

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: July 1, 2025, through September 30, 2025

January 15, 2026

Table of Contents

Executive Summary	3
Purpose	3
Background	3
NCDHHS Commitment	3
Data Collection Process	3
Findings	6
Diversion and Transition Services	6
In-Reach Activities and Impact	6
Transition Planning and Discharge	9
Diversion Activities and Engagement	13
Services: 1915(i) and Continuing Unmet Needs	17
Reporting Requirements for 1915(i) Services	17
Data Narrative for 1915(i) Implementation	19
Communication and Stakeholder Engagement	20
Continuing Unmet Needs	20
Direct Service Professionals (DSP) Workforce	24
Conclusion	28
Attachment 1 - Summary of Consent Order Reporting Requirements	A-1
Attachment 2 - Summary of Consent Order Reporting Benchmarks	A-4
Attachment 3 – Informational Appendix	A-8

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 enhancing housing options and connecting people with appropriate services and support. 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 late March 2025, NCDHHS posted the [Inclusion Connects Work Plan](#), North Carolina's complete strategy to improve services for people with I/DD. The Work Plan will be updated annually.

Data Collection Process

Under the terms of their respective contracts with NCDHHS, the Tailored Plans¹ and LME/MCOs (collectively, the LME/MCOs) are required to submit reports to NCDHHS on a predefined basis (e.g., monthly, quarterly) that include 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 and State Funded Services to populate this report and drive action. The Department is grateful for the

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 <https://medicaid.ncdhhs.gov/tailored-plans>. 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 LME/MCOs in total, with one LME/MCO for each county.

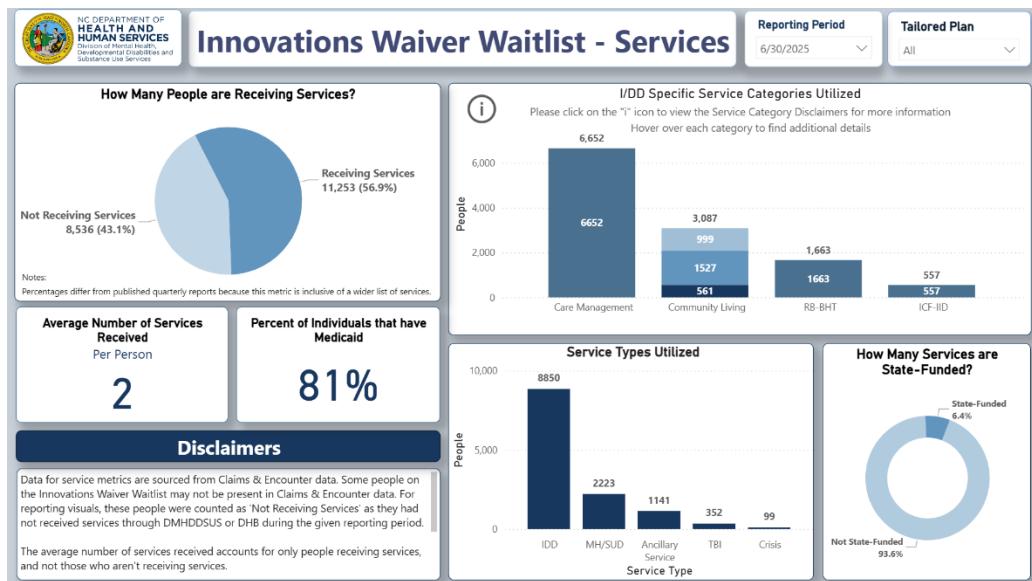
continued dedication and collaboration of the LME/MCOs and other stakeholders to support the I/DD community.

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 and quality information is collected. NCDHHS regularly engages with LME/MCOs and providers throughout the data collection period, including technical assistance and written feedback.

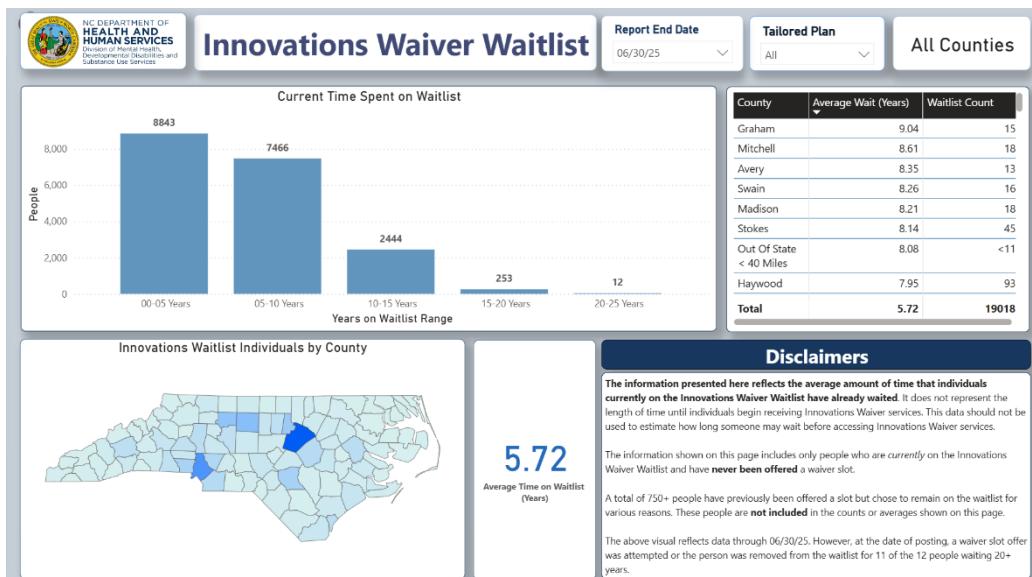
Once reports are collected and reviewed, NCDHHS leverages tools such as Power BI for further analysis. Power BI connects various data sources and provides additional data cleansing and transformation tools that allow for in-depth insights and calculations. By leveraging Power BI's features, visuals and tables are generated, many of which are used in this report. The Innovations Waiver Waitlist Dashboard is refreshed every quarter in alignment with data and reporting periods from the Inclusion Connects Quarterly Report publication. In December 2024, NCDHHS Inclusion Connects² launched a Power BI dashboard to analyze the Innovations Waiver Waitlist. In August 2025, the Dashboard was expanded to include information on the 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 June 30, 2025. All portions of the Innovations Waiver Waitlist Dashboard will be updated in January 2026 to show data through Sept. 30, 2025.

