

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 1141

Short Title: Protecting Medicaid & Autism Services. (Public)

Sponsors: Representatives Crawford, Prather, Hawkins, and G. Pierce (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Appropriations, if favorable, Rules, Calendar, and Operations of the House

May 4, 2026

A BILL TO BE ENTITLED

1
2 AN ACT TO ALLOW MEDICAID PREPAID HEALTH PLANS TO OPERATE A CLOSED
3 PROVIDER NETWORK FOR RESEARCH-BASED BEHAVIORAL HEALTH
4 TREATMENT PROVIDERS, TO PROVIDE FUNDING FOR THE MEDICAID REBASE,
5 AND TO ELIMINATE THE STATUTORY TRIGGERS FOR DISCONTINUATION OF
6 COVERAGE FOR THE MEDICAID EXPANSION POPULATION.

7 Whereas, the State must periodically rebase Medicaid appropriations to reflect
8 changes in enrollment, service utilization, capitation costs, federal match rates, and program
9 design; and

10 Whereas, maintaining adequate Medicaid funding is necessary to preserve access to
11 care for children, families, older adults, and people with disabilities across North Carolina; and

12 Whereas, research-based behavioral health treatment should be delivered through
13 provider arrangements that promote quality, accountability, and reliable patient access; and

14 Whereas, continuity of coverage is essential to the health and financial stability of
15 North Carolinians enrolled in Medicaid expansion; and

16 Whereas, eliminating statutory coverage-discontinuation triggers and providing
17 sufficient program funding will strengthen the stability and effectiveness of North Carolina's
18 Medicaid program; Now, therefore,

19 The General Assembly of North Carolina enacts:

20
21 **MEDICAID REBASE FUNDING**

22 **SECTION 1.(a)** There is appropriated from the General Fund to the Department of
23 Health and Human Services, Division of Health Benefits, the sum of three hundred nineteen
24 million dollars (\$319,000,000) in recurring funds and associated receipts, beginning with the
25 2025-2026 fiscal year, and an additional sum of seven hundred twenty-eight million dollars
26 (\$728,000,000) in recurring funds and associated receipts, beginning with the 2026-2027 fiscal
27 year. These funds shall be used to adjust Medicaid funding to account for projected changes in
28 enrollment, enrollment mix, service and capitation costs, and federal match rates, as well as the
29 implementation of the Children and Families Specialty Plan in December 2025.

30 **SECTION 1.(b)** This section is retroactively effective July 1, 2025.

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32 **CLOSED PROVIDER NETWORK FOR RESEARCH-BASED BEHAVIORAL HEALTH**
33 **TREATMENT PROVIDERS**

34 **SECTION 2.(a)** G.S. 108D-22 reads as rewritten:
35 **"§ 108D-22. PHP provider networks.**



1 (a) Except as provided in G.S. 108D-23 and G.S. 108D-24, each PHP shall develop and
 2 maintain a provider network that meets access to care requirements for its enrollees. A PHP may
 3 not exclude ~~providers a provider from their networks~~ the PHP's network except for ~~failure~~ (i) if
 4 the provider fails to meet objective quality standards ~~standards, or refusal~~ (ii) if the provider
 5 refuses to accept network rates ~~rates, or (iii) in accordance with subsection (c) of this section.~~
 6 Notwithstanding the previous sentence, a PHP must include all providers in its geographical
 7 coverage area that are designated essential providers by the Department in accordance with
 8 subdivision (b) of this section, unless the Department approves an alternative arrangement for
 9 securing the types of services offered by the essential providers.

10 ...
 11 (c) Each PHP shall develop and maintain a closed network of providers applicable only
 12 to the provision of research-based behavioral health treatment services."

13 **SECTION 2.(b)** G.S. 108D-24 reads as rewritten:
 14 **"§ 108D-24. Children and families specialty plan networks.**

15 (a) The entity operating the children and families specialty plan shall develop and
 16 maintain a closed network of providers only as provided in this section.

17 (b) The requirement to operate a closed network is applicable only to the provision of the
 18 following services:

- 19 (1) Intensive in-home services.
- 20 (2) Multisystemic therapy.
- 21 (3) Residential treatment services.
- 22 (4) Services provided in psychiatric residential treatment facilities.
- 23 (5) Research-based behavioral health treatment services.

24"
 25 **SECTION 2.(c)** G.S. 108D-35 reads as rewritten:
 26 **"§ 108D-35. Services covered by PHPs.**

27 (a) Capitated PHP contracts shall cover all Medicaid services, including physical health
 28 services, prescription drugs, long-term services and supports, and behavioral health services,
 29 except as otherwise provided in this section.

30 (b) The capitated contracts required by this section shall not cover any of the following:
 31 (1) Medicaid services covered by the local management entities/managed care
 32 organizations (LME/MCOs) under the combined 1915(b) and (c) waivers,
 33 1915(b)(3) services, and any services approved under the 1915(i) option shall
 34 not be covered under a standard benefit plan, except that all capitated PHP
 35 contracts shall cover the following services:

- 36 ...
- 37 *l.* ~~Research-based intensive~~ Research-based behavioral health treatment.
- 38"

39
 40 **ELIMINATION OF STATUTORY TRIGGERS FOR DISCONTINUATION OF**
 41 **COVERAGE FOR THE MEDICAID EXPANSION POPULATION**

42 **SECTION 3.(a)** G.S. 108A-54.3B is repealed.
 43 **SECTION 3.(b)** G.S. 108A-54.3C is repealed.

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 45 **EFFECTIVE DATE**

46 **SECTION 4.** Except as otherwise provided, this act is effective when it becomes
 47 law.