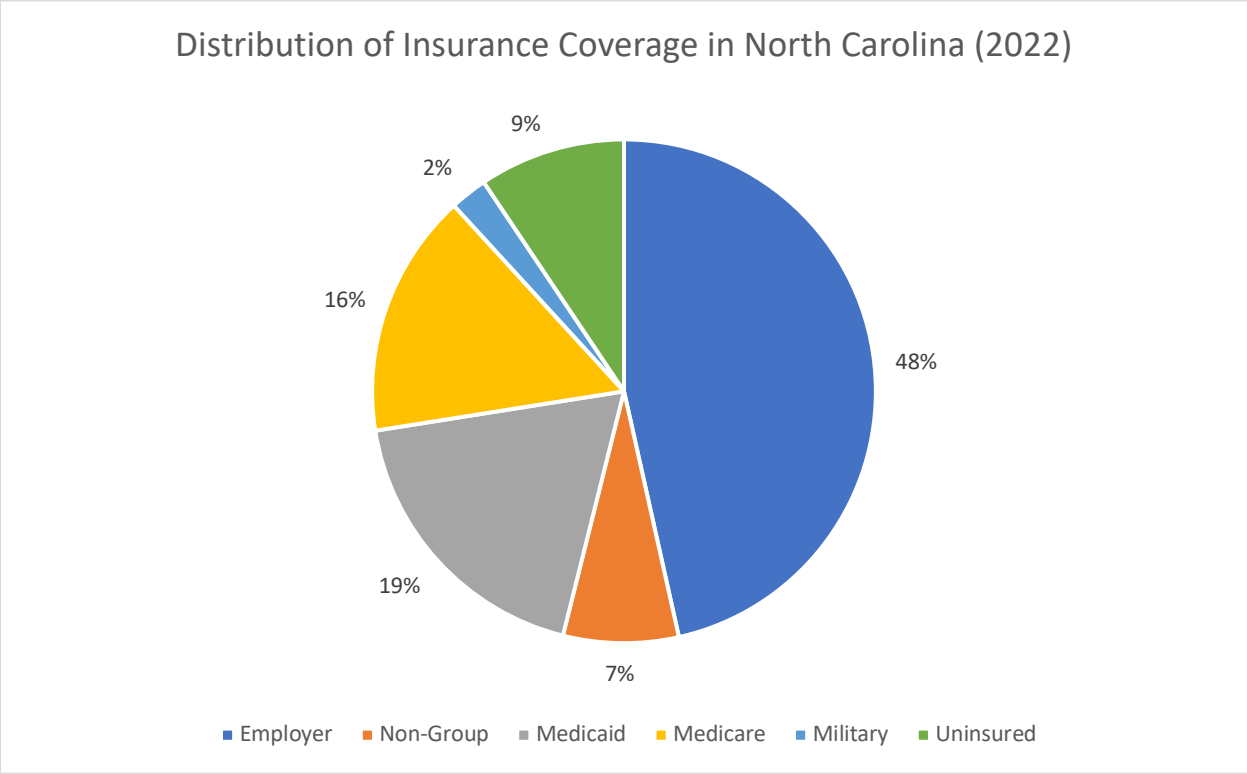
North Carolina

Sources of Insurance Coverage



**Source: KFF, Health Insurance Coverage of the Total Population, 2022*

Medicare

In North Carolina, 1.62 million residents are enrolled in Medicare, 15.7% of the state's population (2022 data). Of those, 55% are enrolled in a Medicare Advantage plan. For North Carolinians in the traditional Medicare program, the North Carolina Department of Insurance regulates Medicare supplemental plans and operates a Seniors' Health Insurance Information Program (SHIIP) to provide free counseling services to Medicare beneficiaries. The Department provides a list of insurers authorized to sell Medicare supplement plans and a tool for estimating premiums.

Medicaid and the Children's Health Insurance Program (CHIP)

In North Carolina, 1.9 million are enrolled in Medicaid or CHIP, 18.6% of the population (2022 data). North Carolina legislature voted to adopt the Affordable Care Act's expansion of Medicaid in March 2023, and the expansion will be implemented on December 1, 2023. Once Medicaid expansion is implemented, childless adults under 65 with incomes up to 138% of FPL will be eligible to enroll.

In North Carolina, Medicaid benefits are provided directly by the state (Medicaid Fee-For-Service or FFS) and via private managed care organizations (MCOs). North Carolina also operates a Medicaid Primary Care Case Management (PCCM) program, which pays primary care providers on a FFS basis in addition to providing them a per member per month care management fee. About 69% of Medicaid beneficiaries are enrolled in the managed care program and 28% in the PCCM program, leaving only 3% in the traditional FFS Medicaid program. Medicaid MCOs have contracts with the North Carolina Department of Health and Human Services.

Currently, the state's program covers pregnant women up to 201% of the federal poverty level (FPL). Low-income children are covered both through Medicaid and through a separate CHIP program. Through Medicaid, North Carolina covers children of ages 0 to 5 in households with income up to 215% FPL, and children of ages 6 to 18 in households with income up to 138% FPL. Through CHIP, North Carolina expands coverage to children in households with income up to 216% FPL. Approximately 39% of all births in North Carolina are covered by Medicaid.

Employer-sponsored insurance

In North Carolina, 4.8 million people are covered by employer-sponsored insurance (ESI), or 46.5% of the total state population (2022 data). Approximately 43.3% of North Carolina employers offer ESI. However, offer rates vary significantly by size of firm. In North Carolina, 96.6% of large firms (50 or more employees) offer ESI, while only 25.9% of small employers offer ESI.

