



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 618** HLS 21RS 837
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

| | | |
|---|---------|-----------------------------------|
| Date: June 8, 2021 | 5:42 PM | Author: MILLER, D. |
| Dept./Agy.: Statewide | | |
| Subject: Fiscal Intermediary Service Contracts | | Analyst: Monique Appeaning |

PROCUREMENT EN NO IMPACT GF EX See Note Page 1 of 1
 Provides with respect to fiscal intermediary services contracts in state information technology procurement

Proposed law defines "fiscal intermediary services" as an information technology system including, but not limited to, 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, that is used for managing all or part of a Medicaid program. Proposed law deletes "processing of claims of health-care providers" from specific parts of present law. Proposed law adds to present law, "Notwithstanding any provision of law to the contrary, contracts for fiscal intermediary services maybe procured through a cooperative purchasing agreement with an agency from another state, provided such procurement meets the competitive selection process requirements established in this paragraph. 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."

| EXPENDITURES | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| REVENUES | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

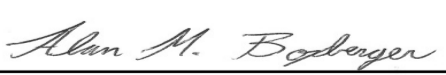
There is no anticipated direct material effect on governmental expenditures as a result of this measure. The Office of State Procurement and the Office of Technology Services reports that there are no fiscal impacts.

The Louisiana Department of Health (LDH) reports that proposed law will allow Louisiana Medicaid to participate in cooperative purchasing programs through a multi-state collaboration for Medicaid Enterprise Systems (MES), formerly known as Medicaid Management Information Systems (MMIS), modularity. In this arrangement, Louisiana and one or more other states would jointly procure a single vendor for a needed software or service. Proposed law will clarify that LDH can enter into 5-year contracts, with a 5-year option to extend, for all MES modules and not just for claims processing. The current statute is unclear on what constitutes the fiscal intermediary and this legislation provides for technical clean-up of the language to allow for systems modularity timeframes.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H} | | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H} | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |


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