The remainder of this page is intentionally left blank.

² [Inclusion Connects](#) 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 have been 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 June 30, 2025.



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, Transition, and Diversion activities for the I/DD population. NCDHHS is actively working to revise the I/DD In-Reach, Diversion, Transition Activity Report template used by LME/MCOs to address challenges with report completion and improve data collection and analysis. Based on feedback from LME/MCOs and diversion partners, the Inclusion Connects team uploaded a revised template to improve data collection for In-Reach, transition, and diversion 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.

The revised report template was used in reporting for July – September 2025 data and is reflected in the Jan. 15, 2026, quarterly report. The Department has also 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 the Department is in the process of uploading the document for use across LME/MCOs. This document will continue to be updated as additional scenarios and guidance are identified by DHHS 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, where specified. 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.

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 persons (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, 2-way audio visual, and telehealth interactions. The education efforts are designed to inform people and their LRP about home and community-based service options. In-Reach efforts will identify people desiring to move into a home or community-based setting, and make a referral for transition, if appropriate. 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 Peer Supports workgroup has created an outline of the 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 an RFA to contract out development of the training. 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.

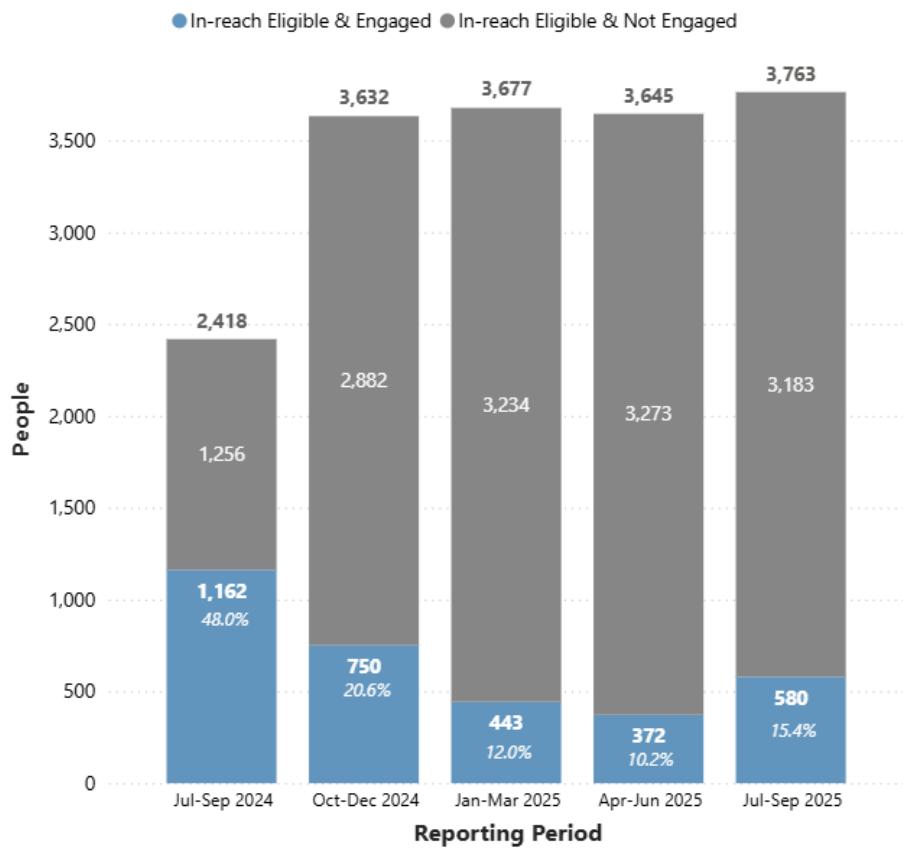
Consent Order Reporting Requirement IV.1.d Diversion and Transition Services: Number and percentage of individuals with I/DD who began transition planning following In-Reach.

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%
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%

