

1 A bill for an act
relating to state government; establishing the Center for Health Care Purchasing
1.3 Improvement; appropriating money; proposing coding for new law in Minnesota
1.4 Statutes, chapter 43A.

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

1.6 Section 1. [43A.312] CENTER FOR HEALTH CARE PURCHASING
1.7 IMPROVEMENT.

1.8 Subdivision 1. Establishment; administration. The commissioner shall establish
1.9 and administer the Center for Health Care Purchasing Improvement as an administrative
1.10 unit within the Department of Employee Relations. The Center for Health Care Purchasing
1.11 Improvement shall support the state in its efforts to be a more prudent and efficient
1.12 purchaser of quality health care services. The center shall aid the state in developing and
1.13 using more common strategies and approaches for health care performance measurement
1.14 and health care purchasing. The common strategies and approaches shall promote greater
1.15 transparency of health care costs and quality, and greater accountability for health
1.16 care results and improvement. The center shall also identify barriers to more efficient,
1.17 effective, quality health care and options for overcoming the barriers.

1.18 Subd. 2. Staffing; duties; scope. (a) The commissioner may appoint a director, and
1.19 up to three additional senior-level staff or codirectors, and other staff as needed who shall
1.20 be under the direction of the commissioner. The staff of the center shall be unclassified.

1.21 (b) With the authorization of the commissioner of the Department of Employee
1.22 Relations, and in consultation or interagency agreement with the appropriate
1.23 commissioners of state agencies, the director, or codirectors, may:

1.24 (1) initiate projects for development of plan designs for state health care purchasing;

- 2.1 (2) require reports or surveys to evaluate the performance of current health care
2.2 purchasing strategies;
- 2.3 (3) calculate fiscal impacts, including net savings and return on investment, of health
2.4 care purchasing strategies and initiatives;
- 2.5 (4) conduct policy audits of state programs to measure conformity to state statute or
2.6 other purchasing initiatives or objectives;
- 2.7 (5) support the Administrative Uniformity Committee under section 62J.50 and
2.8 other relevant groups or activities to advance agreement on health care administrative
2.9 process streamlining;
- 2.10 (6) consult with the Health Economics Unit of the Department of Health regarding
2.11 reports and assessments of the health care marketplace;
- 2.12 (7) consult with the departments of Health and Commerce regarding health care
2.13 regulatory issues and legislative initiatives;
- 2.14 (8) work with appropriate Department of Human Services staff and the Centers for
2.15 Medicare and Medicaid Services to address federal requirements and conformity issues
2.16 for health care purchasing;
- 2.17 (9) assist the Minnesota Comprehensive Health Association in health care
2.18 purchasing strategies;
- 2.19 (10) convene medical directors of agencies engaged in health care purchasing for
2.20 advice, collaboration, and exploring possible synergies;
- 2.21 (11) contact and participate with other relevant health care task forces, study
2.22 activities, and similar efforts with regard to health care performance measurement and
2.23 performance-based purchasing; and
- 2.24 (12) assist in seeking external funding through appropriate grants or other funding
2.25 opportunities and may administer grants and externally funded projects.
- 2.26 Subd. 3. Report. The commissioner must report annually to the legislature and the
2.27 governor on the operations, activities, and impacts of the center. The report must be
2.28 posted on the Department of Employee Relations Web site and must be available to the
2.29 public. The report shall include a description of the state's efforts to develop and use more
2.30 common strategies for health care performance measurement and health care purchasing.
2.31 The report shall also include an assessment of the impacts of these efforts, especially in
2.32 promoting greater transparency of health care costs and quality, and greater accountability
2.33 for health care results and improvement.

2.34 Sec. 2. APPROPRIATION.

- 3.1 \$100,000 is appropriated in fiscal year 2007 from the general fund to the
- 3.2 commissioner of employee relations for the purposes in section 1.

