



A Future Oriented Source of Leadership

February 13, 2026

Members of the North Carolina General Assembly
Committee Chairs – JLOC on Health & Human Services
Committee Chairs – JLOC on Medicaid
16 West Jones Street
Raleigh, North Carolina 27601

Subject: Request to the North Carolina General Assembly Regarding HR 1 Implementation and the Impacts on SNAP and Medicaid Administration

Members of the North Carolina General Assembly,

County Departments of Social Services (DSS) across North Carolina remain firmly committed to delivering accurate, timely, and federally compliant administration of the Supplemental Nutrition Assistance Program (SNAP) and Medicaid. However, the new federal requirements introduced under HR 1 create substantial operational, administrative, and financial demands that counties cannot meet without targeted state support.

To protect the stability of benefits for more than two million North Carolinians who rely on SNAP and Medicaid—and to avoid significant federal fiscal sanctions—we respectfully request your partnership in addressing the following critical needs.

1. Immediate Investment in Staffing and Administrative Capacity

HR 1 significantly expands eligibility, verification, documentation, and reporting requirements. These changes directly increase worker time per case and compound existing caseload pressures amid continued challenges with vacancies and turnover.

Counties request:

- **State-funded county FTEs** dedicated to SNAP and Medicaid to meet HR 1 workload demands.
- **Short-term surge staffing resources** for the first 24–36 months of implementation to maintain compliance during the transition.
- **A statewide staffing plan** that ensures capacity to meet federal timeliness and accuracy standards and avoids sanctions.

We respectfully request that the General Assembly direct NC DHHS to collaborate with counties to develop **standardized caseload/workload benchmarks** for SNAP/FNS and Medicaid and jointly develop a **fiscal note** to fully fund county staffing requirements.

2. Modernization of Eligibility Systems and Technology

Compliance with HR 1's expanded verification and documentation requirements will not be possible without improved technology infrastructure. Counties request state support for:

- **Enhanced automation**, including AI-supported verification and rules processing.
- **Upgrades to NCFAST** to improve document management, real-time alerts, and error detection.
- **Mobile-friendly, multilingual client portals** to reduce in-office volume and improve access.
- **Strengthened data-sharing across state systems** (e.g., Vital Records, DES, DOR) to reduce manual verification.

We respectfully request that the General Assembly direct NC DHHS to prioritize and implement these enhancements in full partnership with counties.

3. Clear, Streamlined, and Consistent State Policy Guidance and Audit of Federal Guidelines

HR 1 introduces new federal documentation, reporting, and verification timelines. Counties need:

- **Timely, unified statewide policy guidance** from NC DHHS.
- **Concise policy communications** with summaries of changes, implementation deadlines, and county-focused quick reference tools.
- **Standardized statewide procedures** to reduce variation and error risk.
- **Mandatory state-led training**, including on-demand refresher modules and onboarding materials.

We respectfully request that the General Assembly direct NC DHHS to streamline SNAP/FNS policy to only those elements required by federal regulation and provide adequate lead time for training and implementation. In alignment, we respectfully request a **moratorium on non-federal eligibility audit requirements during the implementation period**.

4. State Advocacy for a Federal Implementation Delay

Counties request support from the General Assembly in working with NC DHHS and North Carolina's federal delegation to pursue a **three-year delay** for the most complex HR 1 provisions, including:

- Enhanced verification requirements
- Additional reporting and documentation obligations
- Higher federal error-rate penalties
- New timeliness and case-handling metrics

A delay would allow time for system improvements, hiring and onboarding, policy development, state training, and federal clarification of unclear HR 1 provisions.

5. Addressing the New 25% State Administrative Cost Requirement

HR 1's requirement that states cover 25% of SNAP and Medicaid administrative costs places significant financial pressure on North Carolina and its counties. Should this requirement be implemented as written, we respectfully request that the General Assembly allocate state appropriations to absorb this new cost to avoid shifting the burden to counties.

6. Temporary Hold-Harmless Period for Error Rates

Given HR 1's heightened federal sanctions tied to error rates, counties request:

- A **two-year state-level hold-harmless period** to shield counties from financial penalties driven by rapid HR 1 implementation.
- An **independent review process** for any error-based cost allocation to ensure fairness and transparency.

This protection is essential to prevent disproportionate impacts on counties with high poverty levels, heavy caseloads, or greater staffing challenges.

7. Support for DHHS Medicaid Administrative Funding Stabilization Strategies

Counties support sustainable, statewide strategies to strengthen Medicaid administrative funding. HR 1 implementation will require a **non-county funding mechanism** to support the workforce needed to maintain compliance and high-quality eligibility determinations.

Conclusion

HR 1 introduces substantial requirements that counties cannot meet without sustained state partnership and financial support. The requests outlined above are essential to maintain program accuracy, avoid federal sanctions, protect county operations, and ensure continued access to nutrition and health care for North Carolina's families.

We respectfully request your leadership and collaboration to position North Carolina for a successful, compliant, and equitable implementation of HR 1.

Sincerely,



Ashley Lantz
President

C:

Members of the JLOC on Health and Human Services & Legislative Assistants

Members of the JLOC on Medicaid & Legislative Assistants

Dr. Devdutta "Dev" Sangvai, Secretary, NC DHHS

Michael Leighs, Deputy Secretary for Opportunity & Well-Being, NC DHHS

Kevin Leonard, Executive Director, NCACC

Karen Powell, Executive Director, NCACDSS

North Carolina Association of County Directors of Social Services

3509 Haworth Drive, Suite 402

Raleigh, North Carolina 27609

(919) 782-4111