



EBCI TRIBAL OPTION

For Providers



October 2025 Provider Newsletter

What is the EBCI Tribal Option?

EBCI Tribal Option assists approximately 5,700 Tribal-eligible Medicaid beneficiaries, primarily in Cherokee, Haywood, Swain, Jackson, and Graham counties.

[Learn More](#)





Medicaid cuts have gone into effect as of October 1, 2025 in North Carolina.

**Funding for Medicaid services have been cut between 3% and 10%.
This includes the following:**

- 3% reduction for Innovations, TBI Waiver Services, and 1915i,
- 8% reduction for CAP-DA and CAP-C Personal Care Services,
- 3% reduction for all other CAP services,
- 8% reduction for Intermediate Care Facilities, and
- 10% reduction for ABA Therapy and other Research Based Behavioral Health Therapy.

You can find a full list of the Medicaid cuts [here](#).

CMS Issues Guidance to Strengthen Oversight of Medicaid State Directed Payments

New federal payment limits to combat fraud, waste, and abuse while preserving access to care

The Centers for Medicare & Medicaid Services (CMS) is issuing preliminary guidance for states regarding the implementation of new federal payment limits for State Directed Payments (SDPs) in Medicaid managed care. Providing this guidance now, while CMS works to issue a final rule, allows states additional time to plan their efforts to meet the requirements laid out in the [One Big Beautiful Bill Act](#). The letter sent today provides states with information on the reduced payment, details on eligibility for a temporary grandfather period, and additional next steps.

“Medicaid is a federal and state partnership and for years states have skirted their responsibilities to draw down more federal funds while contributing less state dollars. President Trump’s One Big Beautiful Bill Act will hold states accountable and make sure the federal government isn’t left to pick up the tab,” Health and Human Services Secretary Robert F. Kennedy, Jr. said.

“Protecting Medicaid’s long-term fiscal integrity is at the heart of the Trump Administration’s promise to the American people,” said CMS Administrator Dr. Mehmet Oz. “By implementing safeguards required in the One Big Beautiful Bill Act, CMS is helping states continue to use state directed payments as a tool, while ensuring they are sustainable, transparent, and fully aligned with our mission to protect beneficiaries and preserve Medicaid for future generations.”

Under Medicaid managed care, states can direct how managed care plans pay providers through SDPs. These arrangements originally were not widespread, but they have ballooned in recent years. While only two states

used them in 2016, 39 states use them today, and CMS projected that annual SDP spending would exceed \$124.3 billion for FY 2025 and \$144.6 billion for FY 2026.

For more information, states and stakeholders can review the full guidance letter at: <https://www.medicaid.gov/medicaid/managed-care/guidance/state-directed-payments>



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& the next seven on
together we fight.
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 **EBCI TRIBAL OPTION**

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Breast Cancer Awareness Month

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Questions - Contact Live Help Desk

Submit questions to the Help Desk via email at openpayments@cms.hhs.gov or by calling 1-855-326-8366 (TTY Line: 1-844-649-2766), Monday through Friday, from 9:00 a.m. to 5:00 p.m. (ET), excluding Federal holidays.

The Help Desk refers media inquiries to CMS' Press Office for response.

Visit the [Resources](#) page on the Open Payments website for many of the above resources.

Eat Well. Play Well. Stay Well.



EBCI TRIBAL OPTION



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