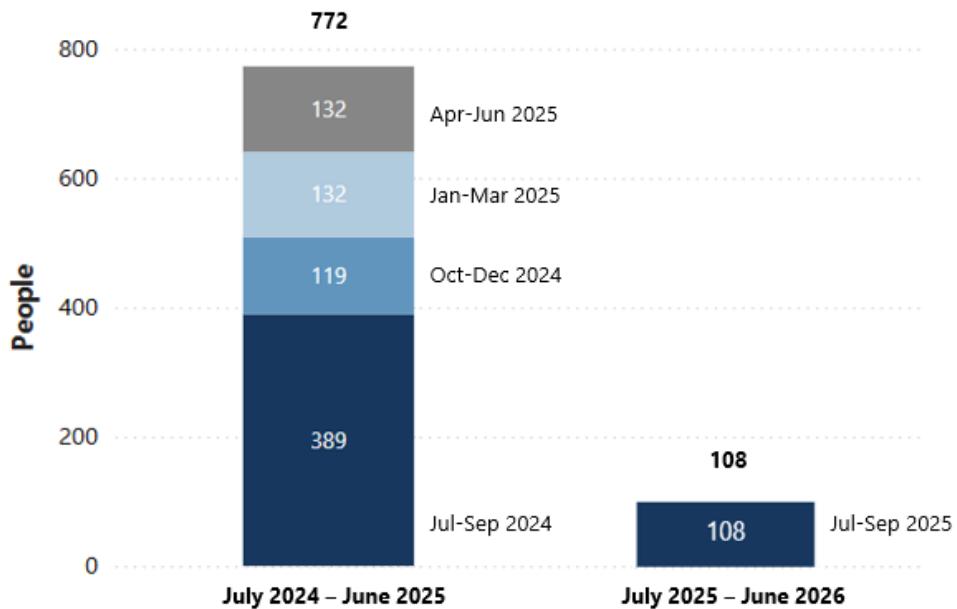
Source: LME/MCO Reporting

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



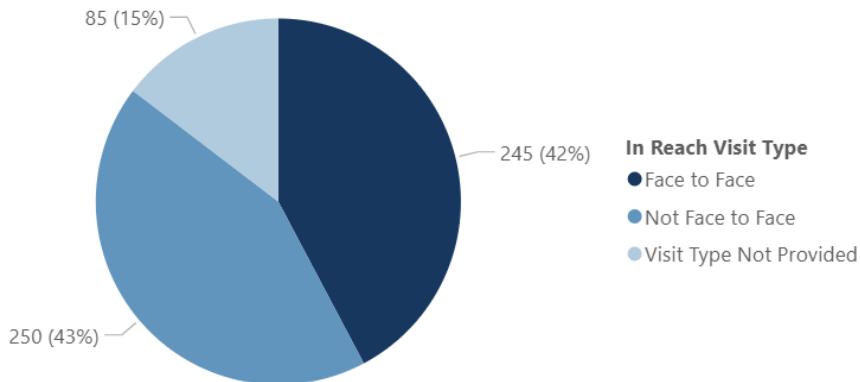
Source: LME/MCO Reporting

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 an increase in the number of eligible people with I/DD engaged in In-Reach activities, as compared to Jan – March and April – June 2024 quarters.
- Chart 3 shows there were 245 face-to-face (in-person) In-Reach activities performed in this reporting period compared to 250 non-face-to-face (not in-person) In-Reach activities. There were 85 people for which In-Reach visit type was not provided. Non-face-to-face activities include telephone, written, mailed letters, and more. It is important to understand the possible impact in-person In-Reach may have on the decision a person makes. It is equally important to understand LME/MCO staff are trying to meet the needs of the people they are serving by providing more In-Reach options, 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 began transition planning after engaging with In-Reach slightly decreased to 108. 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 LRP 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 (n= 167). This continues to be of interest because the number of “person not interested” is much lower (n= 30). Additional reasons individuals were not interested in beginning the transition process include the person being satisfied with their current placement and service needs (I/DD and Behavioral Health).

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 towards resolutions. The education provided by LME/MCOs to people with I/DD and LRPCs 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 LRPCs 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 considered a “successful” transition for Inclusion Connects. NCDHHS continues to provide technical assistance to LME/MCOs regarding current submissions.

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.³

- 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), which includes 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, including those 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 persons with I/DD who move from institutional settings to community-based settings.
- The Department modified the LME/MCO report template to include the funding source/program each person uses to move from institutional settings. This information will help inform NCDHHS of the type of funding and programs needed to assist people with I/DD transition into the community and aid in identifying gaps in services. The updated report template was utilized in this reporting cycle (July – September 2025 data).

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.

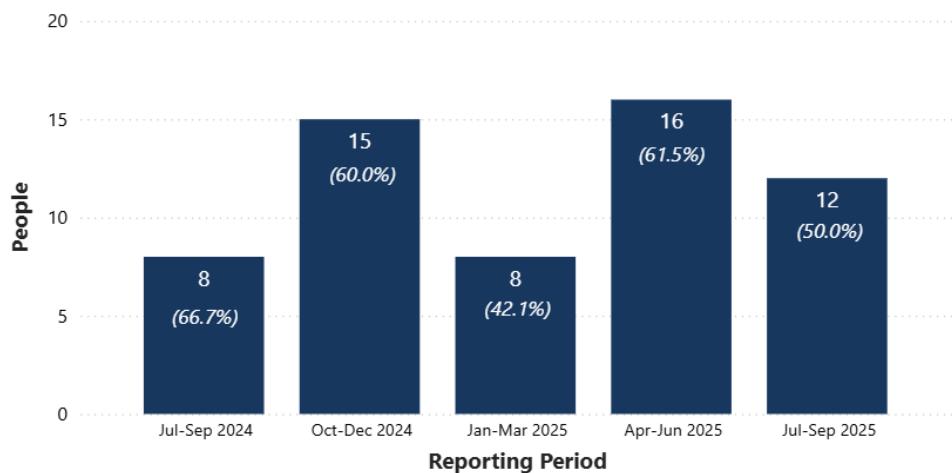
³ This report represents data from the first quarter of State Fiscal Year 2026 (FY26). The cumulative count for FY26 will be updated quarterly, beginning in the April 15, 2026, report.

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	
IV.1.g Individuals with I/DD Age 18 and above Discharged through Transition Process⁴		
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%

Source: [LME/MCO Reporting](#)

Chart 4: Individuals with I/DD Age 18 and Above Discharged Through Transition Process (IV.1.g)⁵



Source: [LME/MCO Reporting](#)

⁴ 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.

⁵ The percentages displayed in Chart 4 represent the percent of transitions of individuals age 18 and above out of the total number of transitions.

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 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 was delayed this reporting period. The data will be provided in the next report.
- 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 \leq 4 residents, private homes, and alternative family living (AFL) arrangements.
- Besides “other,” top reported barriers to transition included Exceptional Behavioral Health Needs (n= 25), Guardian Objections (n= 12), and Lack of Accessible Units Available (n= 9).
- The primary funding source for transitions continues to be the Innovations Waiver, most frequently through the Money Follows the Person program.
- As compared to the first quarter of last fiscal year (Jul – Sep 2024), there is an increase in the count of transitions (12 transitions in Jul – Sep 2024 and 24 transitions in Jul – Sep 2025). This may be reflective of not only the data quality improvement efforts of LME/MCOs and the Department but also continued focus on facilitating successful transitions for those who chose to do so.
- Seven individuals were reported to be successfully transitioned for over a year in this reporting period, with transition end dates from 7/1 – 9/30/24.

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

- There is a total of 14 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 declined, other and none. The Department will continue to investigate barriers affecting the transition process.
- 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 as Intermediate Care Facilities (ICFs) and group homes.
- There is a continued lack of interest in permanent supportive housing in this reporting period. DHHS 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 will hold additional trainings in 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 first quarter (Jul – Sep 2025) of Fiscal Year 2026, there were **24** reported transitions of people with I/DD from institutional settings to community-based settings. The Department will continue to report transitions quarterly to track towards the fiscal year benchmark of 83 total transitions by June 30, 2026.

