



HOUSE BILL 390: Medicaid Prepaid Health Plan Practices.

2025-2026 General Assembly

Committee:	Senate Health Care. If favorable, re-refer to Rules and Operations of the Senate	Date:	April 29, 2026
Introduced by:	Reps. Cunningham, White, Blackwell, Reeder	Prepared by:	Jennifer Hillman
Analysis of:	PCS to First Edition H390-CSTR-10		Staff Attorney

OVERVIEW: *The PCS to HB 390 would direct the Department of Health and Human Services (DHHS) not to prohibit Medicaid prepaid health plans from aligning claims operations with national standards and from directing inpatient hospital and inpatient hospital laboratory services to outpatient settings where appropriate.*

BILL ANALYSIS: **Section 1(a)** would amend G.S. 108D-65 pertaining to DHHS's role in Medicaid transformation, which refers to North Carolina's implementation of a managed care delivery system. This section would eliminate DHHS's ability to prohibit prepaid health plans from taking either of the following actions: (i) aligning claims operations with national standards for coding, edits, and claims adjudication or (ii) directing inpatient hospital and inpatient hospital laboratory services to outpatient settings where appropriate. In order to determine whether outpatient settings are appropriate, DHHS would be authorized to establish applicable standards in rule.

A recent Conference Committee Substitute to HB696 contains language that would also eliminate DHHS's ability to prohibit prepaid health plans from requiring itemized bills for inpatient hospital outlier claims that are greater than \$250,000 or more than two standard deviations from the median claim amount of the applicable billing code. If HB 696 does not become law by June 1, 2026, then **Section 1(b)** would include the same language imposing this restriction on DHHS.

EFFECTIVE DATE: This act would be effective when it becomes law and would apply to contracts entered into or amended on or after that date.

Kara McCraw
Director



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Legislative Analysis
Division
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