[LB795 LB842 LB940 LB1119]

The Committee on Appropriations met at 1:30 p.m. on Tuesday, February 12, 2008, in Room 1524 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on Agency 25, Agency 28, LB842, LB795, LB940, and LB1119. Senators present: Lavon Heidemann, Chairperson; Lowen Kruse, Vice Chairperson; L. Pat Engel; Tony Fulton; John Harms; Danielle Nantkes; John Nelson; John Synowiecki; and John Wightman. Senators absent: None.

SENATOR HEIDEMANN: I think, if we could get started again, we still have quite a bit to go here, not quite as bad as we anticipated, but...with that, we'd like to start the public hearing on LB842. Senator Karpisek. [LB842]

SENATOR KARPISEK: Thank you, Chairman Heidemann and members of the Appropriations Committee. For the record, my name is Russ Karpisek, R-u-s-s K-a-r-p-i-s-e-k. I represent the 32nd Legislative District. LB842 would appropriate additional state and federal funds sufficient to bring the rates of reimbursement to providers of community-based services for persons with developmental disabilities in line with the adequate reimbursement guidelines provided by the rate methodology which has been developed--I knew I was going to stumble on that one, Senator--which has been developed by the state of Nebraska. By doing so, it would provide meaningful assistance to both the community-based services and to the state-based/operated BSDC. Over the past few months we have all read news media accounts of regulatory compliance difficulties in Beatrice, with the chief cause of that situation being identified as the difficulty of recruiting and retaining sufficient numbers and quality of direct care staff. In response to that situation, state officials have stated their intention to reduce the resident population at BSDC by transferring up to one-third of those residents to community-based services. At BSDC, a Tech II, which is an entry level position for newly hired direct care workers, now starts at $10.58 an hour. A recent survey of the member provider organizations of the Nebraska Association of Service Providers, services which together provide developmental disability services to approximately one-half of the clients in community-based services in our state, found that the average starting wage for newly hired direct care staff workers in those agencies is $8.08 an hour. Unless reimbursement to community providers of developmental disability services is markedly increased this session, how indeed can we realistically expect them not to only...to continue operation but also to expand their service capacity to accommodate the individuals transferred from Beatrice? When the state of Nebraska itself has admitted that we cannot hire and retain staff starting at $10.58 an hour, in addition to the attractive benefit plans that we offer as state government, how can we possibly expect community providers to recruit and retain sufficient staff to perform essentially the same duties at $8.08 an hour? The situation has not hit crisis point yet--but I would say that we're getting close and we're down a slippery slope--at that point which state government cannot find placement for clients from Beatrice or

anywhere else because community providers simply can't hire and keep staff to care for them. When that happens, the Legislature will take action but why let it get that far? Why not act this session to provide needed and responsible reimbursement to providers of community-based developmental disability services? With that, I will take any questions from the committee. [LB842]

SENATOR HEIDEMANN: Any questions? (Laughter) [LB842]

SENATOR KARPISEK: I don't know my state capitals very well. (Laughter) And I can't say methodology very well. [LB842]

SENATOR HEIDEMANN: Thank you. Thank you for bringing this before us. I will say that this has actually been an issue in the Appropriations Committee already this year. We have taken some action, maybe not as much as we would like. We're going to probably see how things play out, probably after the Forecasting Board, but this has been an issue before us before and it's a concern for us. But we do appreciate your effort here. [LB842]

SENATOR KARPISEK: And I appreciate that. Over the interim, Senator Wallman invited members down to Beatrice. I had not visited there before. I was very impressed with the level of care and the interaction with the clients, and about when I was really feeling good about the place we decided we can't house all of those people there. Now I am very concerned about where those people are going to go and the care that they're going to receive. So thank you for your... [LB842]

SENATOR HEIDEMANN: Would you take some questions? Senator Wightman has got something he wants to share. [LB842]

SENATOR WIGHTMAN: I'm assuming...Senator Karpisek, thank you for bringing this bill, but I'm assuming there will be other people address this issue, testifiers. I'm assuming also that there's a lot more of a disparity between state employees and the community-based providers by the time you factor in the benefits compared to the $8.08 or something that you talked about and the $10. [LB842]

SENATOR KARPISEK: Yes. So... [LB842]

SENATOR WIGHTMAN: And there will be others to address that? [LB842]

SENATOR KARPISEK: There sure will, I hope. The last time I was in front of your committee, they didn't show up. But I think they're behind me this time. (Laughter) [LB842]

SENATOR HEIDEMANN: Senator Synowiecki. [LB842]

SENATOR SYNOWIECKI: Senator Karpisek, last year on this methodology program that's already in statute that we're kind of ignoring now anyway, the NAPE/AFSCME agreement for those particular segment of workers that work at the Beatrice State Hospital significantly impacted what we need to do in terms of the amount of appropriation. Where does that stand now? [LB842]

SENATOR KARPISEK: Well,... [LB842]

SENATOR SYNOWIECKI: I've heard as high as $9 million. Is that... [LB842]

SENATOR KARPISEK: Our fiscal on this? [LB842]

SENATOR SYNOWIECKI: Yes. Yes. [LB842]

SENATOR KARPISEK: Yeah. Well, I think it's a little higher than that, Senator. I think it was more like...well, about 8.5 for state, another 10.5 for federal, so about $19 million per year. But state expenditures is $8.5 million and...but that's not as much as we'd get from federal. [LB842]

SENATOR SYNOWIECKI: There's a uniquely similar circumstance, if you will, going on in behavioral health sector as well, and Senator Kruse has brought legislation to kind of mimic what we do...what we ignore in the developmental disability area. Can you at least recognize and appreciate the similarities? One thing this committee did last session was gave a significant investment to Department of Corrections so they can enhance and accelerate their behavioral health and mental health treatments within the Department of Corrections. And one of the serious concerns we had about that is the impact that that was going to bring upon the private sector or the community-based behavioral health organizations. So there really is a uniqueness there in both developmental disability arena and behavioral health arena in terms of these unmatching levels of compensation for professionals and direct care staff in each spear. Do you want to speak to that at all? [LB842]

SENATOR KARPISEK: Well, thank you, Senator Synowiecki. And the mental is just as concerning to me as the physical. And both of them, you're right. I think maybe our methodology that we are not following may be at issue here. And I don't know how else we can go about that. But if we are pushing people out of our state care into private care because we can't find enough people to work, how do we expect the privates to find enough people to work? And at the end of the day, my worry is the individual. I think that whatever we can do for them is what we need to do. Again, when I was down at BSDC I saw some things that I couldn't believe. Someone that I probably thought was unable to move or think actually was moving, taking parts of rubber for irrigation and actually communicating with us on their laptop. And again, I would have thought that

person had very minimal brain activity, but he was there. He was having a great time seeing all of us. And again, at the end of the day I hope he has as good a life as he can. [LB842]

SENATOR SYNOWIECKI: Thank you. [LB842]

SENATOR KARPISEK: Thank you. [LB842]

SENATOR HEIDEMANN: Senator Engel. [LB842]

SENATOR ENGEL: You know, I admire you for what you're doing. I hope you carry on after we're gone here. Because the last 14, 15 years we've been trying...working on this pay equity issue. And we have...I have also visited some of these institutions. And I think everybody in the Legislature should do that at one time or another to see these people that just don't think they can do anything are doing something. They're not the lazy person out there that doesn't want to work. They want to do something. And you can see where they're enjoying life and getting something out of it. And I think that's so important, that we do all we can to help them. And I think that we're making an effort here and hopefully we can do it. Depends on what happens on February 22, of course. [LB842]

SENATOR KARPISEK: Right. [LB842]

SENATOR ENGEL: But keep up the battle. [LB842]

SENATOR KARPISEK: Thank you, Senator Engel. And the people there that were working with them were very good. And it may have made a little difference that there was about six state senators there watching. (Laughter) But we had family, we had parents groups there. They were all very happy with the treatment they were receiving. Everything seemed to be going very good. I was very happy that I went. I thought, we're turning the corner here. And about, I don't know, a couple weeks later I read we're downsizing there. [LB842]

SENATOR HEIDEMANN: Danielle...Senator Nantkes, excuse me. [LB842]

SENATOR NANTKES: No, that's all right. Thanks. Thanks for joining us, Senator Karpisek. I just wanted to kind of dovetail some of the earlier comments that have been made and get your thoughts. We all know that there's an economic forecast coming out here in the next couple weeks, I think around the 22nd. And you know, that will help to shape some of the difficult decisions that we'll have to make as we, you know, look at different issues that carry price tags with them. As you remember, I'm sure, quite well, some of these very issues that you bring forward in this legislation were addressed during our budget debate last session. And there was a commitment given almost

across the board that these would be priority issues for the next session. And I didn't know if you wanted a chance to maybe remind the committee about some of...(Laugh) [LB842]

SENATOR KARPISEK: Well, I don't want to drag up a lot of bad feeling but, yes, I was upset and I hope that we can do that. And unfortunately our forecasts aren't looking as good as any of us hoped. And I know that it's a tough job and that's why I was glad that, being on Committee on Committees, you wanted to be on this committee; not me. (Laughter) But I do think that we need to look at these sort of issues and try our best to help these people that cannot help themselves. Like Senator Engel said, these are not the people that don't want to work; these are people that are very physically debilitated. They can't get out of bed, they can't do anything on their own. But they're people. They're trying, doing their best and trying to enjoy their life, just like any of us want to. [LB842]

SENATOR NANTKES: I appreciate that. And I don't want to get too deep into the details on it. But I'd also again, just like I had mentioned earlier in the HHS budget, really caution this committee from getting into any sort of dynamic that sets up a battle between providers, whether it's on behavioral health or developmental disabilities or child welfare or any of the different critical human service agencies and programs that serve our most vulnerable Nebraskans. And again, and I know that you are a very compassionate person and would caution, you know, any sort of messaging that somehow sets up who's a deserving vulnerable Nebraskan and who's not. And I think that we just have to be really cautious in our word choice as we move forward because I think that overall we share the same principle. A budget is a moral document and it sets forth very clearly, you know, how we decide to treat the most vulnerable amongst us and what our priority should be in that regard. So thank you for bringing this. [LB842]

SENATOR KARPISEK: Thank you. And they are all very important. And I agree, Senator, that we need to spread it out and not get into the argument what is more important. Because I think helping on any side will help all sides. [LB842]

SENATOR NANTKES: Thank you. [LB842]

SENATOR KARPISEK: Thank you. [LB842]

SENATOR HEIDEMANN: Are there any other questions? Are you going to stick around for close? [LB842]

SENATOR KARPISEK: I think I will. I've heard a lot about I-300. I'll see what I hear here. (Laughter) [LB842]

SENATOR KRUSE: We promise not to talk about that. [LB842]

SENATOR HEIDEMANN: Is there anyone else wishing to testify in favor of LB842? Welcome. [LB842]