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., developmental disabilities group homes, their own home, natural support 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, 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.⁶

Consent Order Reporting Requirement IV.1.e. Diversion and Transition Services: Number and percentage⁷ 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.⁸

⁶ This report represents data from the first quarter of State Fiscal Year 2026 (FY26). The cumulative count for FY26 will be updated quarterly, beginning in the April 15, 2026, report.

⁷ DHHS has updated the definition of diversion eligibility to more accurately capture the population of individuals with I/DD eligible for diversion. The updated definition will be added to the LME/MCO reporting tool and used in the February 2026 data submissions. The Department expects to be able to report this metric in the April 15, 2026, Report.

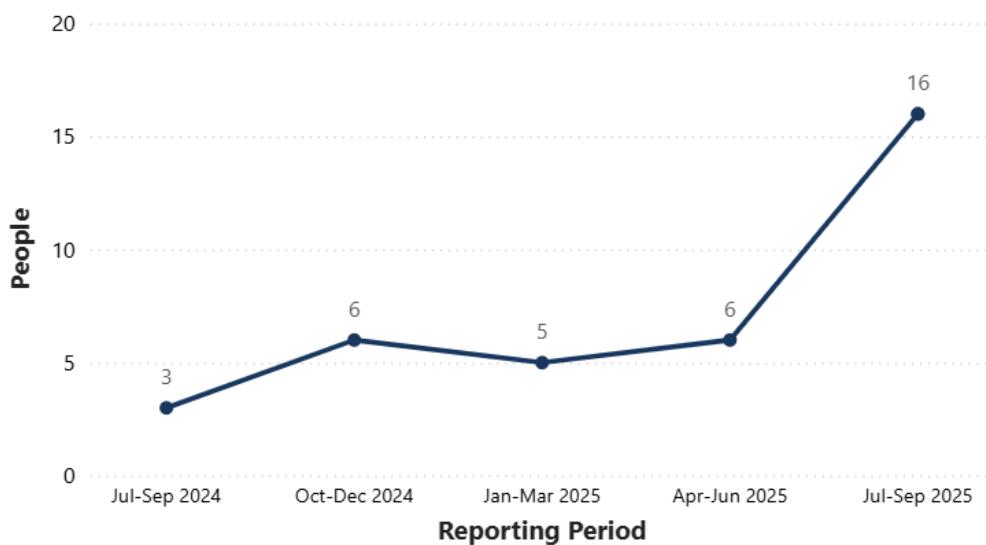
⁸ The LME/MCO report used to calculate Diversion and Transition Service metrics does not explicitly track individuals past their diversion into a community-based setting, as these individuals will not be residing in an institutional setting. NCDHHS reports a diversion to a community-based setting as a successful diversion. For the January 2026 report, NCDHHS confirmed that five out of the six individuals who were reported as "diversions" in the October 2025 report remained in the community by ensuring these members did not appear on this quarter's Member report.

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	
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
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%

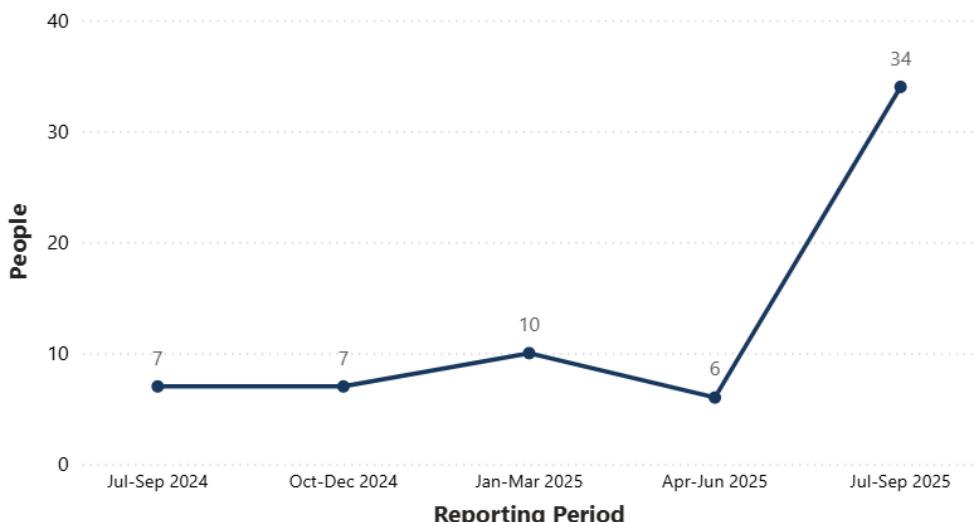
Source: LME/MCO Reporting

Chart 5: Individuals with I/DD Diverted from Institutional Settings (IV.1.a)



Source: LME/MCO Reporting

Chart 6: Individuals with I/DD Eligible for Diversion Activities (IV.1.e)



Source: LME/MCO Reporting

Diversion Reporting Metrics Data Narrative:

- Both the number of individuals diverted from institutional settings and eligible for diversion increased significantly in the July – September 2025 reporting period. The Department believes this data more accurately reflects the number of individuals engaging in diversion activities and being successfully diverted across LME/MCOs. This reporting period was the first to use the revised report template, which added a field to explicitly capture data on individuals at risk of institutionalization. The Department is pleased to see the revised template and continued technical assistance efforts have resulted in improved diversion data quality.
- In addition, the Department believes diversion data will continue to improve as the updated diversion eligibility definition is implemented into the LME/MCO reporting tool and used in the February 2026 data submissions. This will cover the October – December 2025 reporting period and data will be reported in the April 15, 2026, quarterly report.
- 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 services (Innovations Waiver and 1915(l)).
- TCL data has been separated out of cumulative counts but will continue to be included in this report. As previously noted, TCL data was delayed this reporting period and will be provided to DRNC in follow-up conversations and future reports.

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. Inclusion Connects 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.

NCDHHS continues to support the collaboration between Alliance Health and NC Department of Administration, Commission of Indian Affairs (CIA) in the establishment of 25 Housing Choice Vouchers (HCVs) for people with disabilities served and referred by Alliance Health.

