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AN ACT

To amend and reenact R.S. 39:198(I)(2), (6), (8)(b) and (c), and (9) and to enact R.S. 39:1624(C) through (E), relative to the approval of contracts; to provide for transfer of fiscal intermediary contract award approval from the House and Senate committees on health and welfare to the Joint Legislative Committee on the Budget; to provide for the approval of any contract with a value greater than or equal to twenty-five million dollars annually by the Joint Legislative Committee on the Budget; to provide for the reporting to the Joint Legislative Committee on the Budget by state agencies prior to the issuance of any request for proposals that could result in expenditures of twenty-five million dollars or more annually; to provide for applicability to cooperative endeavor agreements; to provide exceptions; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 39:198(I)(2), (6), (8)(b) and (c), and (9) are hereby amended and reenacted and R.S. 39:1624(C) through (E) are hereby enacted to read as follows:

§198. Types of contracts permitted

\* \* \*

I. Contracts for fiscal intermediary services in processing claims of health care providers. State agencies may enter into contracts for fiscal intermediary services in processing claims of health care providers. The term of such a contract shall be one hundred twenty months. In the event 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:

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(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 separately or jointly for the purpose of conducting **conduct** a public hearing on the justification which was submitted. Such justification shall include identification and consideration of all factors, including costs, relevant to the solicitation for proposals and the final contract.

\* \* \*

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

\* \* \*

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

\* \* \*

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

(c) The ~~House and Senate committees on health and welfare, meeting~~



1 Joint Legislative Committee on the Budget to enter into the contract.

2 (2) If the request for proposal process was used in the procurement  
3 process for a contract with a value greater than or equal to twenty-five million  
4 dollars annually, the state agency using the request for proposal process notified  
5 the Joint Legislative Committee on the Budget of the potential cost of such  
6 contract prior to the issuance of the request for proposals, provided that such  
7 cost was reasonably anticipated at the time of issuance.

8 D. Notwithstanding any provision of law to the contrary, the provisions  
9 of Subsection C of this Section shall apply to any cooperative endeavor  
10 agreement for professional, personal, consulting, or social services that has a  
11 value greater than or equal to twenty-five million dollars.

12 E. The provisions of Subsections C and D of this Section shall not apply  
13 during the pendency of any state of emergency declared pursuant to R.S. 29:721  
14 et seq. or 760 et seq.

15 Section 2. This Act shall become effective upon July 1, 2020. If vetoed by the  
16 governor and subsequently approved by the legislature, this Act shall become effective on  
17 July 1, 2020.

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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: \_\_\_\_\_

**VETO MESSAGE**

"Please be advised that I have vetoed Senate Bill 132 of the 2020 Regular Session.

Senate Bill 132 requires that the Joint Legislative Committee on the Budget (JLCB) approve any contract or cooperative endeavor agreement with a value greater than or equal to \$25 million. This requirement violates Article 2, Section 2 of the Louisiana Constitution in that it requires legislative approval of a purely executive branch function, namely, the execution

of contracts and CEAs. However, this does not mean that the legislature does not have a significant role in oversight of executive branch functions, including contracts, as the legislature alone has the authority of appropriation. All executive branch contracts are subject to legislative appropriation. Further, I have ensured that my administration has fully cooperated with and respected the authority of the entire legislature and JLCB. I do not believe there has ever been a single instance where anyone in my administration has refused to appear before a legislative committee, including the JLCB. That will continue as long as I am Governor. However, I cannot support a bill that cedes a purely executive branch function to the legislature."