



1 recurring federal funds for the 2025-2026 fiscal year and the sum of six hundred fifty-two million  
2 six hundred sixty thousand dollars (\$652,660,000) in recurring federal funds for the 2026-2027  
3 fiscal year, and those federal funds are appropriated to the Division of Health Benefits for  
4 implementation of this act.

5 **SECTION 1.(b)** DHB shall amend the North Carolina Innovations Waiver to  
6 increase the number of waiver slots available under the waiver for the 2025-2026 fiscal year by  
7 5,000. These 5,000 waiver slots shall be distributed in accordance with subsection (c) of this  
8 section and are to be made available October 1, 2025, unless the method of acceptance or  
9 rejection of waiver slots detailed in subsection (c) of this section requires approval by the Centers  
10 for Medicare and Medicaid Services (CMS). If CMS approval is required, then any waiver slots  
11 that are rejected under the procedure described in subsection (c) of this section shall be made  
12 available October 1, 2025, or the date that CMS grants or denies approval of the rejection and  
13 acceptance procedure, whichever is later. If CMS approval is required and CMS does not approve  
14 the rejection and acceptance procedure in subsection (c) of this section, then any rejected waiver  
15 slots shall remain distributed using the allocation formula currently in place as of the effective  
16 date of this act.

17 **SECTION 1.(c)** DHB shall distribute the initial 5,000 waiver slots identified under  
18 subsection (b) of this section using the allocation formula currently in place as of the effective  
19 date of this act, provided that all waiver slots shall be filled on a first-come, first-served basis  
20 determined by the length of time an individual has been on the waiting list for an Innovations  
21 Waiver slot. Each LME/MCO shall, within 30 days of receiving the offer of the waiver slot, elect  
22 whether to accept some, all, or none of the waiver slots offered. All waiver slots not accepted by  
23 an LME/MCO shall be distributed equally among the LME/MCOs that attest to the following  
24 requirements:

- 25 (1) The LME/MCO ensures that all rates paid to providers for any services  
26 provided to beneficiaries receiving those services through the Innovations  
27 Waiver are sufficient to pay its direct care employees a minimum wage of  
28 twenty dollars (\$20.00) per hour. The LME/MCO may include in the rates  
29 paid any additional amounts authorized by the General Assembly that are  
30 designated for direct care personnel wages.
- 31 (2) The ability and capacity to provide services to the beneficiaries that will  
32 receive the additional waiver slots exists within the LME/MCO's catchment  
33 area.

34 Any election by an LME/MCO to accept or reject additional waiver slots made  
35 available under this section shall not impact the distribution of any waiver slots available in the  
36 2026-2027 fiscal year.

37 **SECTION 1.(d)** DHB shall amend the North Carolina Innovations Waiver to  
38 increase the number of waiver slots available under the waiver for the 2026-2027 fiscal year by  
39 5,000. These 5,000 waiver slots shall be distributed using the allocation formula currently in  
40 place as of the effective date of this act; provided all waiver slots shall be filled on a first-come,  
41 first-served basis determined by the length of time an individual has been on the waiting list for  
42 an Innovations Waiver slot. These waiver slots shall be made available July 1, 2026.

43 **SECTION 2.** This act becomes effective July 1, 2025.