MONA McGEE: (Exhibit 15) Thank you, Senator Heidemann and members of the Appropriations Committee. I'm Dr. Mona McGee, M-o-n-a, McGee, M-c-G-e-e. And I certainly appreciate the opportunity to speak before you today on behalf of the Nebraska Association of Service Providers. My daytime job is I work for Mosaic. Very proud to have worked for Mosaic for the last four years. Again, we appreciate all the support you've offered to people. And as Senator Nantkes had said, it's really about people, all citizens of Nebraska. And we're really committed to working in partnership across the continuum of services, across the continuum of care. This legislation is really to close the widening gap between the state facility staff and the private providers. Our rates in developmental disabilities, as Senator Karpisek had stated, are tied to the Tech II position at BSDC. In a nutshell, the BSDC staff in the biennium received a 15 percent increase, whereas private providers received a 4 percent in the biennium. And where our challenges really come towards are related to the Consumer Price Index, which had been mentioned in testimony previously, as well as just the most important thing of all, the increased needs of the people that we served. As community-based providers, if we're really to support people in a quality manner, we really have to really cross the systems of behavioral health and developmental disabilities. The referrals of clients that we are receiving are people with...on a clinical side of things have those comorbid diagnostic needs, people who have the extreme mental health issues as well as the developmental disabilities. So that's the challenge we face for quite a bit less pay. Again, the similarity in issues are immense. We encounter many of the same staffing issues as home- and community-based providers as BSDC. And also, the similar quality of care issues exist as well. But where our foundation and where I'd really like to bring this to the table to each of you are staff wages. Senator Karpisek had talked about the $8.08 an hour. That's the average of the community-based providers in NASP, whereas the state-run facility staff are over $10 an hour; same work, different pay. Staff turnover, the qualitative impact of staff turnover to the people we serve is tremendous. I spoke with a mother the other day who had...her son had five different staff in a four-month period. For the consistency and the quality of services, that's pretty traumatic to any person, whether you're a child, an adult, a person with a disability, an elderly person. And of course, staff overtime; again, the qualitative impact to the people we serve is tremendous. As indicated in the testimony, you have the foundation of quality services and consistency in staff. When staff are overworked and overtired, this poses a risk to the vulnerable citizens we support. Another point I'd like to just address with each of you is if we're honored, and we hope for an allocation increase to home- and community-based services, that members of the Appropriations Committee specify that this funding be directly allocated within our home- and community-based contracts. Our fear; if not, it could go into other services. It could go into BSDC. So our request is that that money be allocated directly into the home- and community-based contracts. And

again, just some final thoughts for each of you: when Health and Human Services sets our reimbursement rates, we as providers have to somehow identify how we're going to provide care to services for the people we support for that amount. Most of our costs are personnel costs and most of our personnel costs are for direct care staff. Those, frankly for each of you, are the most important people. If I go away, it really doesn't matter to Bob or Mary or Jane. But if their direct care staff who's worked with them for ten years leaves, that's a traumatic impact. And so again, I hope that each of you will be in favor of LB842. If Nebraska is to continue to utilize its network of contracting local agency to provide these community-based services, we must, we must--it's a moral imperative, it's a social justice issue--increase our direct care staff wages. So I appreciate your time and consideration. And if you have any questions, I'd love to try to answer them. [LB842]

SENATOR KRUSE: Thank you, Dr. McGee. Senator Engel. [LB842]

SENATOR ENGEL: I'd just like to make a comment. I think you're preaching to the choir here, as far as this committee is concerned. [LB842]

MONA McGEE: Absolutely. [LB842]

SENATOR ENGEL: But also, back when we did pass that legislation, I do believe there's a formula in there for where the money went as far as salary is concerned. The biggest percentage goes to those in the front line... [LB842]

MONA McGEE: Yes. [LB842]

SENATOR ENGEL: ...and a certain portion goes to the administrators. Because in the past, there's kind of a lopsided way they did that many, many years ago. So just for information here so people know. [LB842]

MONA McGEE: Absolutely. And again, I'd like to just stress, if there is an allocation increase, you know, to specify that that does go to the function of direct care wages to staff, and that it is within the rate. And it was in our contract last year. This year we didn't have that. [LB842]

SENATOR KRUSE: Senator Wightman. [LB842]

SENATOR WIGHTMAN: Mona, I do thank you for being here. [LB842]

MONA McGEE: Thank you. [LB842]

SENATOR WIGHTMAN: I addressed a question to Senator Karpisek with regard to benefits. Typically what kind of benefits do your workers receive that are

community-based? [LB842]

MONA McGEE: I could definitely specify from our provider group, Senator. I could get you that specific data. It runs significantly less, without having that data in front of me, as the state-run employees because what we face is quite different. Our staff are not unionized staff; the state employees are. And I understood when the general master came down with the decision for the 15 percent in the biennium for the state staff, that was really outside of any appropriation committee or anything like that. I will certainly get that data for you within the next week, I promise you that. And I guess all I can say is because our staff aren't unionized, they don't receive that level of increase, that level of benefits that the state workers do. [LB842]

SENATOR WIGHTMAN: Thank you. [LB842]

SENATOR KRUSE: Thank you. Thank you for coming today. Appreciate it. [LB842]

MONA McGEE: Thank you very much, Senators. I appreciate it. [LB842]

SENATOR KRUSE: Anyone else in favor of LB842? [LB842]

LYNN SCHEIBE: My name is Lynn Scheibe, L-y-n-n S-c-h-e-i-b-e. I'm one of those direct line staff. I worked for an agency for many, many years now. I'm here, I represent Teamsters Local 554. But more importantly, I feel I represent the other direct line staff. The people I work with, the clients need continuity of care. We are not just staff. We are also the closest thing that many of them have to as family. We are there for them daily. We know them better than anyone else. In my job, I have to be able to do many things. I write programs, I do physical therapy exercises. We do...dispense medication. In my agency we have approximately a year's worth of special training that we take on how to write programs, how to deal with the people that we're with. This is not just a job like Burger King and shouldn't be paid for like a job at Burger King. We really need to be recompensed for the things that we do. Those of us who stay despite the low wages really care for the people we work with. I've seen people grow in so many ways. And usually it's because they have good staff, staff who are willing to stay, staff who are willing to work with them and who know what's going on with them through the years, know why they have this certain behavior, what happens when they go into this situation. Every time there's turnover, these people lose and they lose not just a person that they've become accustomed to or learned to care about. But they lose some of the skills that they've learned because maybe the person who's coming in doesn't know all the little nuances. We need this money to go directly to wages, to help keep staff, help retain the good people and attract good people. It is a very high-stress job. We deal with so many different things. You can't just...it's not just one thing that you do for them. And these people deserve the best. They deserve the best staff that they can have. One of the things that we do is teach them how to...I work vocationally. We teach them how to

go out and get a job so they can become productive members of the community. And these are people who want jobs. But when there aren't enough of us to train them as well as they need to be trained and to continue with what has gone on in the past, they don't get the opportunities that they really need. Now you've talked about what benefits we receive, etcetera. We do...some of us have decent benefits. But the pay, if you can't keep up with your bills it doesn't really matter what the benefits are. And I know of people in my agency who, with children, who have to go through Kids Connection to get their kids healthcare because they can't afford even a little bit extra taken out of their check to go for healthcare. If we raise the rates, if you raise our wages then we don't have to worry about that. We can use that money to better our children, to keep from having to use things like Kids Connection, food stamps, other areas that you appropriate money to. So in a way it's a savings to you. I'm very nervous right now. I'm going to open up for questions. [LB842]

SENATOR KRUSE: I appreciate your testimony from the front line, Lynn, and you've done very well. Any questions? Doesn't appear so. Thank you very much for sharing your thoughts on it... [LB842]

LYNN SCHEIBE: Thank you. [LB842]

SENATOR KRUSE: ...and certainly do appreciate...to underline what the Chair has said, we need to move right along in the testimony. We do not want to hurry anybody. At the same time, we got a long ways to go. So next proponent, I think. [LB842]

ALAN ZAVODNY: (Exhibit 16) Thank you, Senator Kruse. Good afternoon, Senator Heidemann, members of the committee. For the record, my name is Alan Zavodny, A-l-a-n Z-a-v-o-d-n-y, and I'm the chief executive officer of NorthStar Services, a community-based provider in northeast Nebraska. And I was kind of hoping that when you asked Senator Karpisek if he'd answer any questions, I'd learn today what really goes into sausage. But he didn't (laughter) decide to share that as I was hoping. And I'm going to hope Senator Nantkes is right, that we get rewarded for brevity. In my humble opinion, this bill is a BSDC issue as well as a community-based issue. For the last couple years, my message to this committee is BSDC is not sustainable at its current size. And I heard today an attempt to make it right-sized. I welcome that news. For the last two years, we have certainly struggled with regional centers being a priority, and then last year community college. And we are having a difficult time moving toward the top of the priority list. And it is a point where...last year, I think Senator Kruse had stated there is a crisis, and that's probably one place I would maybe slightly differ with what Senator Karpisek had said. We are seeing somewhat of a crisis in our recruitment and retaining of qualified staff. And this is primarily evident in our residential component and we continue to contract, meaning downsize, the services that go into there. This is about methodology and promises made, and we're hoping that we can convince you to some extent to follow the rules. And when I met with Senator Heidemann, I told him the

story about I was the kid on the playground that when we played football, if my own teammate ran out of bounds, I'd say you're out of bounds, so we didn't get the touchdown. And he said you probably didn't have many friends. And that's probably still true today because I think following the rules is a really important thing to do. In closing, I want to say one thing. We're talking today about right-sizing BSDC, and I liken it to building a ramp. But if you don't build the landing ramp, your takeoff ramp doesn't make much difference because your landing, at best, is going to be rough, if there is any landing. So we're talking about if community-based is part of your solution to help with the BSDC situation, you not only need your takeoff ramp but you need your landing ramp. And in the community, we are the landing ramp. So we encourage you to consider the requests that we put before you and we appreciate all the time you've given us, not only today but in meetings individually to discuss the issue. So thank you. [LB842]

SENATOR HEIDEMANN: Thank you for coming in today. Are there any questions? Thank you. [LB842]

CARRIE O'BRIEN: My name is Carrie O'Brien and I am here... [LB842]

SENATOR NANTKES: Do you need a glass of water? [LB842]

CARRIE O'BRIEN: No. [LB842]

SENATOR NANTKES: Okay. [LB842]

TERESA BERGMAN: She's fine; she's nervous. [LB842]

SENATOR NANTKES: Take as much time as you need. [LB842]

SENATOR HEIDEMANN: Take your time. Take your time. [LB842]

CARRIE O'BRIEN: I'm just nervous. [LB842]

TERESA BERGMAN: It will just take her a minute. She can do it. [LB842]

CARRIE O'BRIEN: I'm here to represent People First of Lincoln. [LB842]

TERESA BERGMAN: That's People First of Lincoln. [LB842]

CARRIE O'BRIEN: With People, a group... [LB842]

TERESA BERGMAN: A self-advocacy group. [LB842]