**Senate Counsel, Research,
and Fiscal Analysis**

G-17 STATE CAPITOL
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.
ST. PAUL, MN 55155-1606
(651) 296-4791
FAX: (651) 296-7747
JO ANNE ZOFF SELLNER
DIRECTOR

Senate

State of Minnesota

**S.F. No. 3395 - Center for Health Care Purchasing
Improvement (First Engrossment)**

Author: Senator Sheila M. Kiscaden

Prepared by: Thomas S. Bottern, Senate Counsel (651/296-3810) *TSB*

Date: April 3, 2006

This bill establishes the Center for Health Care Purchasing Improvement, which is intended to aid the state in developing strategies for health care performance measurement and purchasing.

Section 1. CENTER FOR HEALTH CARE PURCHASING IMPROVEMENT.

Subdivision 1 requires the Commissioner of Employee Relations to establish and administer the Center of Health Care Purchasing Improvement as an administrative unit in the Department of Employee Relations.

Subdivision 2 authorizes the commissioner to appoint a director and up to three additional senior-level staff and other staff as needed. All staff are unclassified. Authorizes the director, with the authorization of the Commissioner of Employee Relations and in consultation or interagency agreement with the appropriate commissioners, to:

- (1) initiate projects for the development of plan designs for state health purchasing;
- (2) require reports or surveys to evaluate the performance of current health care purchasing strategies;
- (3) calculate fiscal impacts of health care purchasing strategies;
- (4) conduct policy audits of state programs to measure conformity to state law or other purchasing initiatives or objectives;

- (5) support the Administrative Uniformity Committee and other groups to advance agreement of health care administrative process streamlining;
- (6) consult with the Health Economics Unit at the Department of Health regarding reports and assessment of the health care marketplace;
- (7) consult with the Departments of Health and Commerce regarding health care regulatory issues and legislative initiatives;
- (8) work with the Department of Human Services staff and Centers for Medicare and Medicaid Services to address federal requirements and conformity issues for health care purchasing;
- (9) assist Minnesota Comprehensive Health Association in health care purchasing strategies;
- (10) convene medical directors of agencies engaged in health care purchasing for advice, collaboration, and exploring synergies;
- (11) contact and participate with other relevant task forces, studies, and efforts; and
- (12) assist in seeking external funding and administer grants.

Subdivision 3 requires the commissioner to annually report to the Legislature and the Governor on the operations, activities, and impacts of the Center. Requires the report to be posted on the Department's Web site and made available to the public.

Section 2. APPROPRIATION. appropriates \$100,000 from the general fund to the Commissioner of Employee Relations to establish and operate the Center for Health Care Purchasing Improvement as described in section 1 of this bill.

TSB:rd

A bill for an act
relating to state government; requiring the Legislative Coordinating Commission
to oversee legislative training forums; appropriating money for 2007 legislative
forums; proposing coding for new law in Minnesota Statutes, chapter 3.

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

Section 1. [3.051] LEGISLATIVE TRAINING FORUMS.

(a) The Legislative Coordinating Commission shall oversee two legislative training forums each year. The commission shall:

(1) create an annual gathering of legislators to be held within the first two weeks of January each year, and one other legislative training forum each February;

(2) select speakers, including executive or nonpartisan legislative staff, who will provide an oversight of the issues affecting Minnesota, including demographic, environmental, sociological, and economic perspectives on Minnesota, background on key policy issues the legislature is expected to address that year, and training to improve legislative skills in running effective meetings and other issues;

(3) invite current executive branch officials in order to provide opportunities for legislators and invited executive branch officials to interact and work to form cooperative solutions to Minnesota issues, problems, and challenges.

(b) The Legislative Coordinating Commission may select a partner or partners from Minnesota's institutions of higher education and nonprofit communities, and if such a choice is made, must give all interested institutions an opportunity to submit a proposal to run the training, schedule activities, and create meeting agendas. The commission may accept donations from foundations, corporations, and individuals to defray costs of the forums, and shall publish those donations on the legislature's Web site. No registered

2.1 lobbyist or principal shall contribute for this purpose. Donations received are appropriated
2.2 to the Legislative Coordinating Commission for purposes of this section.

