Greenwell T. How North Carolina's Medicaid Expansion Has Affected Finances for Safety-Net Organizations. *North Carolina Medical Journal*. 2025;86(4). doi:10.18043/001c.154041

POLICY FORUM: INVITED COMMENTARIES & SIDEBARS

How North Carolina's Medicaid Expansion Has Affected Finances for Safety-Net Organizations

Tammy Greenwell, MPH, CPHQ, FACMPE[1]

[1] Blue Ridge Health

Keywords: medicaid, FQHC, Tammy Greenwell, North Carolina, Safety-net organizations, Medicaid expansion

https://doi.org/10.18043/001c.154041

North Carolina Medical Journal

Vol. 86, Issue 4, 2025

Medicaid expansion in North Carolina has notably improved payer mix, lowered rates of uninsured and charity care, and boosted billable revenue for safety-net organizations such as Federally Qualified Health Centers. At the same time, expansion has added administrative complexities and enrollment difficulties, which produced uneven benefits across the state's FQHC programs.

Introduction

Safety-net organizations like Federally Qualified Health Centers (FQHCs), commonly referred to as health centers, are nonprofit clinics that provide primary and preventive health services to underserved communities. To receive federal funding and benefits like enhanced Medicare and Medicaid reimbursement, FQHCs must meet specific requirements, such as serving a high-need area, offering comprehensive services (including dental and mental health), operating on a sliding-fee scale for uninsured patients, and being governed by a community, patient-majority board of directors. From the federal Uniform Data System (UDS) for 2023, 43 North Carolina health centers reported serving 694,057 total patients across the state, with 32.91% of those patients reporting as uninsured and 26.25% reporting with Medicaid/CHIP insurance.[1]

When North Carolina's Medicaid expansion launched on December 1, 2023, the state immediately took action to begin enrolling residents aged 19–64 who were at 138% of the Federal Poverty Level (FPL).[2] An estimated 40% of North Carolina's FQHC patients who reported as uninsured became eligible for Medicaid when these expansion efforts passed.[3] Many felt that Medicaid expansion would be a boon to health center finances, particularly those with larger uninsured/uncompensated care rates; however, not all patients who became eligible for Medicaid under expansion have enrolled in the state's Managed Care plans. This variability has meant that not all FQHCs have seen the same financial impact on their bottom lines over the past 2 years.

Across North Carolina, many FQHCs have reported that their uninsured and uncompensated care rates have declined since expansion because previously uninsured patients are now Medicaid-covered. This change in payer status improved cash collections and reduced the use of the required sliding-fee

Table 1. North Carolina Federally Qualified Health Center Revenue, 2023–2024

	All 43 FQHCs (Including FQHC Look-Alikes)			
Year	2023	2024	% Change (2024 vs. 2023)	Gross Change (2024 vs. 2023)
Medicaid revenue	$161,292,615.00	$232,624,391.00	44.0%	$71,331,776.00
As a share of total patient revenue	28.7%	31.7%	10.0%	3.0 percentage points
As a share of total revenue	17.9%	21.9%	23.0%	4.1 percentage points
Total revenue (all sources)	$902,598,986.00	$1,060,684,782.00	18%	$158,085,796.00
Total revenue (total patient revenue)	$561,974,219.00	$733,881,832.00	31%	$171,907,613.00

Table Source. Table provided by the North Carolina Community Health Center Association.

scale and uncompensated care write-offs in some situations. As a result, many FQHC programs saw their net patient revenue increase by as much as 3%–4% annually (data provided by the North Carolina Community Health Center Association). These revenue results are further corroborated based on data from the federal Uniform Data System (UDS) for 2024, with the same 43 North Carolina health centers serving 723,770 total patients across the state, with 29.95% of those patients reporting as uninsured and 28.82% reporting with Medicaid/CHIP.[1] These numbers show an overall improvement in the patient demographics during the first year of NC Medicaid expansion, with a 2.96 percentage point decrease in the uninsured patient population served and a 2.57 percentage point increase in the Medicaid/CHIP patient population.[1]

The North Carolina Community Health Center Association (NCCHCA) has also provided a comparison of aggregate numbers regarding the FQHC Medicaid revenue in 2023 versus 2024 of these same 43 health centers, aiming to contextualize how expansion has affected FQHC finances (Table 1). It is of note that other variables may have affected the increase in Medicaid revenue, including the revised Medicaid reimbursement methodology with the FQHC Prospective Payment System (PPS) rebasing that went into effect in 2024.

