

Merge NC Health Choice with Medicaid

North Carolina can streamline programs, reducing cost and confusion under COVID-19, while improving health care delivery to children

Background: NC Health Choice was implemented in 1998 as a separate, though similar program to Medicaid. At least 21 states have chosen to combine the programs.

- Over the years in NC, the reimbursement rates for the programs became identical, and the benefits packages are almost the same.
- In the 2000s, children under age six on Health Choice were merged into Medicaid. Thus, there are now just 110,000 children ages 6 and above on Health Choice (with more than a million children on Medicaid). DHHS reports that expenditures on these children make up just 1.5% of the total of NC's public health insurance expenditures.
- The only real difference in the programs is that Medicaid includes the EPSDT benefit (which allows children to access any medically necessary treatment), while Health Choice does not. EPSDT services are most commonly accessed by children with special health care needs. Thus, **the primary beneficiaries of merging Health Choice with Medicaid would be children with special health care needs.**
- Having two separate programs has been a HUGE administrative burden for DHHS, enrollment brokers, and providers. Families are faced with the confusion of children moving from one program to the other, or having different children enrolled in separate programs. **Streamlining these programs under COVID-19 would cut red tape, cost, and confusion.**
- Merging the programs at this time would facilitate the effective implementation of the Medicaid Transformation initiative. And it would be much, much easier to merge the programs *before* Transformation is implemented than afterward.
- Merging NC Health Choice with Medicaid is supported by a wide range of stakeholders including NC Child, the NC Pediatric Society, Advocates for Medically Fragile Children, Disability Rights NC, March of Dimes NC, NC Academy of Family Physicians, NC Local Health Director Association, the Commission on Children and Youth with Special Health Care Needs, and more.