# 2021 Regular Session

### HOUSE BILL NO. 618

# BY REPRESENTATIVE DUSTIN MILLER

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

PROCUREMENT: Provides with respect to fiscal intermediary services contracts in state information technology procurement

1	AN ACT
2	To amend and reenact R.S. 39:197(12) and (15) and 198(G)(introductory paragraph) and
3	(I)(introductory paragraph), (1), (5), and (9) and to enact R.S. 39:197(19), relative
4	to procurement of fiscal intermediary services contracts; to provide for definitions;
5	to provide with respect to multi-state procurement; to provide with respect to
6	procurement processes and requirements; to provide with respect to terms of such
7	contracts; to provide with respect to requirements of such contracts relative to
8	contract extensions; to provide for technical changes; to direct the Louisiana State
9	Law Institute to make certain technical changes; and to provide for related matters.
10	Be it enacted by the Legislature of Louisiana:
11	Section 1. R.S. 39:197(12) and (15) and 198(G)(introductory paragraph) and
12	(I)(introductory paragraph), (1), (5), and (9) are hereby amended and reenacted and R.S.
13	39:197(19) is hereby enacted to read as follows:
14	§197. Definitions
15	For the purposes of this Part, the following words and phrases shall be
16	defined as follows:
17	* * *
18	(12) "Multi-year contract" means contracts for a term of more than one year,
19	not to exceed ten years and includes the following:

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

1	(a) Contracts between a supplier of information technology systems,
2	information technology services, and software and the state or a state agency through
3	which information technology systems, information technology services, and
4	software, except for fiscal intermediary services for the processing of claims of
5	health care providers, may be leased or purchased for a term of more than one fiscal
6	year, but the term shall not exceed sixty months.
7	(b) Contracts for fiscal intermediary services for the processing of claims
8	received from health care providers.
9	* * *
10	(15) "Related services" means and is limited to service activities affecting
11	the maintenance of information technology equipment or software and the providing
12	of fiscal intermediary services in processing claims of health care providers.
13	Notwithstanding any other provisions of law to the contrary, "related services" shall
14	also mean those consulting services ancillary to the procurement of information
15	technology hardware or software that would otherwise be governed by the provisions
16	of professional, personal, consulting, and social services procurement in Chapter 17
17	of this Title, provided those consulting services are limited to the lesser of twenty
18	percent of the procurement amount or two hundred fifty thousand dollars.
19	* * *
20	(19) "Fiscal intermediary services" means an information technology system
21	including, but not limited to, enterprise architecture, electronic visit verification,
22	third-party liability, financial management, provider management system, care
23	management, health care claims and encounter processing, payment integrity, data
24	warehousing, and pharmacy benefit management, that is used for managing all or
25	part of a Medicaid program.
26	§198. Types of contracts permitted
27	* * *
28	G. Multiyear contracts other than direct order contracts and contracts for
29	fiscal intermediary services in processing claims of health care providers. State

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agencies may enter into contracts for the lease or purchase of information technology
systems, information technology services, or software when the term of such lease
or purchase is greater than twelve months or involves more than one fiscal year in
accordance with the following provisions:

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6 I. Contracts for fiscal intermediary services in processing claims of health 7 care providers. State agencies may enter into contracts for fiscal intermediary 8 services in processing claims of health care providers. The term of such a contract 9 shall be one hundred twenty months. In the event special circumstances, as provided 10 in Paragraph (9) of this Subsection, necessitate, additional one-year extensions of the 11 contract may be granted. The award process and final contract shall include the 12 following:

