



HOUSE BILL 727: Limit Medicaid Reimb. for Facility Fees.

2025-2026 General Assembly

Committee:	Senate Rules and Operations of the Senate	Date:	May 5, 2026
Introduced by:	Reps. Reeder, Blackwell, Wheatley, Gable	Prepared by:	Jennifer Hillman
Analysis of:	Third Edition		Staff Attorney

OVERVIEW: *House Bill 727 would direct the Department of Health and Human Services (DHHS) to ensure that Medicaid does not reimburse facility fees in many circumstances.*

BILL ANALYSIS: The bill would direct DHHS to ensure that facility fees are not reimbursed unless a healthcare service is provided in one of the following:

- The main building of a hospital, the area immediately adjacent to the main building, and other structures within 250 yards of the main building.
- A facility that has an emergency department.
- An ambulatory surgical facility.

"Facility fee" would be defined to mean any fee that is "(i) intended to compensate the health care provider for the operational expenses of the health care provider, (ii) separate and distinct from a professional fee, and (iii) charged regardless of the modality through which the health care services were provided."

The bill also includes standard language designed to ensure that DHHS is able to comply with the statutory requirement that it operate the Medicaid program within its budget.

EFFECTIVE DATE: The bill would be effective when it becomes law and would be implemented as soon as practicable after that date.

Kara McCraw
Director



Legislative Analysis
Division
919-733-2578