

## Medicaid Spending in the North Carolina Healthy Opportunities Pilots Program

**Background:** Health-related social needs (HRSN) are drivers of worse health and high healthcare spending. In North Carolina Medicaid's 1115 Waiver, the Healthy Opportunities Pilots (HOP) Program allows for services to address HRSN, such as healthy food boxes and housing navigation, financed by Medicaid, in 3 regions of North Carolina.

**Objective:** To determine whether HOP is associated with lower Medicaid spending.

**Methods:** Comparative interrupted time series evaluation of HOP from March 2022 to November 2023, using claims data from North Carolina Medicaid's Encounters Processing System. HOP enrollees were compared with Medicaid beneficiaries reporting a HRSN (a HOP eligibility criterion), but who were ineligible for HOP due to county of residence. The primary outcome was the sum of spending by Medicaid on medical and HOP services per beneficiary per month (PBPM). The 'index month' was the month of HOP enrollment (for HOP enrollees) or the month of first reported HRSN (for comparison group members).

**Results:** There were 13,227 HOP and 73,469 comparison group beneficiaries. The mean age was 23.4 (SD: 18.8) years and 63.9% were female. Mean monthly pre-index spending was \$828 (SD: \$5105). Of HOP enrollees, 89% received at least one HOP service, 86% of which were food services. The comparative interrupted time series analysis, adjusted for age, race and ethnicity, gender, disability status, index date, quarter of observation, and rurality, found that spending increased around HOP enrollment (\$687, 95%CI: \$420 to \$954), but was then differentially lower (\$-85 PBPM, 95%CI \$-122 to \$-48;  $p < 0.001$ ). Taken together, spending was equivalent to estimated counterfactual expenditures (expenditures had HOP not occurred) by month five and lower thereafter.

**Conclusion:** HOP was associated with increased spending around the time of enrollment, but then with a subsequently lower spending trend. Programs that address HRSN may reduce spending and improve health for Medicaid beneficiaries.