CARRIE O'BRIEN: For adults with developmental disabilities. I'm here to say that it is very important that you pass this bill so all staff can get better pay and training. I think there needs to be a little more training, but they can't do the training without the money. What I mean by that is, I have a home health agency and there's always turnover there, too. They're young, real young people, and they don't know what they're getting into. You know, I realize it's hard to come into somebody's home to take care of them. But I think they need to have more qualifications, more, you know, more...even in group homes. I'm an advocate for other people, too. But there just needs to be better pay so that we can get better care in our homes. I live on my own. I do not...I have lived in a group home, but they still need the money to...I've seen what they do. I've seen what they have to do. You cannot pay me enough to do it. I tell my...when I train, that's what I tell them. I give them praise all the time. I don't know how they do it, but they do need more training and more pay because I think that's why there's so many turnovers in that area. Because there's not enough training and they don't really understand what they're getting into. And then they think, oh my gosh, the money is really not...is this really worth it? And like this lady was saying, then we have to teach someone else, then we have to depend on them to get us up and, you know...I'm pretty independent but there are people that aren't as independent as I am. They just need more pay so that we can get better care no matter where we're at. But they can't do the better training, they can't do any of that unless they have more money. And we're a real big self-advocacy group. We're trying, but we can't do it all. We need your help and they need your help. And then I think the turnovers wouldn't be so bad as far as homes and stuff. But they can't do what they need to do to provide better care if there's no money. Thank you for your time. Is there any questions? [LB842]

SENATOR HEIDEMANN: Thank you very much, that you came in today. I have been to a People First meeting and it is very impressive, as far as I'm concerned. And as far as I'm concerned, People First can be very proud that you came in today and represented them. It took a lot of courage, and I appreciate that. [LB842]

CARRIE O'BRIEN: It's just that I've never been just with this many people. I mean, I've been with bigger groups but... [LB842]

SENATOR SYNOWIECKI: You did better than the bill introducer, I'll just tell you that. (Laughter) [LB842]

CARRIE O'BRIEN: But I do have myself...I am a business owner. I have my own business. I am a trainer. I do train on new staff orientation. I do it... [LB842]

TERESA BERGMAN: With various service providers. [LB842]

CARRIE O'BRIEN: Yes. [LB842]

TERESA BERGMAN: She goes in and trains. [LB842]

CARRIE O'BRIEN: I do train. [LB842]

TERESA BERGMAN: But she still needs help to get up in the morning. [LB842]

CARRIE O'BRIEN: Yeah. But I also need more training. And the people I work with need more training. And so that's why when they asked me if I wanted to do it, that's why I said yes, because somebody needs to come and tell you. [LB842]

SENATOR HEIDEMANN: We appreciate that. Senator Engel has a comment. [LB842]

SENATOR ENGEL: I just want to comment. Once you get over your nervousness, you know how to get a message across. (Laughter) Thank you. [LB842]

CARRIE O'BRIEN: Yeah, I've been told that before. (Laughter) Once I get the nerves out, I'm fine. [LB842]

SENATOR HEIDEMANN: Any other comments or questions? Thank you so much, Carrie, for coming in today. We appreciate it. [LB842]

CARRIE O'BRIEN: You're welcome. [LB842]

TERESA BERGMAN: Carrie maneuvers very well. She's a good dancer, too. [LB842]

CARRIE O'BRIEN: I am? [LB842]

TERESA BERGMAN: Yes, you are. She maneuvers this chair really well. [LB842]

SENATOR HEIDEMANN: Welcome. [LB842]

SENATOR KRUSE: You'll follow that (inaudible). [LB842]

BRUCE CUDLY: (Exhibit 17) I can't follow that very well. (Laughter) She...Carrie does an extraordinary job. We employ her with Region V Services to train our staff on understanding people with developmental disabilities and their needs, and she does an extraordinary job. Members of the committee, Senator Heidemann, thanks for the opportunity to speak. My name is Bruce Cudly, B-r-u-c-e C-u-d-l-y. That's Cudly, or Choodly (phonetic) down around Wilber. (Laughter) Yeah, yeah. I'm an employee of Region V Services. I have spent nearly 30 years now in developmental disability services. Today I'm actually speaking for the direct support professionals because I am a member of the board of directors of a group called the Association of Community Professionals, ACP. We're a statewide training and advocacy organization for people

who work in this field. And I was sort of recruited to come down and speak. But I'm...and I have this nice little prepared testimony, but I'm thinking I can't speak any better for the people who work in this line of work than the lady who was already here who spoke directly to that. I just...I guess I would like to encourage you or emblazon in all of your brains the idea of $8 an hour, $8 an hour to provide incredible intensive supports at times to very vulnerable citizens of the state. And I realize there are vulnerable citizens all over the place. And I think it's an important function of state government to address the needs and supports of all of those folks. And I understand you have a difficult time with balancing that act of who is the most vulnerable and who is the most needy. I can't get beyond the fact that $8 an hour is just an incredible embarrassment. And it's very difficult to consider and talk about professionals and professional approaches and the type of professional supports that someone like Carrie may need to be able to run her own business, to be able to do those things. I've known her many years. She's made incredible strides but she still needs supports and services. And trusting that type of thing to somebody is a...it's a moral obligation. And we're just not paying enough. It's just not happening. It's just extraordinary. Our labor pool is small and seems to get smaller. The openings are everywhere. The issue of BSDC and the amount of openings they have for employment is not unique to that place. It's statewide. We're not being able to hire and recruit the way we want to. And I think...I realize there are other factors than just pay. But when pay is $8 an hour on average, that is extraordinarily low. And I encourage you the best you can to move forward with this bill. Thank you. [LB842]

SENATOR HEIDEMANN: Thank you for coming today, Bruce. Are there any questions or comments? Seeing none, thank you. [LB842]

BRUCE CUDLY: Thanks. [LB842]

BRAD MEURRENS: (Exhibit 18) These chairs make me feel so short, which isn't necessarily a far stretch from reality. Good afternoon, Senator Heidemann, members of the committee. For the record, my name is Brad, B-r-a-d, Meurrens, M-e-u-r-r-e-n-s, and I am the public policy specialist and registered lobbyist for Nebraska Advocacy Services, the Center for Disability Rights, Law, and Advocacy. And I am here today to testify in support of LB842. And rather than go through my prepared testimony, which I have written here for you, I'd rather just kind of sum it up. We have two points. First is that this bill is about fairness. It is only fair to provide front line direct care staff of community developmental disability providers with increased pay, especially in light of the 15 percent increase that BSDC staff received this last...will receive in the next two years. The pay raise for BSDC direct care staff only serves to increase the gap that already exists between community-based providers and state-operated providers. We would also suggest that the Legislature examine the methodology by which community providers receive funds to pay for direct care staff. Without addressing the root cause of the problem, the problem will continue until it gets to the point where community providers will have to shut their doors and turn people away and close up shop. And the

only people that...who ultimately lose from that happening are the people with developmental disabilities. Secondly, would like to reiterate, the ability to attract and retain quality staff when there is such pay disparity is incredibly difficult, and that the ultimate impact, direct and significant impact of this disparity, is decreasing and compromising the safety and quality of services for persons with disabilities. Nebraska should be dedicated to providing the highest quality services for its most vulnerable citizens and needs to demonstrate its commitment by appropriating funds to address the pay disparity between BSDC and community-based developmental disability providers. And with that, I would open myself up to any questions that the committee may have. [LB842]

SENATOR HEIDEMANN: Are there any questions, comments? Seeing none, thank you for coming in today, Brad. [LB842]

BRAD MEURRENS: Thank you. [LB842]

SENATOR HEIDEMANN: Good afternoon. [LB842]

DAVE MERRILL: (Exhibits 19 and 20) I have a short testimony and I'm going to even skip that because I know that you've had a long day and I think people have said...you've had the message all day. I think the one thing I did want to use the history... [LB842]

SENATOR HEIDEMANN: Could you state your name? [LB842]

DAVE MERRILL: Dave Merrill, M-e-r-r-i-l-l, and I'm testifying on behalf of the Nebraska Providers Network, a voluntary association of providers and supports for people with developmental disabilities, from Scottsbluff to Omaha. And just for Senator Synowiecki, I was thinking about the right-sizing of Beatrice and how much the whole regional center versus community...and we haven't seen a plan for the community programs for developmental disabilities that would correspond with that kind of right-sizing it at Beatrice State Developmental Center. But I do know part of it will be being able to recruit qualified staff. And that's why we need to make this change. The Legislature developed, and actually this committee developed the funding methodology that's used for developmental disabilities. And if there...we recognize there are other groups, and I'll bet this committee could come up with a plan to address those as well. We're clear that we're down 11 percent from where the funding methodology would have us. This year has gone by and we're not trying to recoup that in any particular way, but it would take 11 percent increase in rates above the 2 percent to catch it up. What I would ask the committee to do is specify specifically the percentage that you're expecting rates to go up. If you heard the testimony for the behavioral health side of things, if you're very specific of what you would expect to be the rate that goes into effect July 1, that would be very helpful to us. I'm also providing you with the white papers on the status of

developmental disabilities. You can see that it's...it has the number of people that are receiving community supports. The one thing that I wanted to call to your attention, for the first time in the last two and a half years, the actual number of people receiving services in the community went down from the last edition of the white papers to this edition. And that's a change that we have some concern about. We hope...it was a small number; we're hoping that it's a blip and that we can go back. But somebody needs to mention that people have been waiting for services that they're eligible for since January of 2003, 5 years. And if the Legislature does nothing, that number will...those people will still be waiting next year when we come back. I know there's a study up, but I just wanted for people to be aware of that. Any questions? [LB842]

SENATOR HEIDEMANN: Thank you. Are there any questions? Seeing none, thank you for coming in today, Dave. [LB842]

DAVE MERRILL: Thanks. [LB842]

TERRI HOLMAN: (Exhibit 21) Good afternoon, Senators. If you want to hand these out, I have some copies for you. My name is Terri Holman, it's H-o-l-m-a-n, and I'm testifying on behalf of the Nebraska Planning Council on Developmental Disabilities. And what I have is just sort of a brief summation, I think, of everything you probably already heard. Although the council is appointed by the Governor and administered by Health and Human Services, it is a federally mandated, independent council. Therefore the position of the council is not necessarily that of the Governor's administration. The council is comprised of individuals and families of persons with developmental disabilities, community providers, and agency representatives that advocate for system change and quality services. The council supports LB842, which provides additional funds for rate pay equity for developmental disability providers. Providers must have the resources to attract and retain qualified staff. People who have chosen to work directly with people with developmental disabilities deserve to be paid wages in accordance with the responsibility they are willing to accept. The work group to be established by LR156 will provide recommendations for revisions related to changing the rate methodology and reducing the waiting list in the future. A solution to increase staff wages must be addressed but it will not solve the problems. We anticipate the findings of this work group will show that rate equity will resolve only a piece of the restructuring needed in our developmental disability service system. The current rate formula has been in effect for over 15 years. We're all aware of the significant increases just in healthcare costs, especially since 1992, yet we offer minimal solutions for the community providers who offer services to one of our state's most vulnerable populations. The LR156 study will look at a future solution, but there is a need to appropriate funds now to keep the salary gap from becoming even greater at this time. The council requests the Appropriations Committee to include the rate equity amount in Program 424, Developmental Disability Aid. Thank you for your consideration. Any questions? [LB842]

SENATOR HEIDEMANN: Thank you for coming in today, Terri. Are there any questions? Seeing none, thank you. Is there anyone else wishing to testify in support of LB842? (See Exhibit 39) Is there anyone wishing to testify in opposition of LB842? Is there anyone wishing to testify in the neutral position on LB842? Seeing none, would Senator Karpisek like to close? [LB842]

