



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

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

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

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

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

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

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

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

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

2.28 Sec. 2. **TRANSFER.**

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