

2017 Regular Session

HOUSE BILL NO. 139

BY REPRESENTATIVE MCFARLAND

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

PUBLIC CONTRACTS: Requires prior approval of the Joint Legislative Committee on the Budget of requests for proposals, contracts, and cooperative endeavor agreements over a specified dollar amount

1 AN ACT

2 To enact R.S. 39:366.12 and 1603.1, relative to public contracts; to require prior approval
3 of certain actions related to the procurement of professional, personal, consulting,
4 and social services; to require prior approval of agreements relating to the lease or
5 operation of certain hospitals; to provide for exceptions; to provide for effectiveness;
6 and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 39:366.12 and 1603.1 are hereby enacted to read as follows:

9 §366.12. Approval of agreements to operate Louisiana State University Health
10 Sciences Center hospitals

11 The state is prohibited from entering into or extending any cooperative
12 endeavor agreement, memorandum of understanding, contract, or any other type of
13 agreement with any person or entity to lease or operate a hospital for which a
14 Louisiana State University Health Sciences Center is responsible pursuant to R.S.
15 17:1519.2(B), unless the agreement or extension has been reviewed and approved
16 by the Joint Legislative Committee on the Budget.

17 * * *

18 §1603.1. Purchases of professional, personal, consulting, or social services; prior
19 approval required

1 A.(1) Except as provided in Paragraph (2) of this Subsection, no request for
2 proposals for professional, personal, consulting, or social services contracts with a
3 total maximum compensation of fifty million dollars or more shall be advertised
4 unless the request has been reviewed and approved by the Joint Legislative
5 Committee on the Budget prior to its advertisement.

6 (2) No request for proposals for professional, personal, consulting, or social
7 services contracts with a total maximum compensation of fifty million dollars or
8 more for which the resulting contract must be approved by the Department of Health
9 and Human Services, Centers for Medicare and Medicaid Services, shall be
10 advertised unless it has been reviewed by the Joint Legislative Committee on the
11 Budget prior to the advertisement of the request for proposals.

12 B. No professional, personal, consulting, or social services contract with a
13 total maximum compensation of fifty million dollars or more shall be entered into
14 on or after August 1, 2017, unless it has been reviewed and approved by the Joint
15 Legislative Committee on the Budget.

16 C. No request for proposals or contracts for professional, personal,
17 consulting, or social services shall be divided or otherwise separated into multiple
18 proposals or contracts in order to circumvent the requirements of this Section.
19 Accordingly, any subsequent or amended contract entered into with the same party
20 for the same purpose as an existing contract which causes payment to the party for
21 such purpose to exceed fifty million dollars in a one-year period, regardless of the
22 actual dollar value of the subsequent or amended contract, shall be subject to prior
23 review or prior review and approval by the Joint Legislative Committee on the
24 Budget in accordance with the requirements of this Section.

25 D. No professional, personal, consulting, or social services contract with a
26 total maximum compensation of fifty million dollars or more shall be valid nor shall
27 the state be bound by the contract unless all requirements of this Section have been
28 met.

1 Section 2. This Act shall become effective upon signature by the governor or, if not
2 signed by the governor, upon expiration of the time for bills to become law without signature
3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
4 vetoed by the governor and subsequently approved by the legislature, this Act shall become
5 effective on the day following such approval.

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 139 Engrossed

2017 Regular Session

McFarland

Abstract: Requires prior actions of the Joint Legislative Committee on the Budget (JLCB) for certain requests for proposals (RFPs) and contracts over \$50 million. Prohibits the state from entering into agreements for the operation of hospitals under the responsibility of Louisiana State University Health Sciences Center unless the agreement is approved by the JLCB.

Proposed law requires prior review and approval of the JLCB of RFPs for professional, personal, consulting, or social services contracts of more than \$50 million.

Proposed law requires prior review, but not approval, by the JLCB of RFPs for professional, personal, or consulting services contracts of more than \$50 million which must be approved by the U.S. Dept. of Health and Human Services, Centers for Medicare and Medicaid Services (CMS).

Proposed law prohibits the entering into of any professional, personal, consulting, or social services contract with a total maximum compensation of \$50 million after Aug. 1, 2017, unless it has been reviewed and approved by the JLCB.

Proposed law prohibits dividing or separating RFPs or contracts to circumvent the requirements of proposed law. Requires review and approval of the JLCB of any subsequent or amended contract with the same party for the same purpose as the existing contract which causes payment to the party to exceed \$50 million.

Proposed law prohibits the state from entering into or extending any cooperative endeavor agreement, memorandum of understanding, contract, or any other type of agreement with any person or entity to lease or operate a hospital for which a Louisiana State University Health Sciences Center is responsible pursuant to present law, unless the agreement or extension has been reviewed and approved by the JLCB.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 39:366.12 and 1603.1)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original bill:

1. Increase the amount of the contracts and RFPs that require prior action of the JLCB from \$15 million to \$50 million.
2. Delete requirements regarding JLCB approval for the state to enter into any cooperative endeavor agreement expected to result in any nonpublic party to the agreement generating or expending revenue of \$15 million or more.
3. Add provision prohibiting the state from entering into or extending any agreement to lease or operate a Louisiana State University Health Sciences Center hospital, unless the agreement or extension has been reviewed and approved by the JLCB.
4. Add effective date.