2016 Regular Session

HOUSE BILL NO. 71

BY REPRESENTATIVE COX

PROCUREMENT: Provides for the extension of a Medicaid fiscal intermediary services contract

1	AN ACT
2	To amend and reenact R.S. 39:198(I)(introductory paragraph), (3), and (9), relative to
3	contracts for fiscal intermediary services in processing claims of healthcare
4	providers; to provide for extensions of the contract; and to provide for related
5	matters.
6	Be it enacted by the Legislature of Louisiana:
7	Section 1. R.S. 39:198(I)(introductory paragraph), (3), and (9) are hereby amended
8	and reenacted to read as follows:
9	§198. Types of contracts permitted
10	* * *
11	I. Contracts for fiscal intermediary services in processing claims of health-
12	care providers. State agencies may enter into contracts for fiscal intermediary
13	services in processing claims of healthcare providers. The term of such a contract
14	shall be one hundred twenty months. In the event special circumstances, as provided
15	in Paragraph (9) of this Subsection, necessitate, additional one-year extensions of the
16	contract in ninety-day increments up to three hundred sixty days may be granted. The
17	award process and final contract shall include the following:
18	* * *
19	(3) The one-hundred-twenty-month term of such contract shall be divided
20	into one period of between thirty-six months and sixty months, immediately followed
21	by successive twelve-month periods. The state shall have an option to renew such
22	contract for each of the twelve-month periods. If the state does not exercise its

## Page 1 of 3

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	option to renew, the contract shall be terminated. In the event special circumstances
2	occur, as provided in Paragraph (9) of this Subsection, additional twelve-month
3	extensions of the contract in ninety-day increments up to three hundred sixty days
4	may be granted.
5	* * *
6	(9) In the event the Department of Health and Hospitals or the United States
7	Department of Health and Human Services, Centers for Medicare and Medicaid
8	Services proposes substantial changes in the operations of the Medicaid program that
9	would materially impact the services performed by the fiscal intermediary, the
10	Department of Health and Hospitals may, subject to the approval of the House and
11	Senate committees on health and welfare, approve additional extensions of the
12	contract in ninety-day increments up to three hundred sixty days until such time as
13	it is practical to prepare a solicitation for proposals describing the revised services
14	that would be performed by the fiscal intermediary. During the time frame covered
15	by any extension beyond the original one-hundred-twenty-month period, the fiscal
16	intermediary may be required to perform additional functions to assist in preparing
17	the Department of Health and Hospitals in the transition to the new program. Such
18	functions shall include existing fiscal intermediary services as well as efforts to
19	control fraud and abuse, program reports, beneficiary enrollment and program
20	information services, encounter data, and annual managed care negotiation data.
21	* * *

## DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

## HB 71 Original

## 2016 Regular Session

Cox

Abstract: Changes the allowable time period for extensions of a Medicaid fiscal intermediary contract from 12-month to 90-day increments, up to 360 days.

<u>Present law</u> authorizes the state to enter into contracts for Medicaid fiscal intermediary services.

<u>Present law</u> further provides that the term of a contract for fiscal intermediary services shall be 120 months. Further, the contract may be extended under certain circumstances for additional 12-month periods.

<u>Proposed law</u> changes the allowable time period for extensions <u>from</u> 12-month <u>to</u> 90-day increments, up to 360 days.

(Amends R.S. 39:198(I)(intro. para.), (3), and (9))