

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

H.B. 558  
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40318-NL-76

Short Title: Criteria for PHP Contract Procurement.

(Public)

Sponsors: Representative Reeder.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO UPDATE THE CRITERIA FOR PROCUREMENT OF FUTURE MEDICAID  
3 PREPAID HEALTH PLAN CONTRACTS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 108D-45 reads as rewritten:

6 "§ 108D-45. Number and nature of contracts for standard benefit plans.

7 (a) ~~The~~ For the initial standard benefit plan contracts required under G.S. 108D-65(6),  
8 ~~the number and nature of the contracts for standard benefit plans required under G.S. 108D-65(6)~~  
9 ~~those contracts~~ shall be as follows:

- 10 (1) Four contracts between the Division of Health Benefits and PHPs to provide  
11 coverage to Medicaid recipients statewide.  
12 (2) Up to 12 contracts between the Division of Health Benefits and PLEs for  
13 coverage of regions specified by the Division of Health Benefits pursuant to  
14 G.S. 108D-65(2). Regional contracts shall be in addition to the four statewide  
15 contracts required under subdivision (1) of this section. Each regional contract  
16 shall provide coverage throughout the entire region for the Medicaid services  
17 required by G.S. 108D-35. A PLE may bid for more than one regional  
18 contract, provided that the regions are contiguous.  
19 (3) Repealed by Session Laws 2023-134, s. 9E.22(i), effective October 3, 2023.  
20 (4) Initial capitated PHP contracts may be awarded on staggered terms of three to  
21 five years in duration to ensure against gaps in coverage that may result from  
22 termination of a contract by the PHP or the State.

23 (b) For the standard benefit contracts required under G.S. 108D-65(6) that are awarded  
24 subsequent to the initial standard benefit plan contracts, all of the following shall apply:

- 25 (1) All standard benefit plan contracts shall be to provide coverage to Medicaid  
26 recipients statewide. There shall be no standard benefit plan contracts for  
27 coverage of a region of the State that is less than statewide.  
28 (2) There shall be no more than four contracts between the Division of Health  
29 Benefits and PHPs.  
30 (3) The criteria the Division of Health Benefits uses to evaluate the responses to  
31 the RFPs to procure contracts under this subsection shall assign higher weight  
32 to responses received from the following entities:  
33 a. PLEs.  
34 b. Bidders with higher provider satisfaction measures reported from  
35 existing PHP contracts or similar data reported from Medicaid plans  
36 in other insurance markets."



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**SECTION 2.** This act is effective when it becomes law.