



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

7 \* \* \*

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

18 \* \* \*

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

23 \* \* \*

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

26 \* \* \*

27 (b) The Louisiana Department of Health submits to the ~~House and Senate~~  
 28 ~~committees on health and welfare~~ **Joint Legislative Committee on the Budget** a  
 29 notice of intention by the Louisiana Department of Health to exercise the option to

1 renew such contract and a copy of any public testimony which was taken at the  
2 public hearing held by the Louisiana Department of Health. The ~~House and Senate~~  
3 ~~committees on health and welfare, meeting separately or jointly,~~ **Joint Legislative**  
4 **Committee on the Budget** may hold a public hearing concerning such renewal  
5 within thirty days following the receipt of a notice of intention by the Louisiana  
6 Department of Health to exercise the option to renew such contract.

7 (c) The ~~House and Senate committees on health and welfare, meeting~~  
8 ~~separately or jointly,~~ have **Joint Legislative Committee on the Budget has**  
9 conducted a public hearing concerning such renewal or thirty days have elapsed from  
10 the date the Louisiana Department of Health submitted a notice of intention to renew  
11 such contract to the ~~House and Senate committees on health and welfare and neither~~  
12 **Joint Legislative Committee on the Budget and the** committee has **not** posted a  
13 public notice of meeting concerning the renewal of such contract.

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

29 \* \* \*

1 §1624. Approval of contract; penalties

2 \* \* \*

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

7 **(1) The state agency entering into the contract with a value greater than**  
8 **or equal to twenty-five million dollars annually has received the approval of the**  
9 **Joint Legislative Committee on the Budget to enter into the contract.**

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

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

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The original instrument was prepared by Martha Hess. The following digest, which does not constitute a part of the legislative instrument, was prepared by LG Sullivan.

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SB 132 Reengrossed DIGEST 2020 Regular Session Henry

Present law provides for the conditions that shall be satisfied prior to the state procurement officer or an assistant approving professional, personal, consulting, or social services contracts:

- (1) All provisions of R.S. 39:1623 have been complied with.
- (2) The using agency has statutory authority to enter into the proposed contract.
- (3) The contract will not establish an employer/employee relationship between the state or the using agency and any prospective contractor.
- (4) No current state employee will engage in the performance of the proposed contract except as provided for in R.S. 39:1626.

- (5) No using agency has previously performed or contracted for the performance of tasks which would be substantially duplicated under the proposed contract without appropriate written justification.
- (6) There has been appropriated or otherwise lawfully made available and ready for expenditure sufficient monies for payment of the services called for in the contract, at least for the applicable fiscal year.
- (7) The contracting using agency has specified the purpose, duration, specific goals and objectives, measures of performance, and a plan for monitoring the services to be provided under the contract.
- (8) The using agency has a written plan for the monitoring of the contract and such monitoring plan has been submitted in accordance with rules and regulations adopted by the office of state procurement.
- (9) The provisions of R.S. 12:25(E) have been complied with, if the contract is with a business corporation, the provisions of R.S. 12:205(E) have been complied with, if the contract is with a nonprofit corporation, or the provisions of R.S. 12:304(A)(11) have been complied with, if the contract is with a foreign corporation.
- (10) The prospective contractor is current in the filing of all applicable tax returns and reports, and in payment of all taxes, interest, penalties, and fees owed to the state and collected by the Department of Revenue in accordance with R.S. 47:1678.

Proposed law retains present law and provides that, prior to the state chief procurement officer or an assistant approving any contract with a value greater than or equal to \$25 million annually, the state chief procurement officer or an assistant shall verify that the following has occurred:

- (1) The state agency entering into contract with a value greater than or equal to \$25 million annually has received the approval of the Joint Legislative Committee on the Budget (JLCB) to enter into the contract.
- (2) If the request for proposal process was utilized in the procurement process for a contract with a value greater than or equal to \$25 million dollars annually, the state agency notified the JLCB of the potential cost of such contract prior to the issuance of the request for proposals, provided that such cost was reasonably anticipated at the time of issuance.

Present law allows state agencies to enter into contracts for fiscal intermediary services in processing claims of health care providers. Requires the award process and the final contract to meet certain criteria, including approval by the House and Senate committees on health and welfare.

Proposed law retains present law and moves the approval authority from the House and Senate committees on health and welfare to JLCB.

Effective July 1, 2020.

(Amends R.S. 39:198(I)(2), (6), (8)(b) and (c), and (9); adds R.S. 39:1624(C))

#### Summary of Amendments Adopted by Senate

##### Senate Floor Amendments to engrossed bill

1. Move approval of fiscal intermediary services contract awards from the House and Senate committees on health and welfare to JLCB.