

Regular Session, 2012

SENATE BILL NO. 541

BY SENATOR MILLS

PUBLIC CONTRACTS. Provides for certain bid evaluation criteria relative to the procurement of certain medical products and services. (7/1/12)

1 AN ACT

2 To amend and reenact R.S. 33:5151(A) and to enact R.S. 38:2212(T) and R.S.  
3 42:802(B)(8)(b)(iii) and (iv), relative to procurement; to provide for certain bid  
4 evaluation criteria or documentation relative to the procurement of certain medical  
5 products and services; to provide for an effective date; and to provide for related  
6 matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 33:5151(A) is hereby amended and reenacted to read as follows:

9 §5151. Power to contract for group insurance; premiums

10 A.(1) Any municipality or political subdivision of the state may make  
11 contracts of insurance with any insurance company legally authorized to do business  
12 in this state insuring their employees and officials under policies of group insurance  
13 covering hospitalization, and retirement, for such employees and officials, and may  
14 agree to match the payments of the employees and officials for the premiums or  
15 charges for any such contracts payable out of the funds of such municipality or  
16 political subdivision, respectively.

17 **(2) In making contracts of insurance under policies of group insurance**

1 covering medical care and hospitalization, municipalities and other political  
 2 subdivisions may require, as an evaluation criteria in the selection process, that  
 3 providers show good faith that Louisiana companies have been given an  
 4 opportunity to participate in such healthcare or insurance provider networks.

5 \* \* \*

6 Section 2. R.S. 38:2212(T) is hereby enacted to read as follows:

7 §2212. Advertisement and letting to lowest responsible bidder; public work;  
 8 electronic bidding; participation in mentor-protégé program;  
 9 exemptions

10 \* \* \*

11 T.(1) In the bid selection process for any contract for purchases of  
 12 medical equipment and supplies, including pharmaceuticals, exceeding the sum  
 13 of fifteen thousand dollars to be paid out of public funds under the provisions  
 14 of this Chapter, each public entity shall document the efforts and show the  
 15 extent to which Louisiana contractors have been given an opportunity to  
 16 participate in such procurement for medical equipment and supplies.

17 (2) For the purposes of this Section, "Louisiana companies" means any  
 18 legal entity which has been certified as a small entrepreneurship, veteran-owned  
 19 small entrepreneurship, or service-connected disabled veteran-owned small  
 20 entrepreneurship by the Louisiana Department of Economic Development.

21 Section 3. R.S. 42:802(B)(8)(b)(iii) and (iv) are hereby enacted to read as follows:

22 §802. Powers and duties; Office of Group Benefits

23 \* \* \*

24 B. In addition, the office shall have the following powers and duties:

25 \* \* \*

26 (8)

27 \* \* \*

28 (b) The office is specifically authorized to negotiate and contract directly for  
 29 the following:

\* \* \*

**(iii) For provision of basic healthcare services and other healthcare services to the program's covered persons under this Section, including but not limited to health maintenance organizations, group purchasers, delivery system, benefits program, insurance, preferred provider organizations, or any other plan or program that may be authorized by law, the office shall require that providers show good faith that Louisiana companies have been given an opportunity to participate in any such health care or provider network for which such services are being negotiated and contracted.**

**(iv) For the purposes of this Subparagraph, "Louisiana companies" means any legal entity which has been certified as a small entrepreneurship, veteran-owned small entrepreneurship, or service-connected disabled veteran-owned small entrepreneurship by the Louisiana Department of Economic Development.**

\* \* \*

Section 4. This Act shall become effective on July 1, 2012; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on July 1, 2012, or on the day following such approval by the legislature, whichever is later.

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The original instrument was prepared by Jay Lueckel. The following digest, which does not constitute a part of the legislative instrument, was prepared by Christopher D. Adams.

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#### DIGEST

Mills (SB 541)

Present law provides that any municipality or political subdivision of the state may make contracts of insurance with any insurance company legally authorized to do business in this state insuring their employees and officials under policies of group insurance covering hospitalization.

Proposed law retains present law and additionally provides that in making such contracts of insurance under policies of group insurance, municipalities and other political subdivisions may require, as an evaluation criteria in the selection process, that providers show good faith that Louisiana companies have been given an opportunity to participate in such health care or insurance provider networks.

Present law provides relative to the advertisement and letting of contracts to the lowest responsible bidder by public entities.

Proposed law provides that in the bid selection process for any contract for purchases of medical equipment and supplies, including pharmaceuticals, exceeding the sum of \$15,000 to be paid out of public funds under these provisions, each public entity shall document the efforts and show the extent to which Louisiana contractors have been given an opportunity to participate in such procurement for medical equipment and supplies. Proposed law defines "Louisiana companies" as any legal entity which has been certified as a small entrepreneurship, veteran-owned small entrepreneurship, or service-connected disabled veteran-owned small entrepreneurship by the Louisiana Department of Economic Development.

Present law relative to the office of group benefits, authorizes the office to directly negotiate and contract for certain health care services and other health care services to the program's covered persons.

Proposed law adds a requirement that providers show good faith that Louisiana companies have been given an opportunity to participate in any such health care or provider network for which such services are being negotiated and contracted. Proposed law defines "Louisiana companies" as any legal entity which has been certified as a small entrepreneurship, veteran-owned small entrepreneurship, or service-connected disabled veteran-owned small entrepreneurship by the Louisiana Department of Economic Development.

Effective July 1, 2012.

(Amends R.S. 33:5151(A); adds R.S. 38:2212(T); and R.S. 42:802(B)(8)(b)(iii) and (iv))

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Health and Welfare to the original bill

1. Removes the provisions related to request for proposals and competitive sealed bidding.
2. Defines Louisiana companies for purposes of proposed law.
3. Technical amendments.