

SENATE BILL NO. 15

BY SENATOR FRED MILLS

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AN ACT

To amend and reenact R.S. 39:198(I)(introductory paragraph), (2), (6), (8)(introductory paragraph), (b), and (c), and (9), relative to contracts for fiscal intermediary services; to provide for the transfer of contract award oversight from the House and Senate committees on health and welfare to the Joint Legislative Committee on the Budget; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 39:198(I)(introductory paragraph), (2), (6), (8)(introductory paragraph), (b), and (c), and (9) are hereby amended and reenacted to read as follows:

§198. Types of contracts permitted

\* \* \*

I. Contracts for fiscal intermediary services. State agencies may enter into contracts for fiscal intermediary services. The term of ~~such a~~ **the** contract shall be one hundred twenty months. ~~In the event~~ **If** special circumstances, as provided in Paragraph (9) of this Subsection, necessitate, additional one-year extensions of the contract may be granted. The award process and final contract shall include the following:

\* \* \*

(2) Justification for the contract shall be submitted to the state central purchasing agency and shall be submitted to the ~~House and Senate committees on health and welfare~~ **Joint Legislative Committee on the Budget** at least forty-five days prior to the issuance of a solicitation for proposals. Within thirty days of receipt of the justification by the ~~House and Senate committees on health and welfare~~, either **Joint Legislative Committee on the Budget, the** committee may ~~convene a meeting~~ **conduct** a public hearing on the ~~separately or jointly for the purpose of conducting~~ **conduct**

1 justification which was submitted. ~~Such~~ **This** justification shall include identification  
 2 and consideration of all factors, including costs, relevant to the solicitation for  
 3 proposals and the final contract.

4 \* \* \*

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

9 \* \* \*

10 (8) No option to renew ~~such~~ **the** contract shall be exercised by the state until  
 11 the following criteria have been satisfied:

12 \* \* \*

13 (b) The Louisiana Department of Health submits to the ~~House and Senate~~  
 14 ~~committees on health and welfare~~ **Joint Legislative Committee on the Budget** a  
 15 notice of intention by the Louisiana Department of Health to exercise the option to  
 16 renew ~~such~~ **the** contract and a copy of any public testimony which was taken at the  
 17 public hearing held by the Louisiana Department of Health. The ~~House and Senate~~  
 18 ~~committees on health and welfare, meeting separately or jointly,~~ **Joint Legislative**  
 19 **Committee on the Budget** may hold a public hearing concerning ~~such~~ **the** renewal  
 20 within thirty days following the receipt of a notice of intention by the Louisiana  
 21 Department of Health to exercise the option to renew ~~such~~ **the** contract.

22 (c) The ~~House and Senate committees on health and welfare, meeting~~  
 23 ~~separately or jointly, have~~ **Joint Legislative Committee on the Budget has**  
 24 conducted a public hearing concerning ~~such~~ **the** renewal or thirty days have elapsed  
 25 from the date the Louisiana Department of Health submitted a notice of intention to  
 26 renew ~~such~~ **the** contract to the ~~House and Senate committees on health and welfare~~  
 27 ~~and neither~~ **Joint Legislative Committee on the Budget and the** committee has **not**  
 28 posted a public notice of meeting concerning the renewal of ~~such~~ **the** contract.

29 (9) In the event the Louisiana Department of Health or the United States  
 30 Department of Health and Human Services, Centers for Medicare and Medicaid

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

14 \* \* \*

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
GOVERNOR OF THE STATE OF LOUISIANA

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