SENATOR KARPISEK: I would, very quickly, Chairman Heidemann. We could have had this hearing in Wilber. Most of the faces I've seen through this chair today I've seen at my business over the years and pretty funny now that we cross paths up here again. Who would've "thunk" it, huh? (Laughter) I would just like to say thank you for listening and thank you for putting this high, hopefully, on your radar screen. I would not have brought the bill if I didn't think that $8 an hour was not just way too low. No one is definitely being overpaid, I don't think we can talk government waste here, and it does go to the people that need to be helped. So I appreciate your thought on this and your time and your compassion also. So thank you very much. [LB842]

SENATOR HEIDEMANN: Thank you very much. [LB842]

SENATOR KARPISEK: Any other questions? [LB842]

SENATOR HEIDEMANN: Does anybody have any questions? (Laughter) What exactly are in your sausages? [LB842]

SENATOR KARPISEK: Well, Bruce should have brought something in. [LB842]

SENATOR SYNOWIECKI: Actually, Lavon, I do have a serious question. Would you prefer that the committee take action within the confines of the budget, or do you want this out on the floor under the auspices of your bill? [LB842]

SENATOR KARPISEK: I guess we can talk about that, Senator. I think if we can find some ground and the people behind me, we can all live with it, I think it would be easier to roll it in. If it doesn't look like I can live with it, then we might throw it to the floor. [LB842]

SENATOR SYNOWIECKI: Thank you. [LB842]

SENATOR KARPISEK: Thank you. [LB842]

SENATOR HEIDEMANN: Thank you for coming in today. [LB842]

SENATOR KARPISEK: Thank you, committee. [LB842]

SENATOR HEIDEMANN: With that, we will close the public hearing on LB842 and we

will open up the public hearing on LB795, Senator Stuthman. (See also: Exhibit 22.) [LB842]

SENATOR STUTHMAN: Good afternoon, Senator Heidemann,... [LB795]

SENATOR HEIDEMANN: Good afternoon. [LB795]

SENATOR STUTHMAN: ...members of the Appropriations Committee. For the record, my name is Arnie Stuthman, A-r-n-i-e S-t-u-t-h-m-a-n, and I represent the 22nd Legislative District. LB795 provides for appropriations of $1.5 million from the General Fund for fiscal year '08 and '09 to the Department of Health and Human Services for the five federally accredited health centers in Nebraska for the purpose of upgrading and/or expanding the dental services in these health departments. And these five federally accredited health departments are the People's Health Center in Lincoln, OneWorld Health Center and Charles Drew Health Center in Omaha, Panhandle Health Center in Gering, and the Good Neighbor Health Center in Columbus. I have people from these health centers that will give you some information as to where they're at in the process of their dental services in their health departments and the need for assistance to hopefully upgrade those departments. So I am going to request that you direct your questions to these individuals that are directors of these health departments, if at all possible. Thank you. [LB795]

SENATOR HEIDEMANN: Thank you for bringing this before us today. Are there any questions of Senator Stuthman? Senator Synowiecki. [LB795]

SENATOR SYNOWIECKI: Senator Stuthman, this is like a broken record. You come in here on behalf of the centers throughout our state and I think the committee has been quite responsive, and the committee has been responsive because I can speak for the one in my community about the unbelievable work they do with an underserved population and how these centers serve us well and are probably the most efficient operations in our state and one of the best investments in terms of preserving emergency care for those who truly deserve emergency care, so we don't have individuals going to the hospital for emergency care for stuff that should be done in a doctor's office. And that's the kind of the gap that these centers serve and they do it very well, and it's the best investment the state makes. [LB795]

SENATOR STUTHMAN: Yes, Senator Synowiecki, I will totally agree with you and appreciate those comments. I think this is a very good investment of General Fund dollars into the health of our people in the state of Nebraska, especially the underserved people. I do also thank the committee in the past years for the appropriations that you have given the health departments and I really, truly respect you for doing that. So thank you. [LB795]

SENATOR HEIDEMANN: Senator Nantkes. [LB795]

SENATOR NANTKES: Hi, Senator Stuthman. [LB795]

SENATOR STUTHMAN: Hi. [LB795]

SENATOR NANTKES: Thanks for joining us again this year. We wouldn't be the same without you, I guess. (Laughter) But I did want to address, on a serious note, you know, there's some competing public policy issues at play now in terms of the medical needs for our most vulnerable Nebraskans, and I'm sure that you know, with your work on the Health and Human Services Committee, that, you know, the Department of Health and Human Services is trying to move forward in a reduction of eligibility in services for some of these so-called optional services, like dental care that you're here to bring some attention to today. And I guess I'm not asking you to kind of pick sides in terms of that debate, but I just was wondering if you had any thoughts that you wanted to share in relation to that. And I know that you've been a champion overall of trying to ensure basic healthcare is provided for our most needy Nebraskans, but I just think that this bill maybe could help, you know, on the education and awareness side of some of those issues. [LB795]

SENATOR STUTHMAN: Yes, Senator Nantkes. Thank you for those comments. And also I think this is very important. This is one area where the health departments haven't really given a lot of expertise to at the present time, and some of them are starting in the dental assistants. And I know in the Good Neighbor Health department in Columbus, we've gotten, you know, utilized used chairs, volunteer work and trying to get that established to serve those people. Because if those people are not served and their dental situations are not addressed, they won't get addressed and sooner or later those people will not be in the work force. They will be the people that will be in an emergency room trying to address the problems that their dental situation has gotten them into. [LB795]

SENATOR NANTKES: Thanks. Thank you. [LB795]

SENATOR HEIDEMANN: Senator Engel. [LB795]

SENATOR ENGEL: One thing, a lot...the dentists themselves are cooperating a lot in volunteering, aren't they, as far as dental checkups and so forth and repairs and... [LB795]

SENATOR STUTHMAN: Yes. Yes, that is very true. [LB795]

SENATOR ENGEL: So they...this, they utilize the dentists for...along with their programs, am I right? [LB795]

SENATOR STUTHMAN: Yes. Yes, they do, and they utilize a lot of volunteer dentists, go out there and utilize the facilities out there and work through the health department to assist those people in need, and I think that's one of the most important things of the community health department. It's a community health department. It is there's a lot of volunteerism from the community and it just works very well together. And especially, you know, with the director, and I'm very familiar with the director that we have in Columbus, and she is so community oriented and she really works well, and we've utilized so much volunteer help in that health department. [LB795]

SENATOR HEIDEMANN: Are there any other questions? Seeing none, will you be closing? [LB795]

SENATOR STUTHMAN: I'll waive closing. [LB795]

SENATOR HEIDEMANN: Okay. Thank you. Welcome. [LB795]

ANNETTE BYMAN: Good afternoon, Senator Heidemann and members of the committee. My name is Annette, A-n-n-e-t-t-e, Byman, B-y-m-a-n. I am here today on behalf of the Nebraska Dental Hygienists' Association and in support of LB795. During last year's legislative session, our association worked in conjunction with the Dental Association in finding common ground for the passage of LB247, and the passage of LB247 allows dental hygienists to practice their preventive services without the authorization or supervision of a dentist in select healthcare settings. From some of the testimony that was given during that public hearing, statistics clearly show that children are our fastest growing segment amongst our Medicaid population here in our state. We also realize that our elderly population is also increasing. Due to a number of factors, though, we are faced here in our state with a silent epidemic of dental disease. The five community health centers that are located throughout Nebraska are obviously very critically needed to help combat some of that silent epidemic of dental disease. In conversations that I have had with dental hygienists who are employed in some of these public health centers, I seem to hear the same messages and some of those messages are such as: because of our limited amount of funding, we are not able to see as many patients as we would like to see; our schedules are booked a good six months in advance. We lack funding for supplies, we lack funding to hire full-time employees. Our association just really, truly believes that one of the most important steps that can be taken to help eradicate the silent epidemic is through education and prevention. The proposed $1.5 million of allocated funds to these five healthcare centers can definitely make a profound difference. That additional funding will allow them to hire additional staff, in particular dental hygienists who provide a lot of those preventive services, and it will also allow them community outreach to those population groups that really are in need of dental care. Our association would like to thank Senator Stuthman and the members of the Health and Human Services Committee that supported LB247 last year.

We commend Senator Stuthman for his dedication in finding ways to improve the oral healthcare needs of our citizens. And on behalf of our association, we would like to ask you to please support LB795. Any questions that I might be able to answer? [LB795]

SENATOR HEIDEMANN: Are there any questions? Seeing none, thank you for coming in today, Annette. [LB795]

ANNETTE BYMAN: Thank you. [LB795]

REBECCA RAYMAN: Hello. How are you all? [LB795]

SENATOR HEIDEMANN: Welcome. [LB795]

REBECCA RAYMAN: (Exhibit 23) My name is Rebecca Rayman and it's R-e-b-e-c-c-a R-a-y-m-a-n, and I'm the executive director of the smallest community health center in Nebraska and I just thank you, Chairman Heidemann and the whole committee. Over the afternoon, I've really come to appreciate your heart for vulnerable populations, and so I'd just like to thank you. I'm here today to represent the uninsured, vulnerable population in central Nebraska and our community health center in 2007 served 6,130 individuals and those individuals came from 28 counties in central Nebraska. So people traveled quite a distance to come to a health center in central Nebraska. I would like to thank Senator Stuthman for introducing this legislation and I would like to thank all of you for your past support. We're, out of the five health centers, again, I represent the smallest health center and the only health center in rural central Nebraska. I'd like to talk about just two issues that this bill would address and then I'll leave my counterparts to discuss some of the other issues. The first is something that Senator Stuthman alluded to, and that is that health centers really maximize the funds that they're given. Our health center uses dental students to help provide care, and I would also like to say that our health center has not been able to afford our own dental hygienist, and so we use the students that come through. But we don't have our own dental hygienists on staff. Using students is very cost-effective and it's very good for rural Nebraska. It took us 18 months to recruit a dentist into Columbus, Nebraska, to work with the population that we have, and we were very actively recruiting. It is very, very difficult to get health professionals into rural areas, as you know. The training that the students receive in our health center is unique. They get to see a large amount of dental caries. They get to see a large amount of dental problems that they might not see in private practice. This partnership between, in our case, the University of Nebraska Dental College and, in other community health center cases, Creighton Dental College, really helps to address the future shortage of dentists in rural Nebraska. It gives these students an opportunity to come to rural Nebraska and to practice and to check out the community and to hopefully find a community that they would like to stay in. The other thing that I would like to address, and I'm not going to take the time to go over all of this information because you guys have had a long day, but I would just like to address another work

force issue. I had invited one of our patients to come down here today and I want to tell her story. She wasn't able to come because she had to stay at work. Her employer wouldn't let her off to come, and that's significant because she had been unable to be employed. She is a mother of four. What had kept her from being employed is it's very, very difficult to obtain employment if you have broken, decayed teeth. Employers are not really receptive into having you in the front line of their store, the front line of their business to serve their customers. And so for this particular single mother with four children, once we were able to supply her with dentures, she was able to gain employment. And it wasn't just the employment. She also gained self-esteem. When I first met her, she would talk, usually she would always hold her hand in front of her face and she really didn't meet your eyes, and just giving her a set of dentures really allowed her to carry herself a lot differently, to have the confidence to enter into the work force. And I think that's going to translate over into how she raises her children as well. And so I would just say that last year we did 400 oral surgery visits. At some of those visits we did one extraction; at some of those visits we did seven extractions in a single visit. We provided 157 adult patients with either a full or a partial set of dentures. And again, if they could be here, they would tell their story, but I'll try to tell their story for them. I also want to thank you for the money that you've given us in the past. In our own center we've increased the number of uninsured from 1,617 in 2004 to 4,125 in 2007. That's a 255 percent increase in the number of uninsured. We're currently serving 67 percent uninsured in our center. The national average for serving the uninsured in a community health center is 40 percent, and I would just like to thank you because without the funding that you've given us in the past we couldn't do that. I'd like to take any questions you have and then turn this over to Dr. Brown who can, again, address work force issues from the point of view of UNMC. [LB795]

