

A bill for an act
relating to health; creating a medical supplies and equipment purchasing alliance;
proposing coding for new law in Minnesota Statutes, chapter 16B.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[16B.99] MEDICAL SUPPLIES AND EQUIPMENT PURCHASING
ALLIANCE.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms in this
subdivision have the meanings given them.

(b) "Commissioner" means the commissioner of administration.

(c) "Contractor" means an individual, business entity, or other private organization
that is awarded a contract by the commissioner to negotiate and administer the price
contracts for medical supplies and equipment under this section.

(d) "Manufacturer" means a manufacturer of medical supplies or equipment.

(e) "Purchaser" means governmental units as defined in section 471.59, nursing
facilities, assisted living facilities, medical facilities, community clinics, home health
agencies, state-operated facilities licensed by the commissioner of human services or
corrections, local or state correctional facilities, or public health facilities.

(f) "Seller" means a person, other than a manufacturer, who sells or distributes
medical supplies and equipment to purchasers or other sellers within the state.

Subd. 2. **Establishment.** (a) The commissioner, in consultation with the advisory
board, shall establish and administer a group purchasing alliance for medical supplies and
equipment. The alliance shall negotiate contracts for medical supplies and equipment
with manufacturers and sellers, and shall make the negotiated contract prices available

to purchasers. The commissioner may negotiate a price differential based on volume purchasing, and may grant multiple awards.

(b) The commissioner, in consultation with the advisory board, shall select the medical supplies and equipment for which price contracts are negotiated.

(c) To the extent feasible, the commissioner shall operate the alliance using the administrative and contracting procedures of the Minnesota Multistate Governmental Contracting Alliance for Pharmacy.

Subd. 3. Use of a contractor. The commissioner may contract with a contractor to negotiate and administer the price contracts for medical supplies and equipment.

Subd. 4. Administrative costs. The commissioner may charge manufacturers and sellers a fee to cover the commissioner's expenses in negotiating and administering the price contracts entered into under subdivision 2. Fees collected by the commissioner under this section must be deposited in the state treasury and credited to a special account. Money in the account is appropriated to the commissioner to pay the costs of negotiating and administering price contracts under this section.

Subd. 5. Manufacturer and seller requirement. A manufacturer or seller that contracts with the commissioner shall make the negotiated contract price available to all purchasers.

Subd. 6. Purchaser requirement. The commissioner may require a purchaser that plans to purchase medical supplies and equipment at the negotiated contract price to submit any information regarding medical supplies or equipment purchase projections the commissioner determines necessary for contract price negotiations.

Subd. 7. Advisory board. (a) The commissioner shall convene an advisory board of eight members. Four of the members must be representatives of state purchasing agents and four of the members must have expertise in bulk purchasing and price negotiations.

(b) The advisory board shall be organized and administered under section 15.059.