- In June 2025, NCDHHS staff were instrumental in successfully getting CIA to start processing the nine referrals submitted by Alliance. The referrals had been stagnant for months and DMHDDSUS was asked to help with CIA as communication problems existed. NCDHHS staff have an established working relationship with CIA and therefore were able to reach out and stress the urgency of the matter and advocate for action on behalf of Alliance for the applicants. CIA responded favorably with movement in the referral process. The Department will continue to monitor this situation and help as needed to ensure I/DD household applications are processed.
- The Department is aware challenges exist with changes that have impacted numerous federal agencies, including HUD. The Department will continue to be available to assist with CIA if needed to ensure vouchers are processed for I/DD households in need of 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 continue to be placed in future reports.

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 current reporting period showed a significant increase in the number of people eligible for diversion. This confirms the technical assistance calls the Inclusion Connects team conducts with

LME/MCOs are working as LME/MCO staff continue to identify more people eligible for diversion and those being diverted from institutional settings.

- The Inclusion Connects team has drafted a definition of diversion eligibility to ensure all people at risk of institutionalization will receive diversion assistance and be captured on the quarterly reports. The definition was shared with LME/MCOs, various stakeholder workgroups and department staff for review and feedback. Feedback was incorporated to create the finalized version of the definition, which will be added to the LME/MCO reporting tool and used in the February 2026 data submissions. The Department expects to be able to fully report diversion eligibility metrics beginning in the April 15, 2026, Report.
- The updated definition is a more inclusive definition that will capture all people with I/DD in need of diversion assistance. Inclusion Connects does not offer funding for diversion assistance, but 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.
- For those not successfully diverted during the diversion process this reporting period, three people were admitted to ICFs, one person was admitted to a state developmental center, one person was admitted to a PRTF, and the remainder entered non-specified institutional settings.
- Moving forward, Inclusion Connects will work with LME/MCOs to better understand their diversion process and provide guidance in order 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 support 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:

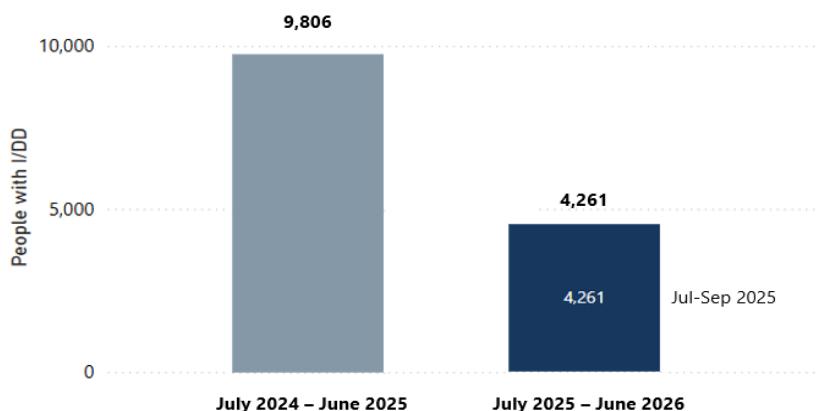
Consent Order Reporting Requirement IV.1.i: Number of individuals with I/DD for whom the 1915(i) assessment and approval process has been completed.

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

Source: 1915(i) Assessment Data

Chart 7: Individuals with I/DD for whom 1915(i) Assessment and Approval Process has been Completed (IV.1.i)



Source: 1915(i) Assessment Data

Consent Order Reporting Requirement IV.1.j: Number of individuals with I/DD receiving 1915(i) services.⁹

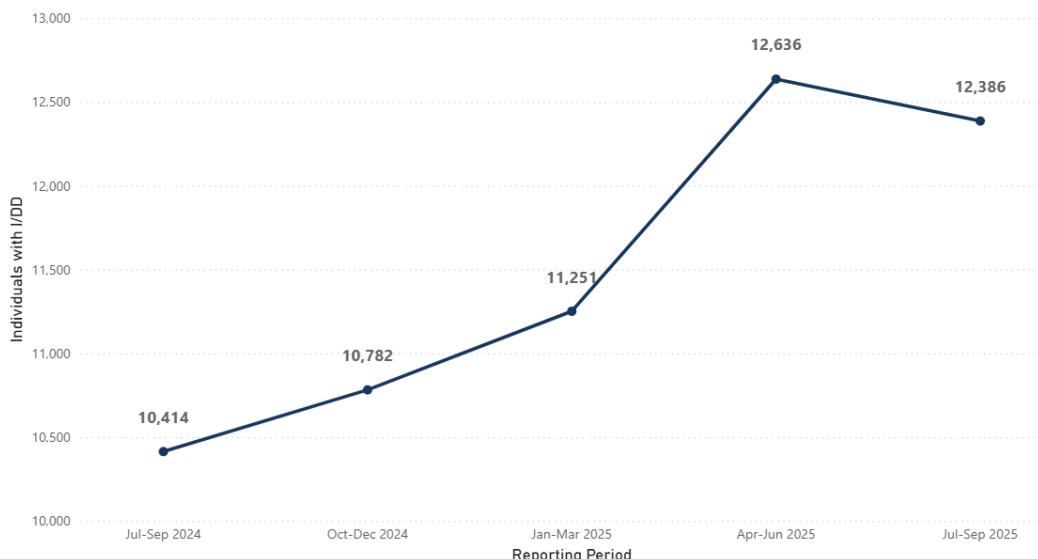
Table 5: 1915(i) Implementation (IV.1.j.)

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

Source: Claims and Encounters Data

⁹ 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.

Chart 8: 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
Number of individuals who waited, or have waited, more than 90 days for an assessment	
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

Source: N/A

Data Narrative for 1915(i) Implementation

- This quarter continues to see an increase in people who have been approved to receive 1915(i) services, with this quarter noting the most people reviewed and approved of any quarter to date. 1915(i) service utilization decreased by less than 2% compared to last quarter. The

Department continues to monitor utilization, but possible reasons may be due to normal quarterly fluctuations in service usage.

