

(SENATE AUTHORS: NIENOW and Hann)

DATE	D-PG	OFFICIAL STATUS
03/05/2012	4105	Introduction and first reading Referred to Health and Human Services

1.1A bill for an act

1.2relating to health; establishing the Minnesota Health Care Purchasing Authority;

1.3consolidating state health care purchasing through the authority; proposing

1.4coding for new law in Minnesota Statutes, chapter 16A.

1.5BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6Section 1. [16A.726] MINNESOTA HEALTH CARE PURCHASING

1.7AUTHORITY.

1.8Subdivision 1. Establishment. The commissioner shall establish the Minnesota

1.9Health Care Purchasing Authority as a division within the Department of Management

1.10and Budget.

1.11Subd. 2. Definitions. (a) For purposes of this section, the following definitions

1.12apply.

1.13(b) "Authority" means the Minnesota Health Care Purchasing Authority.

1.14(c) "Health plan company" has the meaning provided in section 62Q.01, subdivision

1.154.

1.16(d) "Health care provider" has the meaning provided in section 62J.03, subdivision

1.178, except that the term also includes nursing homes.

1.18(e) "State administered health care programs" means medical assistance,

1.19MinnesotaCare, and health plans provided to employees of the state and its political

1.20subdivisions.

1.21Subd. 3. Duties. (a) The commissioner, through the Minnesota Health Care

1.22Purchasing Authority, shall improve the efficiency and cost-effectiveness of health care

1.23delivery under state-administered health care programs, by:

(1) coordinating the purchase and delivery of health care services across state agencies and political subdivisions of the state;

(2) consolidating health care purchasing across state administered health care programs, by expanding, where appropriate, the use of competitive bidding, volume purchasing, and selective contracting;

(3) contracting with health care providers and health plan companies to provide services across the range of state-administered health care programs;

(4) incorporating financial and other incentives in state-administered health care programs for health care providers and health plan companies to deliver health care services in a cost-effective manner to patients; and

(5) coordinating and simplifying benefit sets across state-administered health care programs.

(b) The commissioner, through the authority, shall, on behalf of the state agency commissioners responsible for state-administered health care programs, negotiate and enter into contracts with health care providers and health plan companies, and seek federal law changes and waivers, in order to carry out the duties assigned in paragraph (a). State agency commissioners shall provide the authority with all information and technical support necessary to accomplish these duties.

(c) The commissioner, through the authority, shall work with units of local government and other political subdivisions of the state to carry out the duties assigned in paragraph (a).

Subd. 4. **Annual report.** The commissioner shall report to the legislature on January 15, 2013, and each January 15 thereafter, on the work of the Minnesota Health Care Purchasing Authority. Each report must include estimates of state health care savings resulting from the implementation of the authority's initiatives and recommendations for any changes in state law necessary for the authority to effectively implement this section.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 2. **TRANSFER.**

Effective July 1, 2012, all powers, duties, and functions related to the responsibilities specified in Minnesota Statutes, section 16A.726, subdivision 3, now vested in the state agencies responsible for state-administered health care programs, are transferred to the Minnesota Health Care Purchasing Authority within the Department of Management and Budget.