

SENATE BILL NO. 132

BY SENATOR HENRY AND REPRESENTATIVE EDMONDS

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AN ACT

To amend and reenact R.S. 39:198(I)(2), (6), (8)(b) and (c), and (9) and to enact R.S. 39:1624(C) through (E), relative to the approval of contracts; to provide for transfer of fiscal intermediary contract award approval from the House and Senate committees on health and welfare to the Joint Legislative Committee on the Budget; to provide for the approval of any contract with a value greater than or equal to twenty-five million dollars annually by the Joint Legislative Committee on the Budget; to provide for the reporting to the Joint Legislative Committee on the Budget by state agencies prior to the issuance of any request for proposals that could result in expenditures of twenty-five million dollars or more annually; to provide for applicability to cooperative endeavor agreements; to provide exceptions; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 39:198(I)(2), (6), (8)(b) and (c), and (9) are hereby amended and reenacted and R.S. 39:1624(C) through (E) are hereby enacted to read as follows:

§198. Types of contracts permitted

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I. Contracts for fiscal intermediary services in processing claims of health care providers. State agencies may enter into contracts for fiscal intermediary services in processing claims of health care providers. The term of such a contract shall be one hundred twenty months. In the event special circumstances, as provided in Paragraph (9) of this Subsection, necessitate, additional one-year extensions of the contract may be granted. The award process and final contract shall include the following:

1 * * *

2 (2) Justification for the contract shall be submitted to the state central
 3 purchasing agency and shall be submitted to the ~~House and Senate committees on~~
 4 ~~health and welfare~~ **Joint Legislative Committee on the Budget** at least forty-five
 5 days prior to the issuance of a solicitation for proposals. Within thirty days of receipt
 6 of the justification by the ~~House and Senate committees on health and welfare~~, either
 7 **Joint Legislative Committee on the Budget**, the committee may convene a meeting
 8 separately or jointly for the purpose of conducting **conduct** a public hearing on the
 9 justification which was submitted. Such justification shall include identification and
 10 consideration of all factors, including costs, relevant to the solicitation for proposals
 11 and the final contract.

12 * * *

13 (6) No award of the contract shall be made until the ~~House and Senate~~
 14 ~~committees on health and welfare, meeting jointly or a joint subcommittee thereof~~
 15 **Joint Legislative Committee on the Budget** has conducted a public hearing
 16 concerning such award.

17 * * *

18 (8) No option to renew such contract shall be exercised by the state until the
 19 following criteria have been satisfied:

20 * * *

21 (b) The Louisiana Department of Health submits to the ~~House and Senate~~
 22 ~~committees on health and welfare~~ **Joint Legislative Committee on the Budget** a
 23 notice of intention by the Louisiana Department of Health to exercise the option to
 24 renew such contract and a copy of any public testimony which was taken at the
 25 public hearing held by the Louisiana Department of Health. The ~~House and Senate~~
 26 ~~committees on health and welfare, meeting separately or jointly~~, **Joint Legislative**
 27 **Committee on the Budget** may hold a public hearing concerning such renewal
 28 within thirty days following the receipt of a notice of intention by the Louisiana
 29 Department of Health to exercise the option to renew such contract.

30 (c) The ~~House and Senate committees on health and welfare, meeting~~

1 ~~separately or jointly, have~~ **Joint Legislative Committee on the Budget** ~~has~~
2 conducted a public hearing concerning such renewal or thirty days have elapsed from
3 the date the Louisiana Department of Health submitted a notice of intention to renew
4 such contract to the ~~House and Senate committees on health and welfare and neither~~
5 **Joint Legislative Committee on the Budget and the** committee has **not** posted a
6 public notice of meeting concerning the renewal of such contract.

7 (9) In the event the Louisiana Department of Health or the United States
8 Department of Health and Human Services, Centers for Medicare and Medicaid
9 Services proposes substantial changes in the operations of the Medicaid program that
10 would materially impact the services performed by the fiscal intermediary, the
11 Louisiana Department of Health may, subject to the approval of the ~~House and~~
12 ~~Senate committees on health and welfare~~ **Joint Legislative Committee on the**
13 **Budget**, approve additional extensions of the contract until such time as it is
14 practical to prepare a solicitation for proposals describing the revised services that
15 would be performed by the fiscal intermediary. During the time frame covered by
16 any extension beyond the original one-hundred-twenty-month period, the fiscal
17 intermediary may be required to perform additional functions to assist in preparing
18 the Louisiana Department of Health in the transition to the new program. Such
19 functions shall include existing fiscal intermediary services as well as efforts to
20 control fraud and abuse, program reports, beneficiary enrollment and program
21 information services, encounter data, and annual managed care negotiation data.

22 * * *

23 §1624. Approval of contract **or cooperative endeavor agreement**; penalties

24 * * *

25 **C. Prior to the state chief procurement officer or an assistant approving**
26 **any contract with a value greater than or equal to twenty-five million dollars**
27 **annually, the state chief procurement officer or an assistant shall verify that the**
28 **following has occurred:**

29 **(1) The state agency entering into the contract with a value greater than**
30 **or equal to twenty-five million dollars annually has received the approval of the**

1 Joint Legislative Committee on the Budget to enter into the contract.

2 (2) If the request for proposal process was used in the procurement
3 process for a contract with a value greater than or equal to twenty-five million
4 dollars annually, the state agency using the request for proposal process notified
5 the Joint Legislative Committee on the Budget of the potential cost of such
6 contract prior to the issuance of the request for proposals, provided that such
7 cost was reasonably anticipated at the time of issuance.

8 D. Notwithstanding any provision of law to the contrary, the provisions
9 of Subsection C of this Section shall apply to any cooperative endeavor
10 agreement for professional, personal, consulting, or social services that has a
11 value greater than or equal to twenty-five million dollars.

12 E. The provisions of Subsections C and D of this Section shall not apply
13 during the pendency of any state of emergency declared pursuant to R.S. 29:721
14 et seq. or 760 et seq.

15 Section 2. This Act shall become effective upon July 1, 2020. If vetoed by the
16 governor and subsequently approved by the legislature, this Act shall become effective on
17 July 1, 2020.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____