SENATOR HEIDEMANN: Senator Nantkes. [LB795]

SENATOR NANTKES: Thanks for joining us and all the good work that you do for vulnerable populations. And I just want to throw this out there again for any of the testifiers. I don't want to necessarily put you on the spot. But, you know, as I mentioned before, we have some competing proposals before us this session and I'm guessing that the position of folks in your position would be that, you know, we don't want to pick and choose about what's the best way to serve people in that. Instead, we hoped that we could be supportive of all those efforts. Of course, we have to make difficult decisions, and as I'm sitting here thinking about this proposal, I'm just weighing this against, you know, when you're providing services through the Medicaid program, there's obviously an attractive component known as the federal match, you know, that we can draw down, and whereas, you know, this kind of capacity building proposal, does this garner the same federal match or how does that work out? And anybody who can address some of those issues, I'd appreciate...or we can...even if you need to check and get back to me. Because I honestly don't know the answer to that. I'm just trying to work through that. [LB795]

REBECCA RAYMAN: I would just say, Senator, that the care that's provided in community health centers is the most cost-conscious care and so we already maximize the dollars that you provide to us. I would also say that Nebraskans, you know, as you look at what you need to do in Medicaid, the more individuals that are taken off Medicaid the higher the burden it places on health centers. And again, you know, I can tell you that in our health center we feel that burden. Sixty-seven percent uninsured is not an enviable payor mix. It is a very, very difficult time to provide care. I would also say that oral care is sometimes neglected. People tend to think of oral care as something, you know, that's an add-on. It's like buying a car with a six-disc CD or something. And in reality, oral care, good oral care helps to prevent cardiovascular disease. It helps to prevent preterm births. It is not an add-on. It is an important part of holistic care for individuals. And again, individuals...it's very hard to get employment, gainful employment, with bad dentition. I hope that answered your question. [LB795]

SENATOR NANTKES: It's starting to. [LB795]

REBECCA RAYMAN: It's starting to? It's a hard...you know, it's hard for you all. [LB795]

SENATOR NANTKES: It is. And I know the Medicaid system and all of the component financing is highly technical and complicated. I try and learn more about it each year. But, you know, that's just as we're trying to make a decision balancing between competing interests, I know one thing that's always attractive to me is what helps us leverage federal dollars or private dollars or otherwise, and not to pit deserving interests against each other... [LB795]

REBECCA RAYMAN: Uh-huh. [LB795]

SENATOR NANTKES: ...but, you know, that's just one thing I'm thinking about. [LB795]

REBECCA RAYMAN: I think it's a very difficult decision. Every time I come here, you know, I'm reminded of how hard of a job you have. You know, as a director of a community health center, it's a tough job, but you all also have tough jobs. And like us, you have to make choices. [LB795]

SENATOR NANTKES: We get paid handsomely. Don't worry about it. [LB795]

REBECCA RAYMAN: Yeah. (Laugh) So do we. So do we. (Laugh) But, you know, I would just say again, you know, you know, dental care is important and the people that we serve, you know, if we can get them employed it can make a huge difference in not only their lives but in their children's lives. [LB795]

SENATOR NANTKES: Thanks. [LB795]

REBECCA RAYMAN: Any other questions? [LB795]

SENATOR HEIDEMANN: Seeing none, thank you for coming in today, Rebecca. [LB795]

REBECCA RAYMAN: Thank you so much. And I'm going to ask Dr. Brown if he'll come up. [LB795]

ANDREW STADLER: Thank you, Chairman Heidemann, members of the committee. For the record, my name is Dr. Andrew Stadler, A-n-d-r-e-w S-t-a-d-l-e-r. I am a dentist in Columbus, Nebraska, and I come and speak on behalf of the Nebraska Dental Association today. First of all, I would like to acknowledge the Good Neighbor Community Health Center and all they've done for the care of the needy in our community. Senator Stuthman, as you probably all are well aware, was very instrumental in the...a driving force, if you will, in the creation of those, and to that end I'd like to acknowledge his efforts. Nebraska Dental Association is speaking in favor of this bill today. We acknowledge the important roles that these community health centers play in treating dental disease, and we support the concept of these community health centers in serving as a dental safety net, dental provider for low-income Nebraskans who may not be able to gain access to care through traditional private clinic delivery systems. However, with our support, we do have some concerns in how the state prioritizes dental public health program spending. In an ideal world, we'd love to see increased funding for public dental programs in many areas. These include funding for a state dental director. That position has been vacant for some time here in the state of Nebraska. In addition to that, funding water fluoridation; improving the delivery system of the dental Medicaid program; supporting school-based sealant programs; offering support for our Nebraska dental Mission of Mercy program which I, myself, have been involved with since its inception three years ago; increased support of the College of Dentistry in its outreach programs; and expanding loan repayment for dentists going to underserved areas, as well as others. Unfortunately, we acknowledge that there's not an unlimited pot of money. If the government has limited resources to spend, as is almost always the case, the cost-to-benefit ratio, what I would maybe refer to as the greatest bang for the buck, is for programs geared at prevention of dental disease. All public policy towards healthcare in general should work this way, whether you're planning for federal, state or local programs. In general, public health spending has three tiers. These include: one, the prevention of disease before it occurs; early detection and early treatment of dental disease to keep it from getting worse; and last but not least, eliminating disease and rehabilitation. Let me walk you through an example that all of us might be really very familiar with. That's the example of heart disease. Tier one would be the funding of public health programs to promote awareness, eating a healthy diet, exercise. Tier two would include such things as cholesterol screenings, blood pressure checks at clinics or health fairs, as well as

prescribing medications for those at risk. Tier three would be including the payment for folks that have heart attacks, strokes, and all of the costs that that involves. As well, you could use this same model to follow in the treatment of tobacco-related diseases, okay, another very popular subject here in the state of Nebraska. You know, it's much cheaper, I think you would all agree, to help more people and spend our precious resources in that first tier of disease prevention. Let's think of...let me just go through some examples of that in terms of the prevention of tooth decay or dental caries, which is a bacterial infection that certainly affects teeth and it's also an infectious disease meaning that, you know, a mother could transfer that bug to their infant through close contact. Okay. If we wanted to allocate resources to reduce the incidence of tooth decay, we would consider the following programs. Again, I mentioned the three tiers. Your first tier would be to prevent disease through education awareness, water fluoridation, the placement of dental sealants and, the obvious, recommending toothbrushing. Your second tier would include, you know, early detection and treatment. As you may know, you know, fluoride works to remineralize early spots of tooth decay and, you know, you get a tremendous bang for your buck, you know, in that instance. You'd also spend money to be sure that people had access to care for dental exams, restoration of small cavities. That last tier, much akin to, you know, not only treating of heart disease--the end results of heart disease being more reactionary than, you know, planning ahead, preventing--would include spending money to remove the ravages of the disease and rehabilitating these folks back to function. This may include, you know, extracting all of a person's teeth to...because of severely decayed teeth and then perhaps constructing of a prosthesis, a denture, so that they may eat, so that they may smile, that they become employable and have the self-confidence that all of us, you know, enjoy. Obviously, you know, we could prevent this disease in many of these same people for the amount of money that we could spend on such items, public health items, such as fluoridation. The average full-mouth extractions and set of dentures, you know, runs about $3,000, okay? For that same amount of money we could be fluoridating a community with a population of 6,000. You know, per capita, we're looking at 50 cents per person per year to fluoridate; factor in all that cost savings and all that tooth decay that would be prevented from that same. And here again, I did not make the assumption that patients needing, you know, this extreme amount of dentistry, you know, didn't have any other medical conditions that may require that they were hospitalized. CHCs mostly operate, you know, within tiers two and three. You know, why is that? Really, it's because they have to. That's how the payment system is set up. We can't get reimbursement from Medicaid or any other third-party payers for education. Therefore, you know, it is our members' position that public policy, you know, must operate at this first level of prevention. If dental resources are limited, it would make more sense to spend the money on preventive activities, policies that prevent disease at the community-based level. While treatment of disease is important, you know, that's what...ultimately, what Medicaid was developed for, to pay for dental services. You know, do we have a problem with having enough dental providers to see all the Medicaid beneficiaries? Absolutely we do. You know, would community health

centers be able to help improve access to care for these folks? I'm going to say possibly. However, in order for these community health centers to survive financially because of the Medicaid system failure to pay them, you know, somewhat proportionately with market values, overhead costs, they have to subsidize their programs through seeing patients that are a fee-for-service basis. In conclusion, you know, we have absolutely no problem with increasing funding for dental public health programs. We do have a concern how these resources are allocated and don't believe that it gives Nebraskans the greatest good for the greatest number. At this point, I would entertain any questions you might have. [LB795]

SENATOR HEIDEMANN: You did state you was testifying in support of LB795. Is that correct? [LB795]

ANDREW STADLER: That is correct. [LB795]

SENATOR HEIDEMANN: It was a little hard to tell at times. Just thought I would put that in the record. Senator Harms. [LB795]

SENATOR HARMS: Doctor, can you tell me, if we didn't have these health centers, how many of your doctors are willing to see Medicaid patients? [LB795]

ANDREW STADLER: Well, every provider in...that I'm aware of in my community is willing to see Medicaid patients and does see Medicaid patients. [LB795]

SENATOR HARMS: Is that true across the state of Nebraska? [LB795]

ANDREW STADLER: Across the state of Nebraska, I can't speak to that specifically. [LB795]

SENATOR HARMS: Don't most people want those centers so that they don't have to deal with Medicaid patients? Am I wrong or... [LB795]

ANDREW STADLER: No, you are correct. [LB795]

SENATOR HARMS: So it's to your advantage and to the doctors' advantage to have these health centers fully funded and so we can take care of the people who need the help. Is that correct? [LB795]

ANDREW STADLER: That is correct, yeah. The question that I have is that are we funding...are we funding for dental care here or is it, you know, simply, you know, infrastructure? I think the biggest bang for the buck would be to have, you know, have the ability to have, you know, more providers, more care, more care offered. Whether it's community based, whether it's in private practice, that makes no difference. [LB795]

SENATOR HARMS: Well, but we just talked about that there are a lot of private based that don't want to do it, so with out these health centers...and I can tell where I live, in Scottsbluff, Nebraska, without that health center it would be almost impossible to cover the bases. They do a phenomenal job, and I've been in that, I've been in that facility and I have walked through with the director. I'm very, I can, I'm here to tell you that without that would be almost humanly impossible and that there are a lot of dentists who just absolutely don't want Medicare (sic) patients. So what would happen to us then, regardless of what you're saying here, and I'm not being argumentative, okay,... [LB795]

