS services provided to qualified individuals on the Innovations Waiver will be 82 percent. • By June 30, 2025, the minimum utilization rate of authorized CLS services provided to qualified individuals on the Innovations waiver will be 85 percent.	**Ongoing –** NCDHHS continues to monitor quarterly for compliance to the minimum utilization rate. • The FY25 annual data was affected by data quality concerns during the first two quarters of reporting (July – Sept and Oct- Dec 2024). • Significant improvements in data quality have been seen, and the Department is confident improved reporting will continue into Fiscal Year 2026. • Utilization rates will continue to be reported quarterly.
III.2.B. Issues Relating to Training and Credentialing for DSPs.	NCDHHS will evaluate recommendations from the AHEC Report and Best Practices to determine actionable activities to address the DSP Training and Credentialing Needs.	**Complete**
III.2.B. Issues Relating to Training and Credentialing for DSPs.	NCDHHS will present a draft DSP Workforce Plan to address DSP workforce deficits to an advisory committee consisting of stakeholders including individuals with I/DD, family members, DSPs, providers, and other stakeholders to garner feedback.	**Complete**

Consent Order Section	Benchmark	Current Quarter (Jul – Sep 2025)
III.2.B. Issues Relating to Training and Credentialing for DSPs.	NCDHHS will provide a draft DSP Workforce Plan to Plaintiffs' Counsel by May 1, 2024. Plaintiffs' Counsel will provide any input or proposed changes to the draft to Defendants within 21 days of receipt. Defendants will receive and evaluate Plaintiffs' proposed changes, if any. The parties agree to meet and confer on or before June 5, 2024, on any issues that cannot reasonably be resolved.	**Complete**
III.2.B. Issues Relating to Training and Credentialing for DSPs.	NCDHHS will develop a final DSP Workforce Plan with specific actions and identified implementation dates no later than June 14, 2024. Plaintiffs retain the right, after evaluation of the final DSP Workforce Plan, to file a motion to challenge one or more terms of the Plan	**Complete**
III.2.B. Issues Relating to Training and Credentialing for DSPs.	NCDHHS will launch implementation of DSP Workforce Plan no later than July 1, 2024. Nothing in this Consent Order shall be construed to preclude future orders by the Court regarding training or credentialing for DSPs or other matters related to availability of DSPs.	**Complete**

Attachment 3 – Informational Appendix

Information on Tailored Plan Policy Flexibilities:

For the launch of Tailored Plans, NCDHHS implemented additional policy flexibilities to ensure beneficiaries receive uninterrupted care. From July 1, 2024 through, Sept. 30, 2024, LME/MCOs did not deny covered services if the request met medical necessity criteria in the following two scenarios:

a. Provider failed to submit PA prior to the service being provided and submits PA after the date of service.

b. Provider submitted for retroactive PA.

Additionally, LME/MCOs were instructed to:

a. Honor existing and active medical PAs on file with NC Medicaid Direct or another health plan for services covered by the health plan for the first seven months after launch, through Jan. 31, 2025, or until the end of the authorization period, whichever occurs first.

b. Not deny claims for the first seven months after launch, through Jan. 31, 2025, for covered services if the request met medical necessity criteria and authorize services for Medicaid-enrolled out-of-network providers equal to that of in-network providers until end of episode of care or seven months, whichever is less.

c. Honor a PA from their original health plan for the life of the authorization by their new health plan for a beneficiary who transitions between health plans after July 1, 2024.

A full list of Tailored Plan launch flexibilities potentially affecting our reporting is available. NCDHHS expects these impacts to continue through the following cycle.

Information on Hurricane Helene and Impact on Reporting:

On Sept. 27, 2024, Hurricane Helene made landfall in North Carolina, significantly impacting communities across the western part of the state. Many areas were heavily affected, and residents are continuing to work to recover and rebuild. NCDHHS recognizes that the road to recovery is long and has been providing support where possible. In response, priorities and tasks have been adjusted to support relief efforts. Consequently, service delivery flexibilities, deadlines for filing claims, reports, technical assistance calls, and data collection meetings were adjusted to allow providers and LME/MCOs to respond to urgent needs of the members in the community.

Hurricane Helene flexibilities related to service provision were extended through Feb. 28, 2025, for NC Medicaid, and through June 30, 2025, for Community Alternatives Program for Children (CAP-C), Community Alternatives Program for Disabled Adults (CAP-DA), and the Innovations Waiver programs. These flexibilities include, but are not limited to, the provision of additional service hours without prior authorization (PA) due to issues related to Hurricane Helene. This flexibility may be affecting our data regarding hours authorized and may continue to have an impact through our upcoming reporting cycles.

Information on NCDHHS' All Ages All Stages Plan:

All Ages, All Stages NC Plan[21] has immediate recommendations of the adoption of universal design principles in housing development and renovation that will be critical to the success of people with I/DD to live in community-based settings. Universal design will ensure homes are accessible and functional for people of all ages and abilities. The Olmstead Housing Director has joined this committee thus ensuring collaborative efforts from the NC Strategic Housing Plan.

- All Ages, All Stages also includes an immediate recommendation to ensure evolving housing and supports needs of younger people with developmental disabilities, traumatic brain injury, mental health needs, or other significant health and mobility challenges are met so they can age in place. Having the appropriate supports will allow these populations to continue to have access to adequate housing and support services even when aging caregivers are no longer able or available to provide the supports. This recommendation aligns with concerns from LRPs and advocates desiring to make sure young adults living with I/DD have opportunities to continue to live independently in communities of their choice and avoid institutionalization.

Updated Definition of Diversion Eligibility

Definition of Diversion Eligibility: A person with IDD who receives or is eligible for Medicaid or state funded services, currently is living in a non-institutional setting, and meets at least one of the following criteria:

- Seeking entry into an institutional setting;
- At risk of losing current community-based housing due to lack of community-based services and supports (i.e., unstable housing conditions);
- Current living arrangements may no longer meet the person's needs and there is concern about the stability of the person with IDD remaining in this setting now or within the next two years;
- Primary caregiver may be unable and/or unwilling to provide services to meet the needs of the person with IDD:
- Primary caregiver has acute or chronic mental and/or physical health conditions, or a terminal illness that limits the caregiver from providing services to meet the needs of the person with IDD (e.g., serious mood disorder, psychotic disorder, dementia or other cognitive impairment, bipolar disorder, non-terminal cancer, acute injury, heart condition, etc.);
- Primary caregiver who has been hospitalized one or more times for a chronic condition in the previous six months that limits the primary caregiver from providing services to meet the needs of the person with IDD;
- Primary caregiver died and no one else is available to provide supports that will allow the person with IDD to remain in a non-institutional setting;
- Child or youth with complex mental health needs and/or complex medical needs whose current placement is at risk of disruption;
- DSS involved child or youth without current community-based placement;

[21] The All Ages, All Stages NC Plan is available on the NCDHHS website. Visit All Ages, All Stages | NCDHHS to explore their data dashboard and see details on the implementation progress for each goal.

- Currently in any hospital setting without permanent, long-term housing identified upon discharge;
- Person with IDD does not meet eligibility criteria but the LME/MCO feels the person will benefit from diversion assistance