Effects in Western North Carolina

According to the North Carolina Department of Health and Human Services Medicaid Expansion Dashboard, as of November 2025, 687,663 North Carolina residents have been enrolled in Medicaid through expansion efforts.[4] However, not all regions in North Carolina have seen the same percentage change in Medicaid-covered lives and financial impact. Across rural counties, uninsured rates historically have been significantly higher, with rural residents being 40% more likely to be uninsured than residents of urban counties.[5] Even before Medicaid expansion, rural counties represented 20 of the 22 North Carolina counties with the highest uninsured percentages.[6] Within the 23 counties that are most widely recognized as Western North Carolina, Medicaid expansion has covered an additional 63,331 lives as of November

2025.[4] While these additional covered lives represent around 10% of the total expansion enrollment, the financial impacts on the FQHCs and FQHC Look-Alike programs in this part of the state remain variable.

The Mountain Community Health Partnership (MCHP) is an FQHC that serves Mitchell and Yancey Counties in Western North Carolina with a network of health centers, including those in Bakersville, Burnsville, Celo, and Spruce Pine. MCHP served over 11,000 patients in 2023, with 14% of those patients reporting as uninsured. Although Mitchell and Yancey counties show a 43% increase in covered lives from Medicaid expansion, CEO Tim Evans reports that "Medicaid expansion was limited for our health center, with only 2%–3% of our uninsured population converting to Medicaid. Our health center has struggled to promote Medicaid expansion to our population that may qualify due to limited staffing. Also, we battle to sign up our rural patients because they see Medicaid as a 'welfare' program, which keeps them from enrolling when they qualify."

Western North Carolina Community Health Services (WNCCHS) is an FQHC with community health center sites in Buncombe and McDowell Counties, providing care for low-income, uninsured and underinsured individuals in Western North Carolina. CEO Anita Case reports that WNCCHS has seen a significant increase in patients receiving Medicaid since expansion. In 2022, 68% of WNCCHS patient visits were uninsured. By 2024, this dropped to 42% and is expected to drop to 37% by the end of CY2025. The percentage of visits paid by Medicaid increased from 13% in 2022 to an anticipated 31% in 2025. Medicaid revenues for WNCCHS have increased from 20% of total patient service revenue to an anticipated 34% of patient service revenue in 2025. From Case's perspective, Medicaid expansion has provided life-saving care for many people across Western North Carolina. Case reports that, "Medicaid expansion has supported WNCCHS in expanding access to care through a new site in McDowell County and 8 school-based sites across Buncombe and McDowell Counties, supporting access to prenatal care, behavioral health services, and dental care."

Blue Ridge Health (BRH) is an FQHC that provides comprehensive health care services to more than 80,000 patients annually within a 9-county service area in Western North Carolina. Within the BRH geographic service area, 33,190 patients became eligible for Medicaid through expansion, and while many of the counties served by BRH are more rural, in the far western part of the state, not all of those counties saw the same increases in Medicaid enrollment. For example, from 2023–2025, in many of the counties served by BRH, Medicaid expansion increased coverage to 34%–38% of the uninsured population; however, in Swain County, Medicaid expansion tripled the number of uninsured lives covered.

Prior to Medicaid expansion, BRH had a 38% uninsured rate. Medicaid enrollment efforts were led by the organization's patient navigators, who were already certified assisters helping BRH uninsured patients with ACA Marketplace enrollment. Uninsured patients were guided through Medicaid coverage information and eligibility requirements and assisted with NC Medicaid e-Pass applications. By 2024, BRH reported a drop in their overall uninsured rate from 38% to 18%, although Medicaid payer rates only increased by 9% during that same timeframe. This increase in Medicaid coverage for uninsured patients resulted in a financial impact of approximately $1 million, paving the way for investments in staffing and additional service expansion.

