

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:

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, electronic visit verification, third-party liability,  
 22 financial management, provider management system, care management, healthcare  
 23 claims and encounter processing, payment integrity, data warehousing, and  
 24 pharmacy benefit management, that is used for managing all or part of a Medicaid  
 25 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

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

5 \* \* \*

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. The~~  
17 ~~procedure for issuance of the solicitation for proposals shall be in accordance with~~  
18 ~~guidelines published by the state central purchasing agency. The selection of the~~  
19 ~~contractor shall be made by the head of the using agency only in accordance with the~~  
20 ~~method and criteria as set forth in the solicitation for proposals and in accordance~~  
21 ~~with the recommendation of the procurement support team. competitive sealed~~  
22 ~~proposals in accordance with R.S. 39:1595 or cooperative purchasing in accordance~~  
23 ~~with R.S. 39:1702.~~

24 \* \* \*

25 (5) Issuance of specifications for a solicitation for proposals on a contract for  
26 fiscal intermediary services ~~in processing claims of health care providers~~ shall be  
27 made at least twelve months prior to the termination date of an existing contract,  
28 unless the contract termination is for cause or due to the refusal of the state to  
29 exercise an option to renew.

1 \* \* \*

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

17 \* \* \*

18 Section 2. The Louisiana State Law Institute is directed to alphabetize and renumber  
19 the terms defined in R.S. 39:197 as amended by the provisions of this Act.

20 Section 3. This Act shall become effective upon signature by the governor or, if not  
21 signed by the governor, upon expiration of the time for bills to become law without signature  
22 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
23 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
24 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)]

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HB 618 Engrossed

2021 Regular Session

Dustin Miller

**Abstract:** Expands the definition of "fiscal intermediary services" with respect to state information technology procurement.

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

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

Present law authorizes multiyear contracts for fiscal intermediary services in processing claims of healthcare providers. Proposed law authorizes multiyear contracts for fiscal intermediary services as defined in proposed law.

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

Present law authorizes award of a fiscal intermediary services contract upon completion of a competitive selection process outlined in present law. Proposed law provides that such contracts shall be awarded either by competitive sealed proposals, as provided in present law (R.S. 39:1595), or through a cooperative purchase, as provided in present law (R.S. 39:1702).

Present law 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. Proposed law 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))

Summary of Amendments Adopted by House

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

1. Remove "enterprise architecture" from the definition of "fiscal intermediary services" used in proposed law.

- 2 Remove requirement that fiscal intermediary services contracts be awarded by competitive selection.
3. Require "fiscal intermediary services" contracts to be awarded by either competitive sealed proposals, as provided in present law, or cooperative purchasing, as provided in present law.