

To: All Providers
From: Dr. Paul Garcia, Vice President of Utilization Management and Benefits
Date: October 22, 2025
Subject: Flexibilities to Ensure Continuity of Care and Ease Provider Administrative Burden at Children and Families Specialty Plan Launch

**FLEXIBILITIES TO ENSURE CONTINUITY OF CARE AND EASE
PROVIDER ADMINISTRATIVE BURDEN AT CHILDREN AND FAMILIES
SPECIALTY PLAN LAUNCH**

[Read NCDHHS Article](#)

NC Medicaid is committed to ensuring members and providers are supported at the launch of the Children and Families Specialty Plan (CFSP), on Dec. 1, 2025.

NC Medicaid has implemented policy flexibilities to promote continuity of care for CFSP members with no interruptions to care and ease provider administrative burden at launch.

MEDICAL PRIOR AUTHORIZATIONS (PAs)

The CFSP is required to implement strategies to minimize disruption of benefits at CFSP launch specifically related to prior authorization(s) PA(s). The CFSP must honor existing medical PAs for physical and behavioral health services through June 30, 2026, or until the expiration/completion of a PA, whichever occurs first. In addition, between Dec. 1, 2025, and June 30, 2026, the CFSP will not deny covered services if the request meets medical necessity criteria in the following two scenarios:

1. Provider fails to submit PA prior to the service being provided and submits PA after the date of service.
2. Provider submits for retroactive PA.

**This exception does not apply to concurrent reviews for inpatient hospitalizations, which should still occur during this time.*

This flexibility applies to both in-network and out-of-network providers.

Starting July 1, 2026, the CFSP may deny payment for services which require PA if the provider did not obtain authorization before delivering the service, except in cases of retroactive eligibility.

PHARMACY PRIOR AUTHORIZATIONS

Between Dec. 1, 2025, and June 30, 2026, the CFSP will:

- 🌱 Honor existing pharmacy PAs (from NC Medicaid Direct and other health plans) for the life of the PA.
- 🌱 Consider previous PA and current drug therapy as necessary, when making coverage determinations.

This flexibility applies to both in-network and out-of-network providers.

OUT-OF-NETWORK PROVIDER RATES

Between Dec. 1, 2025, and June 30, 2026:

- 🌱 In addition to out of network requirements found in the Department's Transition of Care policy, the CFSP must pay for services for Medicaid-eligible nonparticipating/out-of-network providers equal to those of in-network providers through June 30, 2026.
- 🌱 Medically necessary services for physical and behavioral health will be reimbursed at 100% of the NC Medicaid fee-for-service rate for both in- and out-of-network providers.

Starting on July 1, 2026:

- 🌱 Out-of-network providers with whom the CFSP has made a good effort to contract will be reimbursed at no more than 90% of the Medicaid fee-for-service rate.
- 🌱 Out-of-network primary care physicians and physician extenders will be reimbursed by the CFSP at 100% of the NC Medicaid fee-for-service rate, unless the CFSP and provider have a mutually agreed alternative reimbursement arrangement.

Note: Out-of-network providers must still be enrolled in NC Medicaid to be reimbursed by the CFSP.

OUT-OF-NETWORK PROVIDERS FOLLOW IN-NETWORK PA RULES

Between Dec. 1, 2025, and Oct. 31, 2026, the CFSP will permit uncontracted, out-of-network providers enrolled in NC Medicaid to follow in-network provider prior authorization rules.

Starting on Nov. 1, 2026, out-of-network providers must seek authorizations for all services.

PRIMARY CARE PROVIDER (PCP) CHANGES

Between Dec. 1, 2025, and June 30, 2026, CFSP members may change their PCP for any reason.

ADDITIONAL TRANSITION SUPPORT

In addition to the above requirements, the CFSP is required to support transitioning members who are currently being treated by providers. Therefore, the CFSP will not deny claims for the first seven months after launch, through June 30, 2026, for covered services if the request meets medical necessity criteria and will authorize services for Medicaid-enrolled out-of-network providers equal to that of in-network providers until the end of the episode of care or seven months, whichever is less.

Note: Extended transition periods may apply for circumstances covered in N.C. Gen. Stat. § 58-67-88(d), (e), (f), and (g).

EXPECTATIONS FOR PROVIDERS AND THE CFSP

Providers are expected to continue to provide all necessary care to members throughout this transition, including but not limited to maintaining scheduled medical care for members.

The CFSP and providers are expected to continue to work in good faith to finalize contracts so that the CFSP has an adequate network to care for their members.

NC Medicaid remains committed to working with providers and health plan partners to verify services that are paid for without undue burden to members and providers during this transition.

If providers experience issues during this transition period, they can reach out to the Medicaid Provider Ombudsman at Medicaid.ProviderOmbudsman@dhhs.nc.gov or 1-866-304-7062.

WELL CHILD VISITS ADDED AS CORE SERVICES FOR FEDERALLY QUALIFIED HEALTH CENTER/RURAL HEALTH CENTER CLAIMS

[NCTracks Annoucemnt](#)

Effective Nov. 9, 2025, retroactive back to May 1, 2024, Federally Qualified Health Center (FQHC) and Rural Health Center (RHC) claims will be updated to process Well Child Visit procedures (99381\EP-99385\EP and 99391\EP-99395\EP) as core services, with updates to pricing and editing.

This update will also enable providers to submit non-core ancillary services on the same claim as core services. Non-core services will finalize in a paid status with a reimbursement amount of \$0.

Thank you for your attention to this communication. All questions related to this Clinical Communication Bulletin can be sent to UM@TrilliumNC.org. Questions will be answered as quickly as possible