

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 390
Senate Health Care Committee Substitute Adopted 4/30/26

Short Title: Medicaid Prepaid Health Plan Practices.

(Public)

Sponsors:

Referred to:

March 13, 2025

1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOW CERTAIN MEDICAID PREPAID HEALTH PLAN PRACTICES.
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.(a)** If House Bill 696, 2025 Regular Session, becomes law, then
5 G.S. 108D-65(b), as amended by Section 3C.15 of that act, reads as rewritten:

6 "(b) Except as required by federal law or regulation, the Department shall not prohibit
7 PHPs from ~~requiring~~ doing any of the following:

8 (1) Requiring itemized bills for inpatient hospital outlier claims that are greater
9 than two hundred fifty thousand dollars (\$250,000) or more than two standard
10 deviations from the ~~median-mean~~ claim amount of the applicable billing code.

11 (2) Aligning claims operations with national standards for coding, edits, and
12 claims adjudication.

13 (3) Directing inpatient hospital and inpatient hospital laboratory services to
14 outpatient settings where appropriate, except that the Department may
15 establish standards for when direction to outpatient settings is appropriate. The
16 Department is authorized to adopt rules establishing these standards."

17 **SECTION 1.(b)** If House Bill 696, 2025 Regular Session, does not become law by
18 June 1, 2026, then G.S. 108D-65 reads as rewritten:

19 "**§ 108D-65. Role of the Department.**

20 (a) The role and responsibility of the Department during Medicaid transformation shall
21 include the following activities and functions:

22 ...

23 (b) Except as required by federal law or regulation, the Department shall not prohibit
24 PHPs from doing any of the following:

25 (1) Requiring itemized bills for inpatient hospital outlier claims that are greater
26 than two hundred fifty thousand dollars (\$250,000) or more than two standard
27 deviations from the mean claim amount of the applicable billing code.

28 (2) Aligning claims operations with national standards for coding, edits, and
29 claims adjudication.

30 (3) Directing inpatient hospital and inpatient hospital laboratory services to
31 outpatient settings where appropriate, except that the Department may
32 establish standards for when direction to outpatient settings is appropriate. The
33 Department is authorized to adopt rules establishing these standards."

34 **SECTION 2.** This act is effective when it becomes law and applies to contracts
35 entered into or amended on or after that date.

