

## **Medicaid Enrollment in North Carolina: Expansion, Delivery, and Patient Satisfaction**

**John Schubert, Class of 2026**

As Medicaid approaches its sixtieth anniversary next year, enrollment growth and changes in program design in the last two decades have led to dramatic changes in its scope and administration. Last year, North Carolina became the most recent state to expand Medicaid eligibility under the 2010 Affordable Care Act. The state also transitioned most of its beneficiaries from a traditional fee-for-service delivery system to a managed care model in 2021. This change follows a national trend: States are increasingly choosing to contract with private insurers to provide coverage to their Medicaid beneficiaries rather than pay providers directly.<sup>1</sup>

I examined the intersection of these two changes to North Carolina's Medicaid program (NC Medicaid), concentrating on the effect of the change to a managed care delivery system on enrollment in the wake of the expansion. I conducted interviews with NC Medicaid stakeholders, including government officials and beneficiary ombudsmen, and analyzed enrollment data to develop an understanding of how the Medicaid-eligible population, whether they are enrolled in NC Medicaid or not, interact with the program.

While beneficiaries reported a number of challenges amid the transition to managed care, I found that Medicaid recipients, whether traditionally eligible or newly eligible through the expansion, rarely forgo their coverage for any reason. Stakeholders indicated that Medicaid is the only affordable insurance option for most beneficiaries, signaling that changes to the program model are unlikely to significantly affect enrollment.

Consistent with stakeholder observations that North Carolina's Medicaid expansion is addressing a health insurance coverage gap, enrollment in the expansion has surged since its launch. As with traditionally eligible beneficiaries, stakeholders indicated that enrollment in the expansion was not affected by the managed care model.

The transition to managed care did affect service quality, at least for some beneficiaries. Stakeholders noted significant changes in provider networks and identified negative impacts to beneficiaries' relationships with their providers in addition to procedural changes made by the private insurers that impeded beneficiaries' access to care, like prior authorization requirements or restrictions on prescription drug access.

While the transition to managed care did not appear to impede enrollment in NC Medicaid, anecdotal evidence indicates that it negatively affected service quality. Future work could empirically examine changes in service quality since the managed care transition and determine how these changes affect different beneficiary groups.

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<sup>1</sup> Kaiser Family Foundation, "Medicaid managed care tracker: Medicaid MCO enrollment," updated July 2021, accessed July 2024, [kff.org](https://www.kff.org).