

# ACT No. 347

2021 Regular Session

HOUSE BILL NO. 618

BY REPRESENTATIVE DUSTIN MILLER

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:

20 (a) Contracts between a supplier of information technology systems,  
21 information technology services, and software and the state or a state agency through  
22 which information technology systems, information technology services, and

1 software, except for fiscal intermediary services ~~for the processing of claims of~~  
2 ~~health care providers~~, may be leased or purchased for a term of more than one fiscal  
3 year, but the term shall not exceed sixty months.

4 (b) Contracts for fiscal intermediary services ~~for the processing of claims~~  
5 ~~received from health care providers~~.

6 \* \* \*

7 (15) "Related services" means and is limited to service activities affecting  
8 the maintenance of information technology equipment or software and the providing  
9 of fiscal intermediary services ~~in processing claims of health care providers~~.  
10 Notwithstanding any other provisions of law to the contrary, "related services" shall  
11 also mean those consulting services ancillary to the procurement of information  
12 technology hardware or software that would otherwise be governed by the provisions  
13 of professional, personal, consulting, and social services procurement in Chapter 17  
14 of this Title, provided those consulting services are limited to the lesser of twenty  
15 percent of the procurement amount or two hundred fifty thousand dollars.

16 \* \* \*

17 (19) "Fiscal intermediary services" means an information technology system  
18 including but not limited to electronic visit verification, third-party liability, financial  
19 management, provider management system, care management, healthcare claims and  
20 encounter processing, payment integrity, data warehousing, and pharmacy benefit  
21 management, that is used for managing all or part of a Medicaid program.

22 §198. Types of contracts permitted

23 \* \* \*

24 G. Multiyear contracts other than direct order contracts and contracts for  
25 fiscal intermediary services ~~in processing claims of health care providers~~. State  
26 agencies may enter into contracts for the lease or purchase of information technology  
27 systems, information technology services, or software when the term of such lease  
28 or purchase is greater than twelve months or involves more than one fiscal year in  
29 accordance with the following provisions:

30 \* \* \*

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

8 (1) Contracts for fiscal intermediary services ~~in processing claims of health~~  
 9 ~~care providers~~ shall be awarded by ~~a competitive selection process which shall list~~  
 10 ~~in the solicitation for proposals the method by which the contract shall be awarded~~  
 11 ~~and include all criteria to be used and the weights assigned to each criterion. The~~  
 12 ~~procedure for issuance of the solicitation for proposals shall be in accordance with~~  
 13 ~~guidelines published by the state central purchasing agency. The selection of the~~  
 14 ~~contractor shall be made by the head of the using agency only in accordance with the~~  
 15 ~~method and criteria as set forth in the solicitation for proposals and in accordance~~  
 16 ~~with the recommendation of the procurement support team. competitive sealed~~  
 17 ~~proposals in accordance with R.S. 39:1595 or cooperative purchasing in accordance~~  
 18 ~~with R.S. 39:1702.~~

19 \* \* \*

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

25 \* \* \*

26 (9) In the event the Louisiana Department of Health or the United States  
 27 Department of Health and Human Services, Centers for Medicare and Medicaid  
 28 Services proposes substantial changes in the operations of the Medicaid program that  
 29 would materially impact the services performed by the fiscal intermediary, the  
 30 Louisiana Department of Health may, subject to the approval of the House and

1 Senate committees on health and welfare, approve additional extensions of the  
 2 contract until such time as it is practical to prepare a solicitation for proposals  
 3 describing the revised services that would be performed by the fiscal intermediary.  
 4 During the time frame covered by any extension beyond the original one-hundred-  
 5 twenty-month period, the fiscal intermediary may be required to perform additional  
 6 functions to assist in preparing the Louisiana Department of Health in the transition  
 7 to the new program. Such functions ~~shall~~ may include existing fiscal intermediary  
 8 services as well as efforts to control fraud and abuse, program reports, beneficiary  
 9 enrollment and program information services, encounter data, and annual managed  
 10 care negotiation data.

\* \* \*

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

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

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_