

Office of the Governor  
State of Louisiana

JOHN BEL EDWARDS  
GOVERNOR



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June 12, 2020

**VIA HAND DELIVERY**

Honorable Patrick Page Cortez  
President  
Louisiana State Senate  
Post Office Box 94183  
Baton Rouge, Louisiana 70804

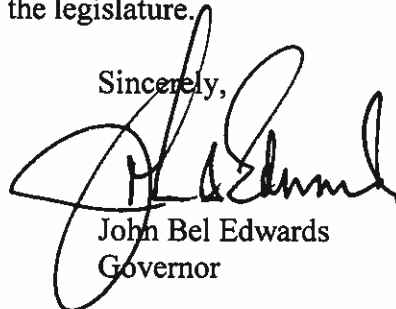
RE: Veto of Senate Bill 132 of the 2020 Regular Session

Dear President Cortez:

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.

Sincerely,



John Bel Edwards  
Governor

cc: Honorable Clay Schexnayder  
Louisiana Speaker of the House

SENATE BILL NO. 132

BY SENATOR HENRY AND REPRESENTATIVE EDMONDS

1 AN ACT

2 To amend and reenact R.S. 39:198(I)(2), (6), (8)(b) and (c), and (9) and to enact R.S.  
3 39:1624(C) through (E), relative to the approval of contracts; to provide for transfer  
4 of fiscal intermediary contract award approval from the House and Senate  
5 committees on health and welfare to the Joint Legislative Committee on the Budget;  
6 to provide for the approval of any contract with a value greater than or equal to  
7 twenty-five million dollars annually by the Joint Legislative Committee on the  
8 Budget; to provide for the reporting to the Joint Legislative Committee on the  
9 Budget by state agencies prior to the issuance of any request for proposals that could  
10 result in expenditures of twenty-five million dollars or more annually; to provide for  
11 applicability to cooperative endeavor agreements; to provide exceptions; to provide  
12 for an effective date; and to provide for related matters.

13 Be it enacted by the Legislature of Louisiana:

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

16 §198. Types of contracts permitted

17 \* \* \*

18 I. Contracts for fiscal intermediary services in processing claims of health  
19 care providers. State agencies may enter into contracts for fiscal intermediary  
20 services in processing claims of health care providers. The term of such a contract  
21 shall be one hundred twenty months. In the event special circumstances, as provided  
22 in Paragraph (9) of this Subsection, necessitate, additional one-year extensions of the  
23 contract may be granted. The award process and final contract shall include the  
24 following:

1 \* \* \*

2 (2) Justification for the contract shall be submitted to the state central  
 3 purchasing agency and shall be submitted to the ~~House and Senate committees on~~  
 4 ~~health and welfare~~ **Joint Legislative Committee on the Budget** at least forty-five  
 5 days prior to the issuance of a solicitation for proposals. Within thirty days of receipt  
 6 of the justification by the ~~House and Senate committees on health and welfare~~, either  
 7 **Joint Legislative Committee on the Budget**, the committee may convene a meeting  
 8 ~~separately or jointly for the purpose of conducting~~ **conduct** a public hearing on the  
 9 justification which was submitted. Such justification shall include identification and  
 10 consideration of all factors, including costs, relevant to the solicitation for proposals  
 11 and the final contract.

12 \* \* \*

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

17 \* \* \*

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

20 \* \* \*

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

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

1 ~~separately or jointly, have~~ **Joint Legislative Committee on the Budget has**  
 2 conducted a public hearing concerning such renewal or thirty days have elapsed from  
 3 the date the Louisiana Department of Health submitted a notice of intention to renew  
 4 such contract to the ~~House and Senate committees on health and welfare and neither~~  
 5 **Joint Legislative Committee on the Budget and the** committee has **not** posted a  
 6 public notice of meeting concerning the renewal of such contract.

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

22 \* \* \*

23 §1624. Approval of contract **or cooperative endeavor agreement**; penalties

24 \* \* \*

25 **C. Prior to the state chief procurement officer or an assistant approving**  
 26 **any contract with a value greater than or equal to twenty-five million dollars**  
 27 **annually, the state chief procurement officer or an assistant shall verify that the**  
 28 **following has occurred:**

29 **(1) The state agency entering into the contract with a value greater than**  
 30 **or equal to twenty-five million dollars annually has received the approval of the**

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

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

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

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

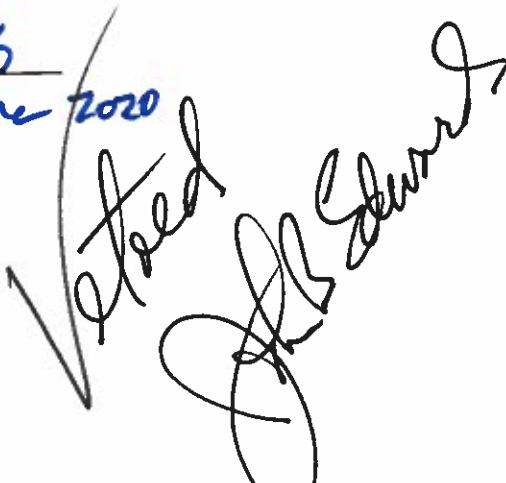
Section 2. This Act shall become effective upon July 1, 2020. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on July 1, 2020.

  
\_\_\_\_\_  
PRESIDENT OF THE SENATE

  
\_\_\_\_\_  
SPEAKER OF THE HOUSE OF REPRESENTATIVES

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

APPROVED: WRS  
10 June 2020

  
Vetoed  
