



2025-2026 General Assembly

SENATE BILL 257: 2026 Appropriations Act, Sec. 9L.2: Study on Division of State Operated Healthcare Facilities and Local Management Entities/Managed Care Organizations

Analysis of: S.L. 2026-41, Sec. 9L.2

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Section 9L.2 of S.L. 2026-41 (Senate Bill 257) requires the Office of State Budget and Management (OSBM), in consultation with the Department of Health and Human Services (DHHS), to develop and issue a request for proposal by September 1, 2026, to contract with a third-party organization to examine specified criteria, including the following:

- Opportunities to improve efficiencies by (i) selling or leasing State operated healthcare facilities to another entity to achieve State savings while requiring they continue to provide the same services or (ii) eliminating local management entities/managed care organizations and having the duties performed by a private entity.
- Benefits and risks of requiring an annual report on the number of North Carolina employers with at least 50 employees enrolled as Medicaid beneficiaries.

OSBM and DHHS must submit a report by March 31, 2027 to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Medicaid, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division containing the findings and recommendations based on the study.

OSBM is appropriated \$1 million dollars in nonrecurring funds for the 2026-2027 fiscal year to contract with a third party to conduct the study.

The funding in this section became effective July 1, 2026, and the remainder of this section became effective July 7, 2026.

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