



September 26, 2025

Nevada Medicaid Web Announcement 3731

H.R.1 Section 71113: Prohibited Entities

Background

On July 3, 2025, the United States Congress passed H.R.1, which includes Section 71113, Federal Payments to Prohibited Entities. H.R.1 was enacted on July 4, 2025 ([Public Law No: 119-21](#)). Section 71113 states:

"No Federal funds that are considered direct spending and provided to carry out a State plan under title XIX of the Social Security Act or a waiver of such a plan shall be used to make payments to a prohibited entity for items and services furnished during the 1-year period beginning on the date of the enactment of this Act, including any payments made directly to the prohibited entity or under a contract or other arrangement between a State and a covered organization."

As you may know, Section 71113 is currently subject to ongoing litigation. On July 7, 2025, Planned Parenthood Federation of America filed a complaint, seeking relief from this section and asserting that it is unconstitutional. See *Planned Parenthood Federation of America, Inc. et al v. Kennedy et al*. The Federal District Court in Massachusetts issued a temporary restraining order, which was later modified by two separate preliminary injunctions issued by the Federal District Court.

On September 11, 2025, the First Circuit Court of Appeals removed the previous preliminary injunctions that blocked immediate implementation of this section. Therefore, Nevada Medicaid issues the following guidance as of September 25, 2025, to ensure compliance with Section 71113 given the First Circuit Court of Appeals decision and direction. This guidance, however, is subject to change based on the results of this pending litigation.

Who Is Affected

Prohibited entities are affected by H.R.1 Section 71113.

A "prohibited entity" is defined as follows:

The term "prohibited entity" means an entity, including its affiliates, subsidiaries, successors, and clinics—

(A) that, as of the first day of the first quarter beginning after the date of enactment of this Act—

(i) is an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code;

(ii) is an essential community provider described in section 156.235 of title 45, Code of Federal Regulations (as in effect on the date of enactment of this Act), that is primarily engaged in family planning services, reproductive health, and related medical care; and

(iii) provides for abortions, other than an abortion—

(I) if the pregnancy is the result of an act of rape or incest; or

*(II) in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed; **and***

(B) for which the total amount of Federal and State expenditures under the Medicaid program under title XIX of the Social Security Act for medical assistance furnished in fiscal year 2023 made directly, or by a covered organization, to the entity or to any affiliates, subsidiaries, successors, or

clinics of the entity, or made to the entity or to any affiliates, subsidiaries, successors, or clinics of the entity as part of a nationwide health care provider network, exceeded \$800,000.

Provider Attestation

Nevada Medicaid requires Medicaid-enrolled family planning clinics under **Provider Type 17, Specialty 166 (PT 17-166)** or physician providers enrolled under **Provider Type 20** who engage primarily in the services listed under Section 71113(A)(ii)(iii), such as a **Provider Type 20, Specialty 117 (PT 20-117) for gynecology** to determine in good faith whether they meet the definition of “prohibited entity” for purposes of Section 71113 of H.R.1. Such good faith determinations should be based on the provider’s status **as of October 1, 2025**.

To ensure ongoing compliance with federal law, Nevada Medicaid may require providers enrolled as a PT 17-166 to submit an **annual attestation form**, attesting that they do not meet the definition of “prohibited entity” under Section 71113 of H.R.1, as a condition of participation in Nevada Medicaid as a billing provider.

Claim Submission

Exempt Providers:

- Nevada Medicaid providers enrolled as PT 17 Specialty 166 or an applicable PT 20 that determine in good faith, they do not meet the definition of “prohibited entity” should continue to submit claims in accordance with the Nevada Medicaid Services Manual.

Non-Exempt Providers:

- Nevada Medicaid providers enrolled as PT 17 Specialty 166 or applicable PT 20 that: (1) do meet the definition of a “prohibited entity” and (2) were eligible for relief under the preliminary injunctions issued by the Federal District Court in *Planned Parenthood Federation of America, Inc. et al. v. Kennedy et al.* should take the following actions:
 - For claims for services rendered with dates of service **on or before July 3, 2025**, continue to submit such claims in accordance with Nevada Medicaid Services Manual as these claims are not impacted by H.R.1.
 - For claims for services rendered with dates of service **on July 4, 2025, through September 10, 2025**, submit such claims in accordance with Nevada Medicaid Services Manual.
 - For claims for services rendered with dates of service **on or after September 11, 2025**, hold and do not submit such claims, except for “medically necessary” abortion claims. Medically necessary abortion services are a state-funded service under the recent court decision *Silver State Hope Fund v. Nevada Dept. of Health & Human Services* and therefore are exempt from H.R.1.
- Nevada Medicaid providers enrolled as PT 17 Specialty 166 or applicable PT 20 that: (1) do meet the definition of a “prohibited entity” and (2) were NOT eligible for relief under the preliminary injunctions issued by the Federal District Court in *Planned Parenthood Federation of America, Inc. et al. v. Kennedy et al.* should take the following actions:
 - For claims for services rendered with dates of service **on or before July 3, 2025**, continue to submit such claims in accordance with Nevada Medicaid Services Manual as these claims are not impacted by H.R.1.
 - For claims for services rendered with dates of service **on or after July 4, 2025**, hold and do not submit such claims, except for “medically necessary” abortion claims. Medically necessary abortion services are a state-funded service under the recent court decision *Silver State Hope Fund v. Nevada Dept. of Health & Human Services* and therefore are exempt from H.R.1.

Next Steps

Nevada Medicaid will continue to monitor this evolving situation and will implement any necessary policy and system updates to comply with H.R.1 and any applicable court orders. Additional information and updated policy guidance regarding “prohibited entities” and compliance with H.R.1 will be communicated through regular provider notification channels.

Nevada Medicaid is committed to maintaining access to essential family planning and reproductive health services for all members while complying with applicable federal requirements. Nevada Medicaid appreciates your ongoing partnership and commitment to ensuring members have access to these important covered services.

If Nevada Medicaid determines any claims were improperly paid to a prohibited entity, those payments will be recouped. If a provider is affected by such recoupment, Nevada Medicaid will be sending a separate notice to the provider.

For questions regarding this Provider Web Announcement, contact Nevada Medicaid via email at providerenrollment@nvha.nv.gov.