ANDREW STADLER: Okay. [LB795]

SENATOR HARMS: ...they will go without. They will not have the service that's deserving. And I guess that's where I guess I'm a little offended. And I think that it's appropriate to fund these health centers because there are many people in the health profession that do not want Medicaid patients. [LB795]

ANDREW STADLER: Okay. [LB795]

SENATOR HARMS: Do you agree with that? [LB795]

ANDREW STADLER: Well, I would agree with that, and that lends itself to funding of the Medicaid programs to bring them up to par so that more providers would be in a position to be able to accept those patients. The average overhead of a dental office, as studied by the American Dental Association, was 68 percent. Okay. And I was taking a look at what my fees were and I accept Medicaid patients and, you know, continue to treat them. Just on...we mentioned dentures, we talked about that earlier, if...when...every time that I treat a Medicaid patient, I am reimbursed at a level of about 45 percent of my standard fee, okay, the same fee that I charge anyone that comes in as a member of the paying public, insured or otherwise. Okay? And so all of a sudden, you know, we have an issue of...I think that's why there's a lot of dental providers in the state of Nebraska that don't necessarily accept Medicaid patients. They can't afford to. They can't afford to say, okay, dental assistant, dental hygienist, front desk person, we're going to be seeing a patient that's on Medicaid right now, you're all going to need to go off the clock. [LB795]

SENATOR HARMS: Mr. Chairman, could I ask another question? [LB795]

SENATOR HEIDEMANN: Yes. [LB795]

SENATOR HARMS: Why is that? Why are your costs so different? What is driving your costs up compared to what we see in these mental (sic) health centers? What is the actual issue here? Why are your costs so high compared to what Medicaid is saying

you ought to be charging? [LB795]

ANDREW STADLER: Well, that's a good question. You know, I think that, again, I'm going to use the example of a denture, a dental prosthesis. We have, you know, we have a decision to make, okay? Do we all of a sudden use, you know, inferior materials with our patients or, you know, do we treat them the same as everybody else? Okay. In my world, you know, I make every effort to treat everybody the same, regardless of, you know, are they on Medicaid, do they not have insurance, are they insured, are they paying cash? [LB795]

SENATOR HARMS: But professionally, the oath you take says that you do that. Isn't that correct? [LB795]

ANDREW STADLER: Yeah, absolutely. [LB795]

SENATOR HARMS: So those people that aren't doing it are violating the very thing that they're supposed to stand for. Is that correct? [LB795]

ANDREW STADLER: Yeah, and I can't speak for anybody else besides myself. Yeah. [LB795]

SENATOR HARMS: I know. I'm just...and I'm not picking on you. I don't want you to misunderstand. [LB795]

ANDREW STADLER: Yeah. [LB795]

SENATOR HARMS: I'm just driving a point home, and I'll quit, Mr. Chairman. [LB795]

SENATOR HEIDEMANN: No, don't. I'm enjoying this. (Laughter) [LB795]

SENATOR HARMS: Okay. [LB795]

SENATOR HEIDEMANN: Not to pick on you, though, either, but there were some very good points that were brought up. Any other question? [LB795]

SENATOR HARMS: No, I'm done. I'll behave now. [LB795]

SENATOR HEIDEMANN: Are there any other questions? Seeing none, thank you for coming today. [LB795]

DAVID BROWN: (Exhibit 24) Mr. Chairman and committee, my name is David Brown, B-r-o-w-n. I'm in a little bit of a quandary in a sense, and my testimony has changed since I came into this room. My daytime job is executive associate dean of the College

of Dentistry here in Lincoln, but because of rules I may not represent the College of Dentistry so I'm speaking as a private person. However, I do have special knowledge which I may refer to, so please excuse me if I do. Oral health, or lack thereof, is a major problem across Nebraska, both in inner cities and rural areas. I'll try to make my remarks brief because perhaps the best thing I can do is answer questions for some of you. Key contributors to this problem include poverty, lack of education on dental issues, lack of dental insurance, and maldistribution of dentists leading to access to care issues and inability for residents to find a dental home. These problems affect both children and adults, but it's children that gives us the greatest concern, because lack of attention to oral health in children leads to lifelong problems in adults, including lost workdays, pain, difficulties in eating and nutrition, and potential substantial community costs associated with emergency room visits for otherwise preventable dental care issues. You may have heard that there's about 990 dentists in Nebraska. About 100 of these work at the two dental schools. About 18 counties have no dentists; another 18 to 20 have either one or two dentists; and it's estimated that 28 percent of dentists plan to retire by 2013. About 45 counties are designated by the state as dental shortage areas for general dentistry, and the whole state, with the exception of Lincoln and Omaha areas, is designated as a shortage area for pediatric dentistry and oral surgery. There are a lot of people in Nebraska who cannot get in to see a dentist even if they wanted to and even if they could afford it. From our children's perspective, there are 430,000 children in Nebraska age 17 and under. About 160,000 are enrolled in Medicaid. I have no idea how many have no insurance. Usually, about five times as many children without dental insurance as there are without medical insurance, so I'm sure that the number is very high. Seventeen percent of third graders have untreated caries and, as Dr. Stadler mentioned, dental caries is a preventable, infectious disease. Dental caries also occurs five times more frequently than asthma, and seven times more frequently than diabetes. As you are aware, there are five federally qualified health centers across Nebraska that form the basis for a dental safety net for the state of Nebraska. These centers provide dental care at a fraction of the cost of private or emergency room care, and focus on low-income and Medicaid populations, and persons with no insurance. All of these community health centers would like to increase and improve their services. I'm aware of two clinics that have recently expanded their facilities, three are hoping to be able to expand their services and their physical facilities in order to provide more services to more patients. A variety of events point to the magnitude of the need. Both Creighton University and UNMC sponsor free clinics for children. Creighton University has a special evening clinic for adults and UNMC is in the final stages of planning a free clinic focusing on adults. If you read the newspaper recently you may have seen that UNMC held its annual children's dental health day and--Senator Nantkes, leveraging--it cost us about $6,000 to put on dental day; we did $165,000 of dental care for 214 children, many of them from the Columbus area, in case there's...unfortunately, none from Gering. It was too long of a ride. However, we go out to Gering in June and do the whole thing over again out there. Both Creighton University and UNMC have special clinics for children, where hundreds of children are seen statewide. Most of these

children have no insurance, including Medicaid. In fact, at the dental day recently I do happen to know that of the 214 children, 9 had Medicaid coverage, and the rest had no insurance. Both Creighton University and UNMC collaborate with these health centers to provide both a learning opportunity for students but also to leverage manpower to enable the community health centers to see more patients. Nebraska Dental Association sponsors the Nebraska Mission of Mercy program of which up to 2,000 people are seen over a two-day period, and most of these people have no access to other dental care. So services are needed at the CHCs and the answers to fundamental issues is not a lot of volunteer stuff. It's providing the opportunity for a dental home for patients, someplace they can rely on, where they can go and get dental care. So by providing additional funding to the five CHCs, this seems to me to be a very important part of the dental safety net for Nebraskans. And I'll be happy to answer any questions. [LB795]

SENATOR HEIDEMANN: Thank you for coming in today. Are there any questions? Seeing none, thank you. [LB795]

SENATOR KRUSE: Thank you. [LB795]

SENATOR HEIDEMANN: Welcome. [LB795]

ANDREA SKOLKIN: (Exhibits 25 and 26) Thank you. Senator Heidemann and members of the committee, my name is Andrea Skolkin and I am the CEO of OneWorld Community Health Centers, one of five community health centers in Nebraska. We are located in a federally designated, underserved area, and seven of our census tracks are designated as dental profession shortage areas. In 2007, we provided medical, dental, and behavioral healthcare through over 48,000 visits to over 12,500 individuals, including over 4,600 dental visits. Today I want to take the opportunity, while we are asking for more resources, to thank you, as has been said before, for the General Fund appropriation which has helped health centers across the state provide healthcare to needy people. In 2007, OneWorld, the health center that I'm the director of, patient population was 67 percent, as in Columbus, uninsured; 26 percent had Medicaid. Our health center and the other health centers across the state continue year after year to experience phenomenal growth and to turn people away because of insufficient resources to add adequate staffing to provide healthcare, especially dental care. In our health center alone, we have 400 children on a waiting list, at which time we cut off the waiting list, and over 300 dental visits for adults turned away a month. In our service area, which is the southeast portion of Omaha, there are seven full-time equivalent dentists and two part-time dentists, for a population that is over 90,000. This results in a ratio of one dentist for over 11,000 people--simply not enough. Only three of the seven dentists are now accepting Medicaid patients or offer a fee discount, and all have wait lists for appointments. Only one other dentist besides our health center provides services in a language other than English. We can and we must do better for our

low-income families and children in Nebraska. At OneWorld, we have several different models of dental care. We have a new partnership, as the Med Center talked about, only our partnership is with Creighton University. We have five fourth-year dental students in our clinic that are helping us provide care. We have a partnership with Iowa West School of Hygiene that provide hygiene. And we have a mobile unit that provides dental care at area schools in low-income neighborhoods which, by the way, also visited Kearney, Nebraska, this year. We have a dental clinic that was built with great vision that has the opportunity to have 12 dental chairs, but we are not fully meeting that capacity at the moment. As you heard earlier about the silent epidemic, in 2000 the Surgeon General spoke to the issues on health disparities of our children and low-income children in this country. Dental caries, as you heard, is five times more common than asthma, and seven times more common than hay fever. Yet if you were to see the mouths of children in our community and in communities across Nebraska, you would be appalled. Poor children, as you've heard, suffer twice as much dental caries as their more affluent peers. In 2005, the Department of Nebraska Health and Human Services conducted a statewide assessment to monitor trends in children's oral health. The report called, "Open Mouth Survey of Third Graders," surveyed over 2,000 third graders. Key findings were that 60 percent of the children had experienced dental decay, 30 percent of the children from low-income schools had dental decay, and 20 percent had rampant caries, meaning they were probably experiencing some kind of pain. Nationally, it is know that youngsters age two to four years old, one in five of them have dental decay. Over the past five years in Omaha, the Omaha Public School District and school nurses have identified dental issues as a very important and number one issue for children. A recent assessment in our community as well showed that 30 percent of adults had not been to dentists in the past year. For our quadrant of the city, the southeastern side, that is 40 percent had not seen a dentist. Oral healthcare is more than clean, white teeth and filled cavities as well as healthy gums. Oral healthcare means being free of disease. In a very real sense, the care of the mouth or the shape of the mouth mirrors the care and the condition of the body. The way your mouth feels and looks affects how you speak, affects how you interact with other people, whether you sleep comfortably at night, whether you smile, how you interact, and whether you make it through a day at work without pain or a child through school. Missing and unfilled teeth, as you heard, mean also loss of sleep, pain, poor performance, low self-esteem, and difficulty in getting a job. In children, an examination of the teeth and mouth means other things though, such signs of abuse and neglect such as fractured teeth, oral bruises, cuts, other head and mouth injuries. A dental exam picks up poor hygiene and can teach children about that, picks up growth and development problems, improper jaw alignment, and oral tumors. Prevention is key in oral health. Most dental diseases in children are preventable. Teaching a child to practice good dental health can prevent most childhood dental diseases and their related costs and costs for the state. Oral healthcare, though, should begin before birth. Babies teeth are formed in the second trimester of pregnancy, and at birth all 20 primary teeth are already formed in the jaw. It is important for pregnant women to learn about proper nutrition for themselves and their

babies for this reason. According to Oral Health Action Council in 2007, among premature births, 18 percent are attributable to poor oral health of their mothers. An ounce of prevention, again, returns larger savings in the long run. Community health centers are instrumental in the communities we serve in providing access to oral healthcare for underserved populations, particularly women and children. We are safety net providers, providing comprehensive, primary, preventive health services for underserved populations. Health centers are cost-effective. Both the medical care and dental care we provide for a year for one person ranges in each health center about $550 to $650 per year. Compare that to the cost of an emergency room or what you might pay in Medicaid. At all five community health centers, we maximize resources. We do leverage federal dollars. We leverage our state dollars with private dollars, as well as patient fees, to provide care. The Institute of Medicine, the General Accounting Office have recognized health centers as one of the most cost-effective programs and models in the country. It is a federal, state, patient and donor partnership that makes health centers effective and healthcare accessible. If we as a state can support community health centers for expansion of dental services, teach children and their parents at early ages about oral hygiene, we can begin to stem the tide of what's called the silent epidemic. It's in that spirit that we ask for your support of LB795 to assist in meeting the oral healthcare needs of the people of Nebraska. Thank you. [LB795]

