LME/MCO Fund Balance Transfers

G.S. 122C-115.6

Quarter Ending September 30, 2026

Report to

Joint Legislative Oversight Committee on Medicaid

Joint Legislative Oversight Committee on Health and Human Services
and

Fiscal Research Division

by

North Carolina Department of Health and Human Services

October 15, 2026

Background:

G.S. 122C-115.6(f), enacted by Session Law 2023-134, Section 9G.7A(a1) (see Appendix A for full text), requires the Department of Health and Human Services (DHHS) to report quarterly on any Local Management Entity/Managed Care Organization (LME/MCO) funds transferred as a result of county alignments during the previous quarter. This requirement begins on July 15, 2023. This requirement replaces an analogous report required by Session Law 2021-62, Section 3.5A, which was repealed by Session Law 2023-134, Section 9G.7A(a18).

Funds Transferred During the Previous Quarter:

Zero fund balances were transferred during the previous quarter (July 1, 2026 – September 30, 2026).

Appendix A: Session Law 2023-134-62, Section 9G.7A(a1)

AGENCY REQUESTED CHANGES/BEHAVIORAL HEALTH

SECTION 9G.7A.(a1) Part 2 of Article 4 of Chapter 122C of the General Statutes is amended by adding the following new sections to read:

…

"§ 122C-115.6. Transfer of area authority fund balance upon county realignment.

…

(f) Beginning July 15, 2023, and quarterly thereafter, the Department shall report to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Medicaid, and the Fiscal Research Division on any funds transferred as a result of county realignments during the previous quarter.

…**"**