In North Carolina, approximately 45.5% of private sector businesses that offer health insurance self-fund at least one health plan. For large firms (50 or more employees) that offer health insurance, 66.1% self-fund at least one health plan.

Individual Market Insurance

Approximately 7.4% of North Carolinians are enrolled in the individual market (2022 data). Of those, in 2023, 800,850 North Carolinians selected a plan through the Affordable Care Act (ACA) Marketplace, which in North Carolina is run by the federal government. It is more challenging to ascertain enrollment numbers for off-Marketplace individual market enrollment.

Individual market health insurance (both on- and off-Marketplace) is regulated under state law. North Carolina enforces the Affordable Care Act's consumer protections through the North Carolina Department of Insurance.

Other Coverage

Some North Carolinians are enrolled in other forms of insurance coverage, such as coverage for the military (TRICARE or U.S. Veterans Administration), which covers 2.4%, or 249,500 North Carolinians.

The Uninsured

Approximately 9.4%, or 973,700 North Carolinians are uninsured (2022 data). North Carolina's uninsured rate falls above the national average of 8.0% uninsured, likely because of the state's decision to not expand Medicaid until 2023. Among the non-elderly, people of color are significantly more likely to be uninsured in North Carolina than White people. Hispanic people have the highest uninsured rate (28.7%), followed by Black residents (10.8%), and Asian American residents (8.8%). White residents have the lowest uninsurance rate among all racial groups (8.1%). Lack of insurance is also highly correlated with income. Approximately 19.7% of non-elderly people under 100% FPL are the uninsured in North Carolina, while just 4.8% of non-elderly people over 400% FPL are uninsured.

State Regulators: North Carolina

CMS is responsible for the oversight of Medicare Advantage plans. The CMS Regional Office for North Carolina is based in Atlanta. Contact information is available here.

North Carolina Department of Insurance (NCDOI)

The North Carolina Department of Insurance (NCDOI) regulates the business of insurance in the state of North Carolina. For health insurance companies, NCDOI is responsible for:

- **Licensure**: All insurers operating in the state must demonstrate that they are financially solvent and capable of paying claims. After initial licensure, companies must file financial information with NCDOI on an annual basis The state provides a lookup tool for state-licensed insurers and financial information about licensed insurers is available here.
- **Form review**: NCDOI reviews health insurers' contracts and covered benefits to ensure that they comport with state law, including state benefit mandates and disclosure requirements. NCDOI also enforces consumer protections under federal laws, including the affordable care act and the mental health parity law.
- **Rate review**: NCDOI collects data from health insurers about their projected premium increases. They have the authority to review proposed rates and accompanying rate filing materials, collect public comment on proposed rates, and approve or disapprove the proposed rates. Most recent filings are available here.
- **Marketing**: NCDOI is responsible for oversight of insurers' marketing tactics and discouraging unfair or deceptive tactics. The agency also licenses and provides oversight over insurance agents and brokers.
- **Enforcement**: NCDOI has authority to enforce state and federal insurance laws. Their enforcement tools can range from requesting a corrective action, issuing a cease and desist order, imposing fines, or seeking an injunction. Consumers and providers can file complaints with NCDOI here. NCDOI conducts routine market conduct examinations of insurance companies and publishes all recent reports of these examinations here. NCDOI also publishes 5-year summaries on number of examinations completed, number

of companies fined, amount of money returned to consumers, and amount of assessments paid to NCDOI. NCDOI also conducts financial examinations of insurers and makes the reports available here.

- **Appeals**: Under the Affordable Care Act, insurers must provide enrollees with the right to an external, independent appeal for denied claims and prior authorization requests. NCDOI manages the external review process for insured individuals and consumers can request an external review here. Consumers can also request free counseling through NCDOI's Smart NC program for help with medical appeals, external reviews, and filing complaints.

NCDOI produces annual reports on insurance company market share and revenue from premiums.

North Carolina Department of Health and Human Services

North Carolina Department of Health and Human Services (NC Medicaid Division) runs the state's Medicaid program. The Department contracts with a number of managed care organizations to provide care to almost 70% of the state's Medicaid recipients, and a list of available health plans by county can be found here. In 2021, NC Medicaid launched the NC Medicaid Ombudsman program to provide support to beneficiaries by helping them understand their coverage, advocating for beneficiaries to resolve issues, and referring beneficiaries to community services such as legal aid. The Ombudsman also reports back to state leadership on issues beneficiaries are experiencing and suggested solution. Find annual reports by the Ombudsman here.

NC Medicaid oversees the MCOs it contracts with and produces a variety of reports, tables, and dashboards that provide a comprehensive look at how the state's Medicaid program is operating: annual reports on the Medicaid program; dashboards for enrollment, claims, and provider payment numbers; and results from network adequacy review of Medicaid MCOs.

North Carolina Attorney General

North Carolina's Attorney General represents the state in court when there is an action against an insurance company, entity, or individuals engaged in potentially fraudulent activity. The department also investigates unfair or illegal business practices, such as "discount health plans," marketing themselves as health insurance coverage. The department produces some general consumer education materials and allows consumers to file complaints if they think they have been unfairly denied health insurance coverage.

Other Sources of Information

Health Insurance Navigators, Agents and Brokers (collectively, "consumer assisters")

Although North Carolina's health insurance Marketplace is run by the federal government, CMS provides grants to local organizations called "Navigators" that are tasked with assisting consumers determine eligibility for subsidized coverage programs and helping them with post-

enrollment questions. North Carolina-based health insurance agents and brokers perform similar consumer assistance functions, and are generally paid on a commission basis. These consumer assisters can be helpful sources of information about health insurance and the challenges consumers face. They can be located through the "Find Local Help" search portal on HealthCare.gov.