

Regular Session, 2004

SENATE BILL NO. 681

BY SENATOR CRAVINS

INSURANCE CLAIMS. Prohibits contracting with overseas companies for health claims processing.

1 AN ACT

2 To amend and reenact the introductory paragraph of R.S. 39:198(D) and to enact R.S.  
3 39:198(D)(10); relative to the Department of Health and Hospitals; to prohibit certain  
4 insurance claims processing practices; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. The introductory paragraph of R.S. 39:198(D) is hereby amended and  
7 reenacted and R.S. 39:198(D)(10) is hereby enacted to read as follows:

8 §198. Types of contracts permitted

9 The types of contracts permitted in the procurement of data processing  
10 equipment, related services, and software are defined herein, and the provisions of  
11 this Part supersede, with respect to such procurements, any existing conflicting  
12 statutory provisions.

13 \* \* \*

14 D. Contracts for fiscal intermediary services in processing claims of health  
15 care providers. State agencies may enter into contracts for fiscal intermediary services  
16 in processing claims of health care providers. **The Except as provided in Paragraph**  
17 **(10) of this Subsection, the** term of such a contract shall be one hundred twenty

1 months. In the event special circumstances, as provided in Paragraph (9), necessitate,  
 2 additional one-year extensions of the contract may be granted. The award process and  
 3 final contract shall include the following:

4 \* \* \*

5 **R.S. 39:198(D)(10) is all proposed new law.**

6 (10)(a) No contract shall be awarded or renewed pursuant to this Section after  
 7 January 1, 2005, to any fiscal intermediary services provider located outside the  
 8 United States.

9 (b) Following January 1, 2005, no contract shall be awarded or renewed to  
 10 any fiscal intermediary services provider where services pursuant to this Section may  
 11 be performed by an intermediary services provider or the provider’s employees,  
 12 contractors or subcontractors outside the United States.

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The original instrument and the following digest, which constitutes no part  
 of the legislative instrument, were prepared by Carla S. Roberts.

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DIGEST

Present law provides that state agencies, including DHH, may award state contracts for processing of health claims.

Proposed law prohibits state agencies from contracting with health insurance claims adjusters who are located, or perform services, outside the country.

(Amends R.S. 39:198(D)(intro para); adds R.S. 39:198(D)(10))