Awareness, Enrollment, and Administrative Burdens

During the initial launch of Medicaid expansion, several FQHCs reported that longtime patients were "auto-enrolled" with other primary care practices that the patient had never reported visiting. Still, others were enrolled with FQHCs where they had never had a patient visit. Confusion about auto-enrollment and how to navigate changes for the various plans left many patients feeling overwhelmed. According to a recent North Carolina Collaborative for Children, Youth and Families report, "Expanding NC Medicaid," even after expansion passed, some people didn't realize the rules had changed[7]. Their survey found that of those likely eligible, nearly 64% thought they would be eligible, but not everyone was clear on how to apply or who qualifies, along with some eligible people not trusting Medicaid or government-run health programs or not being sure the benefits would outweigh the perceived hassles.[7]

Further complicating the perceived lack of awareness and confusion, the reduction of enrollment staff at county-level social service offices providing these services has become a bottleneck, particularly for rural or under-resourced areas. Without trusted assistance that is in-person and community-based, eligible people may not complete applications or understand the Medicaid Managed Care plan options. Even after enrollment, requirements like work reporting or documentation demands can also lead to procedural disenrollment and difficulty in re-enrollment efforts.

NC Medicaid operates through Managed Care plans that require service providers like FQHCs to complete many administrative tasks, including payment of provider enrollment fees, credentialing of all service providers, and compliance with plan requirements such as new prior-authorization workflows. These changes to the Medicaid system have generated delays in payment for services, higher denial rates, and new overhead costs, with many FQHCs reporting the need to hire additional staff to capture the revenue from the various Managed Care payers.[8] Making matters more difficult, some FQHCs have chosen not to enroll in all of the North Carolina Medicaid Managed Care plans because of the administrative complexities, which results

in patients enrolled in those plans needing to seek care elsewhere. FQHCs have also reported the need to utilize a Medicaid ombudsman to resolve communication and payment issues with the Managed Care plans in order to receive payment.

The Future of Medicaid Expansion

While North Carolina's Medicaid expansion has shown varying financial impacts for safety-net providers like FQHCs, most health centers have reported reductions in uninsured patient costs and increased Medicaid reimbursements since 2023. The stability of North Carolina's Medicaid expansion depends heavily on federal funding and state budget commitments, with the program funded as an enhanced federal match (90%) for the Medicaid expansion population. If the federal match is significantly cut and the state trigger is activated (or state money fails), North Carolina could shrink or end expansion eligibility. Such a change would trigger substantial coverage losses affecting hundreds of thousands of North Carolinians and lead to financial strain on safety-net providers like FQHCs, as individuals who gained coverage under expansion would once again become uninsured.

Disclosure of interests

Tammy Greenwell is the CEO of Blue Ridge Health in Western North Carolina. The author has no reported conflicts of interest.

Published: December 23, 2025 EDT.

REFERENCES

1. Health Resources & Services Administration. North Carolina Health Center Program Uniform Data System (UDS) Data. Accessed November 26, 2025. https://data.hrsa.gov/topics/healthcenters/uds/overview/state/NC

2. Office of Governor Josh Stein. Over 600,000 North Carolinians enrolled in Medicaid expansion. State of North Carolina. December 16, 2024. Accessed November 26, 2025. https://governor.nc.gov/news/press-releases/2024/12/16/over-600000-north-carolinians-enrolled-medicaid-expansion

3. North Carolina Community Health Center Association. Medicaid Expansion Issue Brief. 2022. Accessed November 26, 2025. https://www.ncchca.org/wp-content/uploads/2023/02/MedEx_IssueBrief_updated.Feb_.2023.pdf

4. Division of Health Benefits. Medicaid Expansion Dashboard. North Carolina Department of Health and Human Services. Accessed November 26, 2025. https://medicaid.ncdhhs.gov/reports/medicaid-expansion-dashboard

5. Baxley J. Disparate issues shape rural health in NC. NC Health News. May 19, 2023. Accessed November 26, 2025. https://www.northcarolinahealthnews.org/2023/05/19/disparate-issues-shape-rural-health-in-nc/

6. NC Rural Center continues to endorse Medicaid Expansion, citing that North Carolina's rural people are disproportionately uninsured. NC Rural Center. March 3, 2022. Accessed November 26, 2025. https://www.ncruralcenter.org/2022/03/endorse-medicaid-expansion/

7. Neimand/collaborative, North Carolina Department of Health and Human Services. *Expanding NC Medicaid: Reaching a Bold Goal in Record Time*. NC Collaborative; 2025. Accessed November 26, 2025. https://ncollaborative.com/wp-content/uploads/2025/03/NCMedicaid_Report_021225.pdf

8. Division of Health Benefits. NC Medicaid Managed Care provider update. North Carolina Department of Health and Human Services. February 17, 2025. Accessed November 26, 2025. https://medicaid.ncdhhs.gov/blog/2025/02/17/nc-medicaid-managed-care-provider-update-february-17-2025