Medicaid Transformation Four-Year Forecast

NCGS 108A-54(e)(8)

Report to

Joint Legislative Oversight Committee on Medicaid

and

Office of State Budget and Management

by

North Carolina Department of Health and Human Services

August 19, 2026

NC General Statute 108A-54:

North Carolina General Statute 108A-54(e), as amended by Session Law 2015-245, Section 13, requires that NC Medicaid provide an annual report to the Joint Legislative Oversight Committee on Medicaid and the Office of State Budget and Management containing the following information for the Medicaid and NC Health Choice programs:

a. A detailed four-year forecast of expected changes to enrollment growth and enrollment mix.

The table below provides the required four-year enrollment forecast, covering State fiscal years 2025-26 through 2028-2029. The table provides actual data for SFY 2024-25, and the projections for SFY 2025-26 include actual data through April of 2026.[1] Projections come from the most recent consensus forecast between OSBM and DHB, which is being used to formulate the rebase estimate included in Governor Stein's Recommended Budget for SFY 2026-27.

In the Consolidated Appropriations Act of 2023, Congress set a date of April 1, 2023, for the end of the continuous enrollment requirement that has been in place since the start of the public health emergency in 2020. The continuous coverage requirement prevented NC from terminating full Medicaid coverage for most beneficiaries whose redetermination showed them to no longer meet Medicaid eligibility requirements; this requirement led to steady enrollment growth during the SFY 2020-2023 period, and a decrease in subsequent years as the enrollment began to 'unwind,' As of the current year (SFY 2025-26) the unwinding from this process is wrapping up, and based on county level data of disenrollment, is expected to continue through the reporting period.

Medicaid Eligibility Groups (Excludes Medicaid Expansion)	**SFY 2024-25 (Actual)**	**SFY 2025-26**	**SFY 2026-27**	**SFY 2027-28**	**SFY 2028-29**
Non-Dual ABD (Aged, Blind, Disabled)	175,670	166,682	160,826	157,767	156,114
TANF & Other Adults	340,108	275,676	231,695	211,302	200,319
TANF & Other Child	1,334,681	1,334,514	1,310,217	1,305,938	1,307,147
TANF & Other Infant	72,048	71,992	72,111	72,283	72,456
Foster Care / Adoptive Placement / Former Foster Youth	32,583	32,915	33,834	34,275	34,513
Innovations / TBI Waiver	14,222	14,404	14,550	14,646	14,698
Managed Care Subtotal[2]	1,969,313	1,896,183	1,823,233	1,796,210	1,785,247

[1] Actual enrollment for SFY 2024-25 uses average monthly enrollment information from an internal report generated by DHB's Business Information and Analytics group. The consensus forecast model projects enrollment through the end of the 2029-30 state fiscal year.

[2] Includes populations currently eligible to enroll in Standard Plans, as well as populations proposed to enroll in BH IDD Tailored Plans and the proposed Children and Families Specialty Plan once launched. Excludes Medicaid Expansion numbers

% Growth		-3.71%	-3.85%	-1.48%	-0.61%
Excluded from Managed Care[3]	721,522	715,998	719,410	723,970	727,050
Medicaid Total[4]	2,690,835	2,612,181	2,542,643	2,520,180	2,512,298

b. What program changes will be made by the Department in order to stay within the existing budget for the programs based on the next fiscal year's forecasted enrollment growth and enrollment mix.

The Medicaid "rebase" projection contained in Governor Stein's Budget for SFY 2026-27 accounts for the forecasted enrollment growth and mix, rates for Standard Plan and Tailored Plan capitated payments, as well as other needed program, policy, and/or reimbursement adjustments.

c. The cost to maintain the current level of services based on the next fiscal year's forecasted enrollment growth and enrollment mix.

The estimated amount needed to maintain the current level of services based on the enrollment forecast (see section b above) is contained in Governor Stein's Budget for SFY 2026-27.

[3] Approximately 55% of this group is beneficiaries receiving Family Planning benefits only. Other subgroups included in this group are as follows:
• Dual-Eligible
• Eligible for Medicare, but not full Medicaid benefits
• Program of All-Inclusive Care for the Elderly (PACE)
• CAP-C/CAP-DA • NC Health Insurance Premium Program (HIPP)
• Medical Emergency Services only
• Medically Needy
• Prison Inmates
• Refugees receiving coverage through the Refugee Medical Assistance program

[4] Medicaid Expansion numbers are excluded as Medicaid Expansion enrollment does not impact State appropriations for Managed Care