2.3 **Sec. 2. APPROPRIATION.**

2.4 \$30,000 is appropriated from the general fund to the Legislative Coordinating
2.5 Commission in fiscal year 2007 for the legislative forums in January and February of 2007.

Senator Kiscaden introduced—

S.F. No. 2489: Referred to the Committee on Finance.

A bill for an act

relating to state government; requiring state agencies to include the number of full-time equivalent positions for each agency program for the detailed budget; amending Minnesota Statutes 2004, section 16A.11, subdivision 3.

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

Section 1. Minnesota Statutes 2004, section 16A.11, subdivision 3, is amended to read:

Subd. 3. **Part two: detailed budget.** (a) Part two of the budget, the detailed budget estimates both of expenditures and revenues, must contain any statements on the financial plan which the governor believes desirable or which may be required by the legislature. The detailed estimates shall include the governor's budget arranged in tabular form.

(b) Tables listing expenditures for the next biennium must show the appropriation base for each year. The appropriation base is the amount appropriated for the second year of the current biennium. The tables must separately show any adjustments to the base required by current law or policies of the commissioner of finance. For forecasted programs, the tables must also show the amount of the forecast adjustments, based on the most recent forecast prepared by the commissioner of finance under section 16A.103. For all programs, the tables must show the amount of appropriation changes recommended by the governor, after adjustments to the base and forecast adjustments, and the total recommendation of the governor for that year.

(c) The detailed estimates must include a separate line listing the total cost of professional and technical service contracts for the prior biennium and the projected costs of those contracts for the current and upcoming biennium. They must also include ~~a summary of the personnel employed by the agency, reflected as~~ the number of full-time equivalent positions in each agency program for the current biennium and the projected

2.1 number of full-time equivalent positions in each agency program for the upcoming
2.2 biennium.

2.3 (d) The detailed estimates for internal service funds must include the number of
2.4 full-time equivalents by program; detail on any loans from the general fund, including
2.5 dollar amounts by program; proposed investments in technology or equipment of \$100,000
2.6 or more; an explanation of any operating losses or increases in retained earnings; and a
2.7 history of the rates that have been charged, with an explanation of any rate changes and
2.8 the impact of the rate changes on affected agencies.

Governor's Office Inter-agency Agreements - agreements run through June 30, 2007 unless noted

Employee Inter-agency Agreements

Staff	Agency	Start Date	End Date	% Salary	\$ Total	Annual Salary as of 3/16/06		
						Salary	Benefits	Total
Laura Bordelon (Sr Policy Advisor)	Commerce	11/30/2005	6/30/2007	15.00%	26,125			
	Natural Resources	11/30/2005	6/30/2007	15.00%	26,125			
	Pollution Control	11/30/2005	6/30/2007	15.00%	26,125			
	Agriculture	10/5/2005	6/30/2007	5.00%	8,830			
	total			50.00%	87,205	76,024	22,850	98,874
My Glumack (Sr Policy Advisor)	Metropolitan Council	10/5/2005	6/30/2007	16.67%	24,603			
	Transportation	10/5/2005	6/30/2007	16.67%	24,603			
	Higher Education	10/5/2005	6/30/2007	16.66%	24,594			
	total			50.00%	73,800	68,633	15,909	84,542
Carolyn Jones (Sr Policy Advisor)	Commerce	1/10/2006	6/30/2007	3.00%	4,470			
	Employee Relations	1/10/2006	6/30/2007	7.00%	10,430			
	Health	1/10/2006	6/30/2007	15.00%	22,350			
	Human Services	1/10/2006	6/30/2007	25.00%	37,250			
	total			50.00%	74,500	74,521	23,372	97,893
Beth Kadoun (Sr Policy Advisor)	Employ & Econ Dev	1/3/2006	6/30/2007	17.00%	25,670			
	Labor & Industry	1/3/2006	6/30/2007	10.00%	15,100			
	Revenue	1/3/2006	6/30/2007	17.00%	25,670			
	Housing Finance	1/3/2006	6/30/2007	6.00%	9,060			
	total			50.00%	75,500	74,521	23,372	97,893
Charles Noerenberg (Sr Policy Advisor)	Public Safety	10/5/2005	6/30/2007	17.50%	29,855			
	Military Affairs	10/5/2005	6/30/2007	7.50%	12,795			
	Corrections	10/5/2005	6/30/2007	17.50%	29,855			
	Veterans Affairs	10/5/2005	6/30/2007	7.50%	12,795			
	total			50.00%	85,300	76,024	15,361	91,385
Margaret Vesel (Sr Policy Advisor)	Education	12/1/2005	6/30/2006	100.00%	58,956	78,968	22,100	101,068 (FY 06 only)
Carol Molnau (Lt. Governor)	Transportation	10/5/2005	6/30/2007	65.00%	116,000	78,196	23,752	101,948
Eric Lipman (State Sex Offender Policy Director)	Public Safety	7/1/2005	6/30/2007	8.00%	20,000			
	Human Services	7/1/2005	6/30/2007	46.00%	113,000			
	Corrections	7/1/2005	6/30/2007	46.00%	113,000			
	total			100.00%	246,000	96,904	25,960	122,864
Bruce Gordon (Strategic Planning)	Administration	3/22/2006	6/30/2007	65.00%	84,649	77,313	23,510	100,823