- NCDHHS also attends and hosts community events, including those with Exceptional Children's Assistance Center and Grupo Poder y Esperanza, to provide education. There continues to be a focus on the NCDHHS Plain-Language Campaign, with the [1915\(i\) Services Toolkit](#) released on April 3, 2025, and the [Innovations Waiver toolkit](#) released on April 24, 2025.
- 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. Assessment forms for 1915(i) services have been updated to require this information and were required to be utilized starting Oct. 1, 2025; this data is anticipated to be reported in the April 15, 2026, report.
- Tailored Care Management manuals have been updated to include specific timelines for the 1915(i)-onboarding process, which will also be included in future contract language with LME-MCOs.

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 monthly I/DD Director's meetings to discuss service outcomes, challenges, and adjustments. 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.¹⁰ 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 [Inclusion Connects Updates | NCDHHS](#).

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.

¹⁰ Learn more about the Inclusion Connects Advisory Committee by visiting: [Inclusion Connects Updates | NCDHHS](#).

Key Findings:

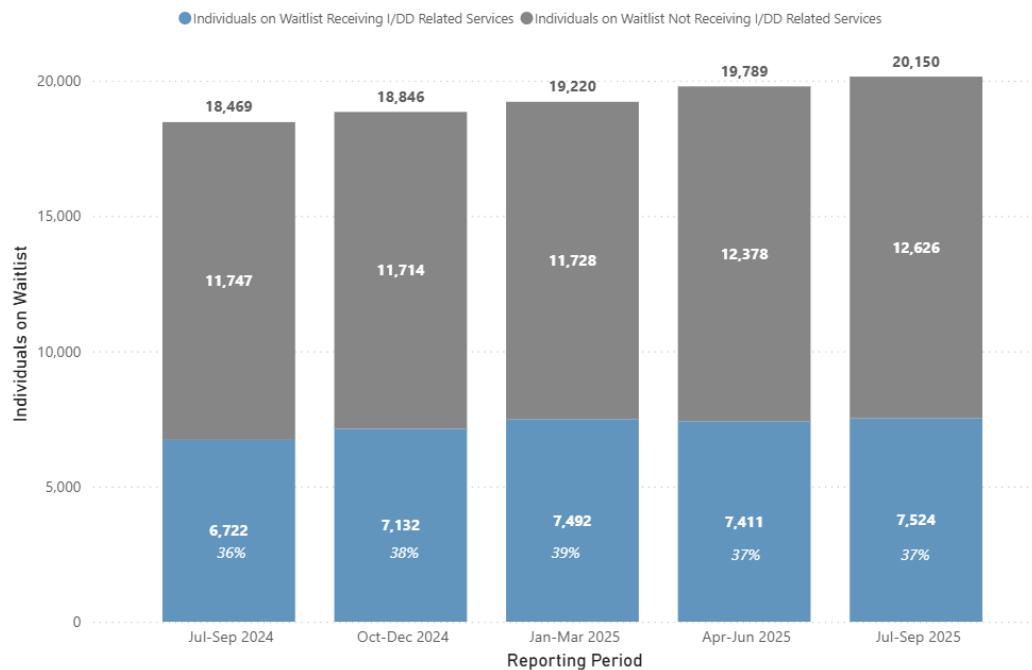
Consent Order Reporting Requirement IV.1.m Continuing Unmet Needs: Number and percentage of people on the waitlist receiving I/DD-related services for the reporting quarterly period, including 1915(i), HCBS, State-Funded Services, or In-Lieu of Services.

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

Number of Individuals on the Innovations Waiver Waitlist That Are Receiving I/DD-Related Services		
Reporting Period	Number	Percentage
Jul - Sep 2024	6,722	36.4%
Oct – Dec 2024	7,132	37.8%
Jan – Mar 2025	7,492	38.9%
Apr – Jun 2025	7,411	37.4%
Jul – Sep 2025	7,524	37.3%

Source: Claims and Encounters Data

Chart 9: Number of Individuals on the Innovations Waiver Waitlist That Are Receiving I/DD-Related Services (IV.1.m)



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.

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-Sep 2024	Oct-Dec 2024	Jan-Mar 2025	Apr-Jun 2025
Care Plans/ISPs that were revised, as applicable, by the Care Manager to address members' changing needs	177 (1.5%)	433 (3.6%)	464 (3.7%)	398 (2.9%)
Care Plan/ISPs that address identified health and safety risk factors		1,149		1,903
Care Plans/ISPs in which the services and supports reflect beneficiary assessed needs and life goals			2,544	
Beneficiaries reporting that their Care Plan/ISP has the services they need			2,544	

Source: LME/MCO Reporting

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 ¹²	409
Oct – Dec 2024	18,846 ¹³	291
Jan – Mar 2025	19,220 ¹³	245
Apr – Jun 2025	19,789	215
Jul – Sep 2025	20,150	106

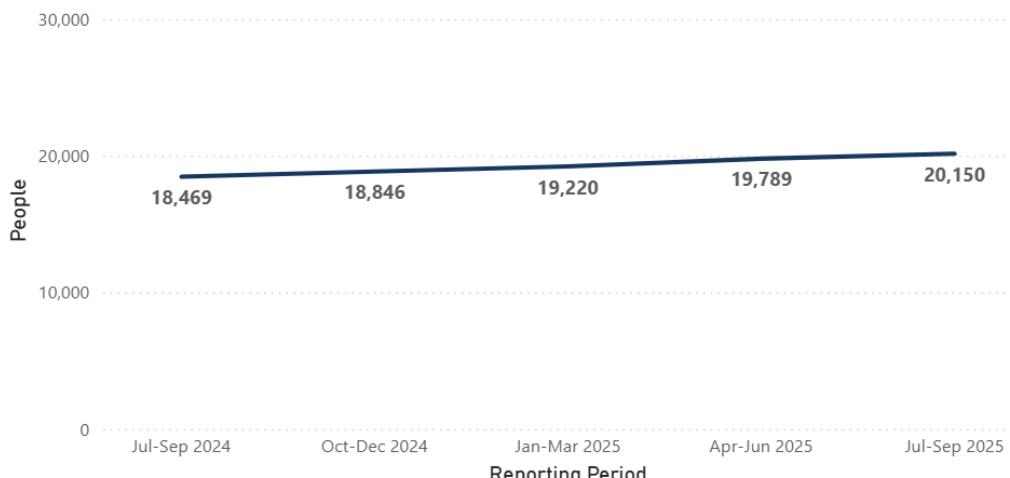
Source: LME/MCO Reporting

¹¹ The data source for Table 8 operates on a 5-month delay, meaning data will be available 5 months after the last day of the reporting period. Due to this, Quarterly values of Jan - Mar 2025 will be reported in August 2025 submission and Annual values will be reported in November 2025 submission. The Department has submitted a Contract Amendment to update the cadence of all four measures to quarterly. The Amendment will go into effect on July 1, 2026.

