

Durham County Department of Social Services  
Director's Report for the Board of Social Services

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Section: Administration

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**Highlighted Updates**

**Federal/State Highlights:**

- This year's Child Abuse Prevention Month theme, "Positive Childhoods Start With Us," invites us to focus on hope, connection, and the shared responsibility of building strong foundations for children and families. It reflects a growing statewide commitment to primary prevention—creating the conditions that help families thrive early, so challenges are less likely to escalate into crisis.
- In late March, NCDHHS Secretary Dev Sangvai and Deputy Secretary Michael Leighs visited eastern North Carolina to meet with local leaders and frontline staff, including the Dare County Department of Health and Human Services and Chowan County Department of Social Services (DSS). During the visit to Dare County, Secretary Sangvai met with Dare County Director of Social Services Chuck Lycett and staff to discuss the impacts of federal legislation on Medicaid and SNAP, the needs of an aging rural population, and upcoming PATH NC system enhancements. Dare County was also recognized as one of the first counties to launch PATH NC Ongoing Case Management, marking a major milestone for the statewide child welfare system. In Chowan County, Secretary Sangvai spoke with Chowan County DSS Director Tyeshia Brothers-Phelps and staff about workforce challenges, innovative staffing strategies, and the importance of PATH NC for smaller counties balancing multiple program responsibilities. Across both visits, state leadership emphasized strong county-state partnerships and the critical role DSS agencies play in supporting children, families and vulnerable communities
- The NC General Assembly will reconvene April 21 and mark the beginning of the Short Session. Key items that are expected to be on the agenda include the unresolved state budget, the Medicaid rebase shortfall, property tax relief proposals, disaster recovering funding, and potential veto override votes. Policy issues to follow include Medicaid funding for the current fiscal year (FY2025-2026), a full state budget for the following fiscal year (FY2026-2027), how NC will manage HR1 work requirements and six-month eligibility authorizations

for people served through the Medicaid Expansion programs, and policy that may make changes to involuntary commitment laws. Lawmakers raised concerns about the mix of recurring and nonrecurring costs embedded in the rebase, noting that roughly \$200 million of the financial need stems from nonrecurring expenses that will compound in future years. Legislators also emphasized that this shortfall persists despite previous appropriations and ongoing efforts to stabilize program spending.

- On April 8, 2026, CMS released State Health Official Letter #26-001 outlining how states must implement Section 71109 of the Working Families Tax Cut Act, with an effective date of October 1, 2026. Beginning October 1, 2026, federal Medicaid and CHIP matching funds (FFP) will generally be available for full benefits only for:
  - U.S. citizens and U.S. nationals
  - Lawful Permanent Residents (green card holders)
  - Cuban/Haitian entrants
  - Compact of Free Association (COFA) migrants
  - Most other noncitizens who are currently eligible for full Medicaid or CHIP—such as refugees, asylees, parolees, and victims of trafficking—will no longer qualify for federally matched full coverage, unless they meet a specific exception.
  - Federal funding continues to be available for:
    - Emergency Medicaid
    - Lawfully residing children and pregnant individuals covered under a state’s CHIPRA 214 option (North Carolina has elected this option)
    - CHIP Health Services Initiatives (HSIs)
  - CMS also clarifies that states are not required to continue state-only funded coverage for individuals who lose eligibility for federally matched benefits.
  - CMS expects states to:
    - Re-evaluate eligibility for certain current Medicaid and CHIP beneficiaries who are noncitizens
    - Update eligibility systems to distinguish between immigration status and FFP eligibility
    - Use updated SAVE and Federal Data Services Hub indicators to verify FFP-eligible noncitizen status
    - Provide required notices, reasonable opportunity periods, and appeal rights before any adverse action.

**Local Highlights/Challenges/Concerns:**

Director attended NCACDSS Board Meeting on April 9<sup>th</sup>, 2026

Director met with the GAL on April 17<sup>th</sup>, 2026

Director attended the CWLA Conference and Advocacy Day April 20<sup>th</sup>, 2026-  
April 23<sup>rd</sup>, 2026

Fatherhood Initiative

2026-2027 County Budget

State Budget on Medicaid and Medicaid Expansion

Lincoln Community Health Center Rural Grant with Durham DSS

Appraisal Season