

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

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**HOUSE BILL 491
PROPOSED COMMITTEE SUBSTITUTE H491-PCS40622-TRa-7**

Short Title: Medicaid Rebase Funding.

(Public)

Sponsors:

Referred to:

March 25, 2025

A BILL TO BE ENTITLED
AN ACT TO FUND THE MEDICAID REBASE.
The General Assembly of North Carolina enacts:

MEDICAID REBASE FUNDING

SECTION 1. Notwithstanding the limitations under G.S. 143C-4-11 on the use, allocation, and expenditure of funds reserved in the Medicaid Contingency Reserve, there is appropriated from the Medicaid Contingency Reserve to the Department of Health and Human Services, Division of Health Benefits, the sum of one hundred ninety million dollars (\$190,000,000) in nonrecurring funds and associated receipts for the 2025-2026 fiscal year to be used to adjust Medicaid funding to account for projected changes in enrollment, enrollment mix, service and capitation costs, and federal match rates, as well as the implementation of the Children and Families Specialty Plan in December 2025.

LME/MCO INTERGOVERNMENTAL TRANSFERS

SECTION 2.(a) The local management entities/managed care organizations (LME/MCOs) shall make intergovernmental transfers to the Department of Health and Human Services, Division of Health Benefits (DHB), in an aggregate amount of eighteen million twenty-eight thousand two hundred seventeen dollars (\$18,028,217) in the 2025-2026 fiscal year and in an aggregate amount of eighteen million twenty-eight thousand two hundred seventeen dollars (\$18,028,217) for the 2026-2027 fiscal year. The due date and frequency of the intergovernmental transfer required by this section shall be determined by DHB. The amount of the intergovernmental transfer that each individual LME/MCO is required to make in each fiscal year shall be as follows:

	2025-2026	2026-2027
Alliance Behavioral Healthcare	\$4,508,857	\$4,508,857
Partners Health Management	\$3,544,348	\$3,544,348
Trillium Health Resources	\$6,448,693	\$6,448,693
Vaya Health	\$3,526,319	\$3,526,319

SECTION 2.(b) In the event that a county disengages from an LME/MCO and realigns with another LME/MCO during the 2025-2027 fiscal biennium, DHB shall have the authority to reallocate the amount of the intergovernmental transfer that each affected LME/MCO is required to make under subsection (a) of this section, taking into consideration the change in catchment area and covered population, provided that the aggregate amount of the transfers received from all LME/MCOs in each year of the fiscal biennium is achieved.



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EFFECTIVE DATE

SECTION 3. Except as otherwise provided, this act is effective retroactively to July 1, 2025.