¹² 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.

¹³ Values for this reporting period have been updated to reflect more complete internal data identified during routine data validation.

Chart 10: 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)¹⁴

Status of the use of Waiver Slots and Remaining Reserve Capacity		
Reporting Period	Number Active	Remaining Reserve Capacity
Jul - Sep 2024	13,938	132
Oct – Dec 2024	14,308	89 ¹⁵
Jan – Mar 2025	14,420	25
Apr – Jun 2025	14,089	14
Jul – Sep 2025	14,185	123

Source: LME/MCO Reporting

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.
- Current 1915(i) assessments have been updated to require the date the assessment was requested in addition to the date it was completed. This update has occurred, and the updated assessment is required to be utilized starting Oct. 1, 2025, with reportable data anticipated for the April 15, 2026, report.

¹⁴ 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.

¹⁵ This value is an estimate as not all LME/MCOs have submitted the requested information.

- Table 8 represents performance standards for 1915(i) services across all service recipients and the anticipated date of data submission, as applicable. Moving all measures to a quarterly reporting cadence is currently in progress and is anticipated to be in effect on July 1, 2026, with data available in the following quarters.
- NCDHHS has contracted a consultant to support program and process design of how to assess the needs for people currently on the Innovations Waiver waitlist. This work started July 1, 2025, and includes expert and stakeholder input. An internal proposal has been completed, with external stakeholder input sessions beginning in early 2026 for further planning.
- To increase data quality, NCDHHS has requested further clarification on LME/MCOs' data collection processes for the metrics in Table 8. Currently, NCDHHS has received partial clarification from two LME/MCOs.
 - For the first measure (Care Plans/ISPs that were revised, as applicable, by the Care Manager to address members' changing needs), one LME/MCO reports the number of active members who had care plan revisions during the reporting period. The other LME/MCO reports the number of care plan revisions during the reporting period, not including planned annual updates.
 - For the remaining three measures in Table 8 (Care Plan/ISPs that address identified health and safety risk factors; Care Plans/ISPs in which the services and supports reflect beneficiary assessed needs and life goals; Beneficiaries reporting that their Care Plan/ISP has the services they need), both LME/MCOs use data from a Utilization Management (UM) review process that assesses whether or not that criteria has been met.

Direct Service Professionals (DSP) Workforce

According to State of the Workforce Survey Report for 2023¹⁶, by National Core Indicators Intellectual and Developmental Disabilities, North Carolina had the second-lowest turnover rate and the highest percentage of DSPs employed over 36 months, compared to other states participating in the survey. This does not mean, however, there is no work to be done, as 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 currently facing a critical shortage of DSPs, which is significantly affecting the availability and quality of home and community-based services for people with I/DD.

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.*

¹⁶ [2023-NCI-IDD-SoTW_241126_FINAL.pdf](#)

Key Findings:

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

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% ¹⁷ Alliance: 76.8% Partners: 85.3% Trillium: 199.0% ¹⁶ 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%

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.

¹⁷ 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.

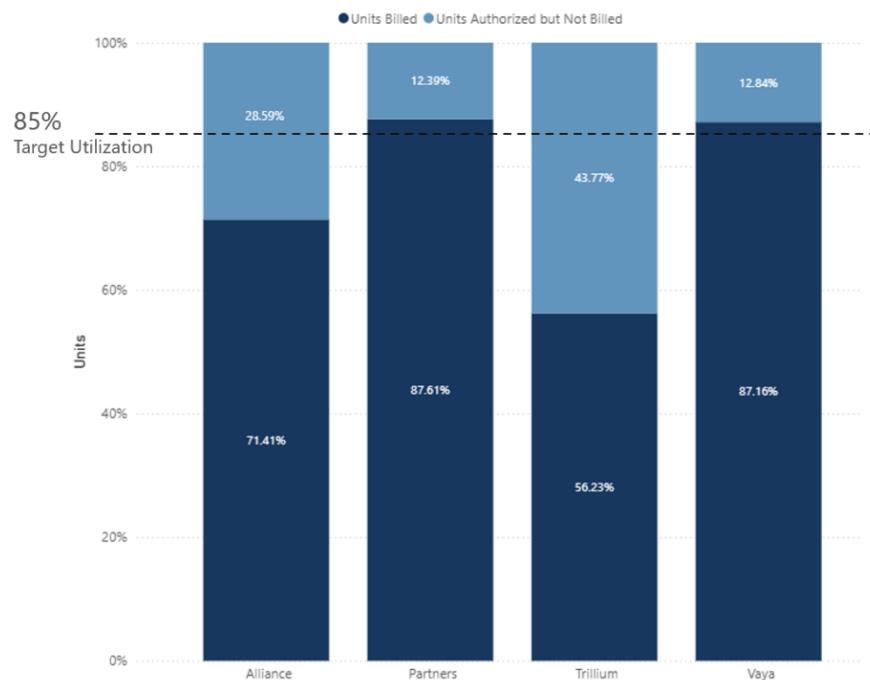
Table 12: Findings for DSP Availability by Number of Units (IV.1.r, IV.1.s and IV.1.t)

Number of Units of CLS Authorized				
Reporting Period	Number by LME/MCO			
	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
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
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

Source: [LME/MCO Reporting](#)

The remainder of this page is intentionally left blank.