13 (1) Contracts for fiscal intermediary services in processing claims of health 14 care providers shall be awarded by a competitive selection process which shall list 15 in the solicitation for proposals the method by which the contract shall be awarded 16 and include all criteria to be used and the weights assigned to each criterion. 17 Notwithstanding any provision of law to the contrary, contracts for fiscal 18 intermediary services may be procured through a cooperative purchasing agreement 19 with an agency from another state, provided such procurement meets the competitive 20 selection process requirements established in this paragraph. Any contract resulting 21 from such a procurement shall not require the participation of a Louisiana-licensed 22 dealer or distributor, and the Louisiana-based agency shall not be required to be the 23 lead on the contract. The procedure for issuance of the solicitation for proposals shall 24 be in accordance with guidelines published by the state central purchasing agency. 25 The selection of the contractor shall be made by the head of the using agency only 26 in accordance with the method and criteria as set forth in the solicitation for 27 proposals and in accordance with the recommendation of the procurement support 28 team.

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1 (5) Issuance of specifications for a solicitation for proposals on a contract for 2 fiscal intermediary services in processing claims of health care providers shall be 3 made at least twelve months prior to the termination date of an existing contract, 4 unless the contract termination is for cause or due to the refusal of the state to 5 exercise an option to renew. 6 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, approve additional extensions of the 13 contract until such time as it is practical to prepare a solicitation for proposals 14 describing the revised services that would be performed by the fiscal intermediary. 15 During the time frame covered by any extension beyond the original one-hundred-16 twenty-month period, the fiscal intermediary may be required to perform additional 17 functions to assist in preparing the Louisiana Department of Health in the transition 18 to the new program. Such functions shall may include existing fiscal intermediary 19 services as well as efforts to control fraud and abuse, program reports, beneficiary 20 enrollment and program information services, encounter data, and annual managed 21 care negotiation data. 22 23 Section 2. The Louisiana State Law Institute is directed to alphabetize and renumber

24 the terms defined in R.S. 39:197 as amended by the provisions of this Act.

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

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### 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 618 Original	2021 Regular Session	Dustin Miller
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Abstract: Expands the definition of "fiscal intermediary services" with respect to state information technology procurement.

<u>Present law</u> sets forth the procedures and regulations for state procurement of information technology systems and services. <u>Proposed law</u> retains <u>present law</u>.

<u>Present law</u> with respect to procurement of information technology systems and services restricts "fiscal intermediary services" to contracts for the processing of claims of health care providers. <u>Proposed law</u> expands the definition to include, for example, enterprise architecture, electronic visit verification, third-party liability, financial management, provider management system, care management, health care claims and encounter processing, payment integrity, data warehousing, and pharmacy benefit management.

<u>Present law</u> authorizes multiyear contracts for fiscal intermediary services in processing claims of health care providers. <u>Proposed law</u> authorizes multiyear contracts for fiscal intermediary services as defined in <u>proposed law</u>.

<u>Present law</u> restricts contracts for fiscal intermediary services in processing claims of health care providers to terms of one hundred and twenty months. <u>Proposed law</u> authorizes one hundred and twenty-month terms for fiscal intermediary services contracts as defined in proposed law.

<u>Present law</u> authorizes award of a fiscal intermediary services contract upon completion of a competitive selection process outlined in <u>present law</u>. <u>Proposed law</u> retains <u>present law</u> and further authorizes contracts for fiscal intermediary contracts to be awarded through a cooperative purchasing agreement with an agency from another state, provided such procurement meets the competitive selection process established in this paragraph. Further provides that any contract resulting from such a procurement shall not require the participation of a Louisiana-licensed dealer or distributor and the Louisiana-based agency shall not be required to be the lead on the contract.

<u>Present law</u> requires the fiscal intermediary to perform certain functions after the original contract has expired and before a new contract is entered into. These functions include efforts to control fraud and abuse, program reports, encounter data, and enrollment and program information services. <u>Proposed law</u> changes this requirement from mandatory to permissive.

Directs the La. State Law Institute to alphabetize and renumber the definitions in present law (R.S. 39:197) as amended by the provisions of proposed law.

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

(Amends R.S. 39:197(12) and (15) and 198(G)(intro. para.) and (I)(intro. para.), (1), (5), and (9); Adds R.S. 39:197(19))