SENATOR HEIDEMANN: Thank you for coming in and testifying today, Andrea. Are there any questions? Seeing none, thank you. I do ask at this time, if you wish to testify on this bill or any other further bills, just looking at the time of the day, if you have testimony that you're going to hand in, if you could summarize it versus going through it all, that would be great. But do as you must. [LB795]

JANICE FITTS: (Exhibit 27) Good afternoon, Senator Heidemann and the rest of the committee. I appreciate you still being here. My name is Janice Fitts, J-a-n-i-c-e F-i-t-t-s, and I'm the executive director of Panhandle Community Services in Gering, Nebraska. I'm glad you're here because I came 400 miles today to talk to you, so I appreciate you staying through this. And I am testifying today in favor of LB795. If this bill passes, it will make a significant difference in the lives of many individuals throughout the state. And I'll highlight, as you suggested, a few of the things from my testimony that's being handed to you now. These funds would help alleviate unmet oral health needs. The noticeable impact would be in the overall medical health, as you've heard already described, and it would actually save Nebraska some of the Medicaid dollars because of those folks who do go to the ERs and so forth to manage their dental pain when they don't have regular oral healthcare. The thing I've highlighted for you in my testimony is a survey that we did in the northwest part of the state. If this bill passes, what we would like to do is fund the opening of a new dental clinic in Chadron, which would serve the three counties in the northwest part of the state. We do have a full dental clinic in Gering at our primary site for our community health center, and our health center serves the entire Panhandle. So what we would like to do is expand there. We are leveraging

several dollars in that area because of the extreme needs in this area of the state. We have a lot of support from the local area, private donors, and the public health district and the College of Dentistry are willing to help us if we can get the state dollars to open this kind of a center. As you can see, the results are bulleted there for you towards the bottom of that first page about the unmet needs in this area. The respondents said that there was 41 percent of them that did not even do the annual oral healthcare checkup, and 46 percent of those didn't do that because they were uninsured; 68 percent of those said that they could not afford to get regular oral healthcare and that's why they aren't going. You can see that there are benchmarks nationally and statewide, and in our area, particularly in this survey, we are much below even those benchmarks for people who do get the annual checkups. How would LB795 help us change these kinds of statistics? Community health centers offer services on a sliding fee scale, so basically what we can do is make these services affordable. Community health centers have a mission for the uninsured and underinsured. There are some private dentists who do take Medicaid and we are grateful when they do. We also know that many are not able to afford to see the Medicaid client, and they certainly are not able to afford seeing the uninsured. Community health centers welcome these folks who come for care and the clients feel the difference. We've also heard testimony today about the lack of dentists in the rural areas. The dentists in the area that we're proposing to expand to are very much in support of opening this kind of a clinic because they know they are not meeting the needs of the uninsured and underinsured in that area. With these funds, each community health center could realistically hire a dentist and the appropriate support staff. What that means in real people is 1,500 to 2,000 new individuals annually. Combined, this would be a total of nearly 7,500 to 10,000 individuals that the funding in LB795 would support being able to see. I would strongly encourage you, because of the tight fiscal budgets this year, to support LB795. You will see long- and short-term cost savings to the state to allocate dedicated dollars for oral healthcare in the hands of the community health centers. I want to thank you for giving me time to convince you to vote in favor of LB795. Are there questions? [LB795]

SENATOR HEIDEMANN: Are there any questions? Senator Harms. [LB795]

SENATOR HARMS: Janice, I'd just like to thank you. You know, I've had the opportunity to be in your, as you know, your health center more than one occasion. I've been really impressed every time I've ever gone there. Just so proud of the people that...I know in my own heart, that without that center there they wouldn't get the services. How many dental patients do you actually have or can you handle all the dental patients? I know that it's...I think it's fairly large, but I can't remember. [LB795]

JANICE FITTS: It is fairly large and it is increasing every year, so I left those statistics back in my briefcase but... [LB795]

SENATOR HARMS: Just give us a guess. That's all right. [LB795]

JANICE FITTS: There are between 3,000 and 5,000 that I know that we see in the Gering area. Wish I could call that number, I reviewed it just today, but somewhere in that neighborhood. And as I pointed out in my testimony, I think expanding the dental care would give us at least another 2,000 that we could see annually, and that's just in the dental area. In the medical area we serve a great many more. [LB795]

SENATOR HARMS: Yeah, and when you broaden that out with all the other kind of medical services you have, it's just a huge clinic. I mean it just is. [LB795]

JANICE FITTS: And the...I appreciate what you're saying, and the other thing that happens in a community health center is that we have a full continuum of care in all of the health centers and, therefore, we take the medical needs and combine them with resolving some of the dental needs, and that's what really makes a difference in the overall healthcare and in the expenditure of dollars in the long run. [LB795]

SENATOR HARMS: Well, thank you for the kind of job you do. It's outstanding. Appreciate it. [LB795]

JANICE FITTS: Thank you. [LB795]

SENATOR HEIDEMANN: Just a quick question: I think the $1.5 million is just to build the structures and the equipment and stuff. Is that correct? [LB795]

JANICE FITTS: It's to expand capacity for dental care, and each one of the community health centers may utilize those dollars differently, depending on whether they need more operatories or need to expand dental care or hire the dentist or whatever, but it would all go to dental care. [LB795]

SENATOR HEIDEMANN: Do you anticipate ongoing costs then? We're trying to figure out if this is one-time... [LB795]

JANICE FITTS: Oh. [LB795]

SENATOR HEIDEMANN: ...costs or is this anticipated to be built into the base? This is ongoing cost. We probably was not understanding that. That's good to know. [LB795]

JANICE FITTS: I need to let someone else speak to that. I'll defer to some of the others to speak to that, Senator, if you could. [LB795]

SENATOR HEIDEMANN: Okay. [LB795]

SENATOR NANTKES: Run while you can. (Laugh) [LB795]

JANICE FITTS: (Laugh) Ongoing would be fine. (Laughter) [LB795]

SENATOR NANTKES: Thanks for traveling a great distance to be here. [LB795]

JANICE FITTS: Yes. [LB795]

SENATOR NANTKES: That means a lot. [LB795]

JANICE FITTS: We had good weather. That helped. [LB795]

SENATOR HEIDEMANN: Are there any other questions? Seeing none, thank you very much. [LB795]

JANICE FITTS: Thank you. [LB795]

SENATOR HEIDEMANN: Welcome. [LB795]

STEVE BRAY: (Exhibit 28) Good afternoon. Thank you, Senator Heidemann and the rest of the members of the Appropriations Committee. We appreciate your time and I will work hard at trying to summarize. My name is Steve Bray, S-t-e-v-e B-r-a-y, and I'm with People's Health Center here in Lincoln. And I'd just point out some things maybe that might help and perhaps I'll start off with addressing, Senator Heidemann, the questions you had on the appropriation. I believe that the appropriation would be...might be used differently based upon the facility, and that we would anticipate and hope that perhaps it could be continuing. Some facilities have need to improve their infrastructure and, as you may have heard Andrea Skolkin at OneWorld say, and what is also true at People's Health Center, is they have a...we have a bit more capacity than the others do. And, for example, at People's Health Center, with an expansion that was done in 2005, the leadership of the organization really had a vision and awareness that we were going to need more facility, so we did actually overbuild a bit in 2005. We had additional medical examination rooms and also eight dental operatories that were fully equipped. We currently have a 1.4 equivalent FTEs in dentists, .6 in dental hygienist, and we really have enough facility with those eight...with those eight operatories that we could be able to use two more full-time dental...whether it's a hygienist or a dentist. So in our case it would be for expanding our capability with the providers that we have. Over the five, four years, last four years, we've been able to expand our services by about 12 percent for our dental patients, but that's been without any increase in providers, whereas on the medical side, with the appropriations that came...that started a couple years ago through this committee, we were...we've been able to expand our medical capabilities or our medical encounters by about 137 percent. So that just gives you an idea of how important the appropriations from the Legislature and other fundings that we also had through the minority health grant has really helped to be able to expand those services

overall. We're currently making appointments for dentists that go into mid-May, so we're talking about a three-month wait for dentists. And as, I think, Annette Byman, who is with the Hygienists' Association, our hygienist, we stopped making appointments last week because we had appointments out into August, six months out. So that gives you an idea of how great the need is and how much the need is, in our facility at least, in the order of needing providers to provide that care. Dr. Stadler, the dentist who did speak, he touched on some of the health issues that are affected by poor oral health as well, and he mentioned some, such as in maternity patients, poor dental health can lead to preterm deliveries and low birth weights. Dental plaque and oral infection can lead to cardiovascular diseases. In diabetics, oral infections may not be known, causing difficulties in controlling the blood sugars and more completely complicating their health. So it's not a simple thing. And as the hygienist said, too, some people see dental care as perhaps a luxury or the add-ons that some people aren't able to afford. And we believe that with the additional funding that's being proposed with LB795 that we can certainly make a difference. Every one of the community health centers can make a difference, whether it is in developing infrastructure to provide more space to be able to provide those services, or in some where it's a matter of getting the providers in the door to be able to provide those services to the patients in need. And I will leave it at that and I would be willing to answer any questions you might have. [LB795]

SENATOR HEIDEMANN: Thank you for coming and testifying today. Are there any questions? [LB795]

STEVE BRAY: Thank you so much for your patience and your time. [LB795]

SENATOR HEIDEMANN: Thank you. Is there anyone else wanting to testify in support of LB795? (See also Exhibit 29.) Is there anyone wishing to testify in opposition on LB795? Is there anyone wishing to testify in the neutral position on LB795? I do believe Senator Stuthman was going to waive closing. Senator Stuthman waives closing and we will close our public hearing on LB795. And we will now open the public hearing on LB940. Senator Kruse. Good afternoon...good evening. [LB795 LB940]

SENATOR KRUSE: Good evening. Senator Heidemann, are you still open for business? [LB940]

