



HOUSE BILL 546: Inmate Medicaid Suspension/Team-Based Care.

2025-2026 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	May 5, 2025
Introduced by:	Reps. White, Chesser, Reeder, Rhyne	Prepared by:	Jennifer Hillman
Analysis of:	Second Edition		Staff Attorney

OVERVIEW: *House Bill 546 would do the following:*

- *Direct the Department of Health and Human Services, Division of Health Benefits (DHB), to develop a new Medicaid team-based care coordination service for the screening and treatment of substance use disorder and promote participation of service providers*
- *Direct DHB to continue to implement Medicaid policy changes to suspend, rather than terminate, Medicaid benefits upon a Medicaid beneficiary's incarceration, as required by federal law, and to report on progress and challenges with implementing the changes necessary for compliance with federal law.*

CURRENT LAW: Federal law at 42 U.S.C. §1396a(a)(84)(A), as amended by Section 205 of P.L. 118-42, effective January 1, 2026, prohibits state Medicaid programs from terminating Medicaid eligibility for inmates, but instead allows states to suspend Medicaid eligibility for these individuals.

BILL ANALYSIS: **Section 1(a)** would require the Department of Health and Human Services, Division of Health Benefits, to develop a new Medicaid team-based care coordination service in coordination with a working group of stakeholders. The service would include, at a minimum, screening for mild to moderate substance use disorders, prescription medications for opioid use disorder and alcohol use disorder, recovery support, and case management.

Section 1(b) would require DHB to report to the Joint Legislative Oversight Committee on Medicaid and the Fiscal Research Division no later than October 1, 2025, regarding the new Medicaid service, including the State share of the cost, the intended start date of the service, and any statutory changes proposed to implement the service.

Section 1(c) would direct DHB to develop a statewide campaign to (i) educate healthcare providers and community leaders about changes to the Medicaid program, (ii) train interested healthcare providers in clinical care for the substance use disorders, and (iii) encourage substance use disorder provider participation in the Medicaid program.

Section 2 would direct DHB to continue to implement its policy changes to suspend, rather than terminate, Medicaid benefits upon a Medicaid beneficiary's incarceration, as required by the federal Consolidated Appropriations Act, 2024, P.L. 118-42. No later than October 1, 2025, DHHS would be required to submit to the Joint Legislative Oversight Committee on Medicaid and the Fiscal Research Division a report on (i) DHHS's progress implementing the automated process in the NCFASST eligibility information system that allows data sharing between county jails and DHHS and (ii) any ongoing challenges to meeting the federal requirement to suspend, rather than terminate, Medicaid benefits upon a Medicaid beneficiary's incarceration.

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EFFECTIVE DATE: The act would be effective when it becomes law.