Inter-Agency Agreements Discontinued in FY 06

Position	Agency	Start Date	End Date	\$ Expended
Strategic Planning	Administration	discontinued		20,096
Sr Policy Advisor	Commerce	discontinued		20,737
Sr Policy Advisor	Health	discontinued		24,492
Total Inter-Agency Agreements Discontinued				65,325

Total Employee Inter-Agency Agreements - FY 06-07 882,586

Washington DC Office Inter-agency Agreements - Office and 2 FTE

Staff	Agency	Start Date	End Date	% Salary	\$ Total
	Human Services	7/1/2005	6/30/2007	47.91%	250,072
	Transportation	7/1/2005	6/30/2007	12.81%	66,856
	Education	7/1/2005	6/30/2007	11.15%	58,204
	Employ & Econ Dev	7/1/2005	6/30/2007	5.93%	30,971
	Metropolitan Council	7/1/2005	6/30/2007	4.11%	21,454
	Health	7/1/2005	6/30/2007	3.95%	20,630
	Housing Finance	7/1/2005	6/30/2007	3.72%	19,394
	Commerce	7/1/2005	6/30/2007	3.17%	16,551
	Public Safety	7/1/2005	6/30/2007	2.97%	15,521
	Pollution Control	7/1/2005	6/30/2007	2.32%	12,101
	Agriculture	7/1/2005	6/30/2007	1.96%	10,247

Total Washington DC Office - FY 06-07 100.00% 522,001

Total Projected Inter-Agency Agreements by Agency FY 06-07 - Employee Positions and Washington DC Office

Agency	% Total	\$ Total
Human Services	26.88%	400,322
Transportation	13.93%	207,459
Education	7.87%	117,160
Employ & Econ Dev	3.80%	56,641
Metropolitan Council	3.09%	46,057
Health	4.53%	67,472
Housing Finance	1.91%	28,454
Commerce	4.56%	67,883
Public Safety	4.39%	65,376
Pollution Control	2.57%	38,226
Agriculture	1.28%	19,077
Natural Resources	1.75%	26,125
Higher Education	1.65%	24,594
Employee Relations	0.70%	10,430
Labor & Industry	1.01%	15,100
Revenue	1.72%	25,670
Military Affairs	0.86%	12,795
Corrections	9.59%	142,855
Veterans Affairs	0.86%	12,795
Administration	7.03%	104,745

Total Projected Inter-Agency Agreements by Agency FY 06-07 100.00% 1,489,236

	FY 06	FY 07	FY 06-07	FTE:	
Governor's Office Direct Appropriated Budget	3,584,000	3,584,000	7,168,000	36.1	(1st Q FY 06, includes DC 2 FTE)
Inter-agency Agreements			1,489,236	5.8	
Total Governor's Office Budget/FTE			8,657,236	41.9	