



HOUSE BILL 491: Medicaid Rebase Funding.

2025-2026 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	October 17, 2025
Introduced by:	Reps. Lambeth, Rhyne, White, Dixon	Prepared by:	Alison Rossi
Analysis of:	PCS to First Edition H491-CSTRa-7		Jennifer Hillman Staff Attorneys

OVERVIEW: *The PCS to H491 would provide additional funding for continued operations of the Medicaid program by (1) appropriating \$190 million from the Medicaid Contingency Reserve and (2) repeating a directive for local management entity/managed care organizations (LME/MCOs) to make specified intergovernmental transfers.*

The content of the current version of the bill became law in Section 2.1 of S.L. 2025-64.

BILL ANALYSIS: **Section 1** would appropriate \$190 million from the Medicaid Contingency Reserve to provide additional funding for the Medicaid program to account for projected changes in factors affecting the cost of operating the program. The funding would be provided notwithstanding the limitations in G.S. 143C-4-11 that otherwise would apply to the use and expenditure of funds from the Medicaid Contingency Reserve.

Section 2(a) would require LME/MCOs to continue making recurring intergovernmental transfers to the Department of Health and Human Services, Division of Health Benefits (DHB), during the 2025-2027 fiscal biennium in amounts that have been updated to reflect recent realignments of counties among the LME/MCOs. Under **Section 2(b)**, DHB would continue to have the authority to reallocate the amounts to reflect any realignments of counties that may occur during the fiscal biennium.

EFFECTIVE DATE: Except as otherwise provided, the act would become effective retroactively to July 1, 2025.

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