Chart 11: Percentage of Authorized Units Billed (IV.1.r and IV.1.s)



Source: LME/MCO Reporting

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 fifth submittal from LME/MCOs was received in December 2025. 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 this reporting period, July – September 2025, Alliance reported a lower CLS utilization rate as compared to previous quarters. The Department met with Alliance to understand the gradual decrease in reported CLS utilization rates. Low provider response rates and increased internal data validation efforts were the top reasons provided for the gradual decrease.
- Greater provider education will be key in ensuring utilization rates are reported accurately moving forward. Alliance additionally noted they are working internally to develop a more streamlined reporting system for providers.
- NCDHHS continues to engage with Trillium to understand discrepancies in reporting for overall percentage of authorized CLS billed hours (reported in Table 11) and number of units of CLS not billed due to staff availability (reported in Table 12). The Department and LME/MCOs will continue to engage in technical assistance to ensure accurate reporting.
- In response to standardized guidance provided by the Department during technical assistance calls, both data quality and reporting methodologies improved over the course of the fiscal year. These enhancements have led to more accurate CLS utilization rates, as reflected in Table 11. The Department anticipates these improvements will continue into the upcoming fiscal year.

- 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 doing RAP/RADSE.

NCDHHS DSP Workforce Initiatives

- In August 2025, the Department released an updated Direct Support Professional Workforce Plan,¹⁸ 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.
- 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 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. Awards from round two are projected to be announced in early 2026 with distribution of funds anticipated in Spring 2026.
- 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 Fall 2025 courses were a success across community college partner sites, with 30 registrations each at Stanly Community College and Asheville-Buncombe Technical Community College and 19 registrations at Forsyth Community College. Spring courses begin in January 2026 at all three community colleges. Overall, this program is being implemented as part of NCDHHS's broader effort to ensure a stronger and better trained DSP workforce, thereby improving the quality of care.

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 the Division of Mental Health, Developmental Disabilities, and Substance Use Services and the Division of Health Benefits (NC Medicaid), to provide resources that connect people with I/DD to services and support 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.

¹⁸ Read the updated DSP Workforce Plan [here](#).

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 Cumulative (Jul 2024 – Jun 2025): 20 Cumulative (Jul 2024 – Jun 2025) with TCL Data Included: 101 Current Quarter (Jul – Sep 2025): 16
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 Cumulative (Jul 2024 – Jun 2025): 82 Cumulative (Jul 2024 – Jun 2025) with TCL Data Included: 129 Current Quarter (Jul – Sep 2025): 24
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.	580; 15.4%
IV.1.d	Diversion and Transition Services	Number and percentage of individuals with I/DD who began transition planning following In-Reach.	108; 18.6%
IV.1.e	Diversion and Transition Services	Number and percentage of individuals with I/DD eligible for diversion activities.	34
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; 83.3%
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.	12; 50.0%

Consent Order Section	Consent Order Subject Area	Reporting Requirement	Current Quarter (Jul - Sep 2025)
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.	4,261
IV.1.j	1915(i) Implementation	Number of individuals with I/DD receiving 1915(i) services.	12,386
IV.1.k	1915(i) Implementation	Number of individuals who received an assessment for 1915(i) services within 90 days of requesting an evaluation.	Not Available
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.	Not Available
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.	7,524; 37.3%
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 1 (Apr- Jun 2025): 398 (2.9%) Measure 2 (Jan – Jun 2025): 1,903 Measure 3 (Jul 2024 – Jun 2025): 2,544 Measure 4 (Jul 2024 – Jun 2025): 2,544
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: 20,150 Removed: 106
IV.1.p	Continuing Unmet Need	Status of the use of waiver slots and reserve capacity.	Active Slots: 14,185 Reserve Slots: 123
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: 3,512,700 Percentage Total (Jul – Sep 2025): 80.6% Alliance: 71.4% Partners: 87.6% Trillium: 56.2% Vaya: 87.2%

Consent Order Section	Consent Order Subject Area	Reporting Requirement	Current Quarter (Jul - Sep 2025)
IV.1.r	DSP Availability	Number of units of CLS authorized by LME/MCO.	Alliance: 5,669,930 Partners: 5,059,890 Trillium: 174,571 Vaya: 3,251,219
IV.1.s	DSP Availability	Number of units of CLS billed by LME/MCO.	Alliance: 4,048,780 Partners: 4,433,140 Trillium: 98,168 Vaya: 2,833,730
IV.1.t	DSP Availability	Number of units of CLS not utilized because of lack of provider or staff availability by LME/MCO.	Alliance: 324,166 Partners: 159,535 Trillium: 37,898 Vaya: 105,192

Attachment 2 - Summary of Consent Order Reporting Benchmarks

Consent Order Section	Benchmark	Current Quarter (Jul – Sep 2025)
III.A. Transitions	<p>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.</p> <ul style="list-style-type: none"> 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. 	<p>Complete for fiscal year ending June 30, 2025 – 82 transitions reported from July 1, 2024 – June 30, 2025.</p> <p>Ongoing for fiscal year ending June 30, 2026. Quarterly updates will be provided.</p>
III.A. Transitions	<p>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).</p>	<p>Ongoing - NCDHHS continues to receive data on In-Reach efforts from LME/MCOs quarterly.</p>
III.A. Transitions	<p>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.</p>	<p>Complete</p>
III.1.B. Diversion and Addressing Unmet Needs Through the Medicaid 1915(i) Service Option and Collecting Data	<p>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.</p>	<p>Complete</p>

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.	<p>To advance implementation of 1915(i) services, NCDHHS will do the following:</p> <ul style="list-style-type: none"> 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.	<p>To advance implementation of 1915(i) services, NCDHHS will do the following:</p> <ul style="list-style-type: none"> 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.	<p>To advance the implementation of 1915(i) services, NCDHHS will do the following:</p> <ul style="list-style-type: none"> • 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.	<p>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:</p> <ul style="list-style-type: none"> • 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. <ul style="list-style-type: none"> • 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. Between July 1, 2024, and 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 plan¹⁹ 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 LRPAs and advocates desiring to make sure young adults living with I/DD have opportunities to continue to live independently in communities of their choosing and avoid institutionalization.

¹⁹ All Ages, All Stages NC Plan available [here](#).