

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 558

Short Title: Criteria for PHP Contract Procurement. (Public)

Sponsors: Representatives Reeder, Potts, and Lambeth (Primary Sponsors).

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Health, if favorable, Insurance, if favorable, Finance, if favorable, Rules,
Calendar, and Operations of the House

March 31, 2025

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

The General Assembly of North Carolina enacts:

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

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

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

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- (3) Repealed by Session Laws 2023-134, s. 9E.22(i), effective October 3, 2023.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

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

- (1) All standard benefit plan contracts shall be to provide coverage to Medicaid recipients statewide. There shall be no standard benefit plan contracts for coverage of a region of the State that is less than statewide.
- (2) There shall be no more than four contracts between the Division of Health Benefits and PHPs.
- (3) The criteria the Division of Health Benefits uses to evaluate the responses to the RFPs to procure contracts under this subsection shall assign higher weight to responses received from the following entities:
 - a. PLEs.



- 1 b. Bidders with higher provider satisfaction measures reported from
2 existing PHP contracts or similar data reported from Medicaid plans
3 in other insurance markets."

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