SENATOR HEIDEMANN: Yes, we are. [LB940]

SENATOR KRUSE: Well, obviously, I know that it's late in the day. When I started...yeah, when I started the afternoon my tie, the points of my tie were all, were both going up. I am going to be merciful to myself and to you, and be quite brief, and I urge those following me to be brief, because I don't think a lot of words are going to make a lot of difference to this, but it's really important that you know where we're at. First, I am Lowen Kruse, K-r-u-s-e, District 13, and I greet all of you and do that, kind of

a formality, but not truly formal. I'm glad to see all of you. LB940. I think the quickest and most efficient way to look at this is to get your fiscal note. The green copy is important, but what the green copy really says is that the HHS should follow the fiscal note (laugh) and pay attention to the study that they have conducted. The fiscal note is substantial. I hope that kind of gets your juices going at the end of the day. The range in it is a range, depending upon whether you had put a profit into the dispensing. Well, let me back up and say, this is all about dispensing prescriptions from Medicaid, that which HHS administers. The summary of the thing is, we've got a mess. We haven't really changed anything for 20 years, and a few things have changed during 20 years. I urge you not to try to understand the complexities of the study because if you do, why, reserve two or three hours with Liz and she'll explain it to you. But you have different rates for generic and for the other type of...what's the name for the other type of drugs?--at any rate, various kinds of prescriptions and various rates for different areas. I can summarize it very quickly. We are at about half of where we ought to be in terms of paying for the prescription...for the delivery of the prescription. The rates are pretty carefully regulated in terms of the charges for these prescriptions and so on; it doesn't really get into that. But what are we going to pay somebody to deliver it? And the bottom line of this is, that some rural pharmacies are not going to be able to continue to function, because they don't get enough prescriptions, and the ones they get are on Medicaid and we're limiting them to a rate that was considered viable 20 years ago. Other people will come in and respond to this a bit. Again, we're not going to try to explain to you the ins and outs of this. Certainly, we can. There's a lot within the study that we all can understand. We're a long ways behind where we ought to be. I'm going to complete my remarks simply by making my protest, and it doesn't apply to this any more than it applies to what we've been working with all day. I...and it's a loving protest. The HHS has good people and they really are trying to do the right thing, and all of that. But again and again, year after year, they are not advocating for the providers. They don't come in and put the B on us for money. As I would understand it, we are the ones who should be prioritizing. But we're not asked to prioritize, you know. Let the rate be just exactly what it is, either way. I would insist that HHS should be coming in and saying, these are what the providers are; these are what they need; and we don't need a whole roomful of people, all afternoon, trying to tell us what are needs. That's, to me, HHS's job to represent the providers, say what is basic, and especially to call our attention to it when we are going to lose providers because they can't afford to continue to operate the way that we've been providing. And they need to come to us and say, reprioritize; we need more money; we need to do this kind of thing. And we could reprioritize. This is the place for that kind of decision to be made. I just feel strongly that it's not their business to protect our pocketbook, and I know there's realities, they try to be careful and all that. We can figure out where there's other money, or say to them, there isn't. That's our job. And it's a very cozy arrangement that we have here where they come in and don't ask questions, and we come in without being able to respond, no questions asked, you know. We're supposed to, if we do what they ask, we're supposed to cover the thing. And obviously we're not. We're just not, because we haven't been asked to do what is

necessary. And again, we might come out to the same figure; we might say that's all we can do. But it's our job to say that, not their job. I feel that quite strongly and it's obvious enough and I've said enough about it. Undoubtedly, as we get into committee meetings, I'll be saying more about it. We need to prioritize. There's places where we could get extra money for this if that was put on our plate and for us to decide. We could do this. We can make it happen, so. I better stop right there, Mr. Chairman. [LB940]

SENATOR HEIDEMANN: Thank you for bringing this before us today. Are there any questions? Thank you. Is there anyone else wishing to testify in support of LB940? [LB940]

ERIC HAMIK: (Exhibits 30, 31, and 32) Good evening. Senator Heidemann, members of the Appropriations Committee, my name is Eric Hamik, E-r-i-c H-a-m-i-k. I'm the president of the Nebraska Pharmacists Association. I reside in Kearney, Nebraska. I appear today on behalf of the Nebraska Pharmacists Association to bring to your attention an issue of great concern to Nebraska pharmacists. The NPA, with the help of Senator Kruse, introduced LB940 in response to an unfunded mandate on the states by the federal government with the passage of the federal Deficit Reduction Act. Our issue revolves around the definition of average manufacturer's price, or AMP, which is a very hot topic in pharmacy right now. AMP, as instructed by the Centers for Medicare and Medicaid Services, or CMS, changes the way pharmacies are paid for the net cost of generic drugs dispensed to Medicaid recipients. It's up to each state to determine the amount paid to pharmacies for dispensing fees. The AMP encourage Nebraska, like several other states have already done, to increase the dispensing fee to more accurately reflect what it costs pharmacies to dispense drugs. Nebraska pharmacists completed a cost of dispensing survey, and the results show that it costs $10.18 to dispense a drug. I own a pharmacy, and 10 percent of my business is Medicaid. Many small-town pharmacies have a much larger population of Medicaid patients, and no means to make up for the low fees. I've seen this undesirable consequence as more and more of these patients are forced to drive up to 60 miles to get pharmacy care. I live sort of in a satellite community, and you would be amazed the number of people that are traveling from, even up by the northern borders of Nebraska and the southern borders of Nebraska to come to our town because there's no pharmacy care, and it's getting worse and worse. There's pharmacies that are really on the edge of closing right now. While we're asking you today to help us address the repercussions of the new AMP definition, we can only presume what these repercussions will be. To date, CMS has yet to clearly define AMP. And, in fact, there is a temporary injunction in place on the program. Our predictions indicate that pharmacies will lose money on every generic drug dispensed in the Medicaid program. Because of this loss, and without an increase in dispensing fees, pharmacies will be forced to either dispense more expensive brand-name drugs, or not participate in the Medicaid program. Rules of Medicaid state that all drugs are rebatable on use for indicated purposes must be covered by Medicaid. Generic drug dispensing is not mandated but highly encouraged and utilized by

pharmacists across Nebraska. Nebraska has a 60 percent generic dispensing rate. And every pharmacist I know, our goal...I call Marsha because she's on the DR committee, I called down to the state to, oh...who's in charge of the state...? Barb. Barb Mart. We call down there a lot, telling them, you know, if you do this, there's generics out there; this will save a lot of money. All pharmacists, that's our big objective. We want to save the state as much money as possible. We want to utilize generics, and that's the number one thing we want to do is provide the quality care at the lowest price. We're requesting funds to increase Medicaid dispensing fees, which have not changed since the mid-1980s. A lot of people were here talking about their percentage every year, every year. We have not had a single increase in our fees since the mid-1980s. Pharmacies are businesses and must be able to cover their costs of doing business to remain viable. There's 19 counties in Nebraska without pharmacies. Nebraskans already have an access issue for pharmacy services, and without an increase in dispensing fees, access will become an even bigger issue, especially for the most vulnerable populations. I've got a stat sheet that you can look over that's pretty amazing, but an average generic drug costs $15; an average brand drug costs close to $100. What the federal government is doing with AMP is they're going to make it basically where pharmacies are going to lose money on generic drugs. They're taking a combination of all these costs for generics, and a lot of those costs that they're taking are not available to retail pharmacies. They're available to other types of pharmacies, but legally we can't buy at the rates that some of the AMP pricing is coming from. So, basically, from all the studies it's shown that generics are going to be, like I said, basically we're going to be losing money on every generic we dispense. It's going to make it undesirable for us to do that. And when you look at the cost of a generic at $15 compared to $100 for a brand, it can start adding up very quickly when it's not desirable to do that. The NPA encourages the state of Nebraska and the Legislature to work with us on a solution that will keep pharmacies in business and maintain access to pharmacy services for Medicaid patients. I'd like to take this time to thank Senator Kruse for introducing this bill for us, and I'd also like to thank you for your time. [LB940]

SENATOR HEIDEMANN: Thank you very much for coming before us today, Eric. Are there any questions? Senator Nelson. [LB940]

SENATOR NELSON: Thank you very much. Just a quick question. You will be losing money, probably, on generic drugs. Are you making any money on the more expensive drugs if you elect or decide to dispense those, the ones that cost $100? [LB940]

ERIC HAMIK: On those, those are rated in a more uniform method. Generics are all across the board. When it comes to brand-name drugs, it's a more unified method. And the...in the Deficit Reduction Act, this applies to generic drugs. So the AMP is going to apply to the generic drugs, which is going to...you know, right now, like if we're working on an average cost, say, of $10 for a generic drug, and that's like the cost to our pharmacy, they might be pricing it at $5. So we're buying the drug for $10; they're going

to price it down to $5 because of these other entities that are out there buying it, that are not available to us as a retail pharmacy. And if you add our dispensing fee, it comes at below cost. So generics are the one that the federal government had applied that to. Okay? [LB940]

SENATOR HEIDEMANN: Who's able to buy it at five bucks? [LB940]

ERIC HAMIK: What's that? [LB940]

SENATOR HEIDEMANN: Who's the entities that are able to buy it at $5? [LB940]

ERIC HAMIK: Mail order would be the big one. I'm not...I haven't seen the exact outlets that are weighing in there. There's a hospital tier, a long-term care tier, a mail order tier, and a retail tier. And I know with some drugs...well, I know a lot of them, for me, because I'm a retail...we're like the last one on the food chain, but a lot of long-term care, they get a lot of special buying where they can buy at a lot bigger discount than they allow a retail pharmacy to. It's a complex thing. It's...I think it's happened over the course of years, as far as...I think a lot of it might have been in the late '80s, because when I was in school, actually then, and I remember hearing about some of it, because some pharmacies were actually buying that and got in some legal problems, and I remember hearing about that. [LB940]

SENATOR HEIDEMANN: Okay. Are there any...? Senator Kruse. [LB940]

SENATOR KRUSE: Just one. Confirm what you are saying, how do we end up with more brand drugs than generic, is how is that choice made? And what I hear you saying is, it's going to cost us more for drugs by not paying the fair share for generic. How does that work? [LB940]

ERIC HAMIK: Right now, depending on the drug, there's a lot dependent on it, but depending on the drug, right now, like I said, we're trying to use generics as much as possible, and we have patients that said, boy, you know, I'd really like to use the brand; it only works for me. And a lot of times we'll sit down and talk to them for five or ten minutes, and discuss, you know, why is that, and try to explain to them, you know, some of these generics are actually even made by the same...in the same place as the brand-name drug, and so we sit down and try to convince them. Medicaid has certain stipulations on certain ones. A lot of them, they call MAC drugs, where we have to, or we can get an override from the physician. We go through that the physician desires it and the patient desires it. The physician can say this patient needs this for a reason. And then we fill out the paperwork and it goes through the state here, and they authorize it, and so there's ways to do that if it's needed. And it's not on all of them, but it probably...I'd say 80 percent of them where there is that mandate and we have to go through that process. Again, me personally, I've always used the generic. You know, I

mean, I push it as far as I can, unless they really have a reason why they need it. [LB940]

SENATOR KRUSE: Is the low price on a generic discouraging or reducing its use in some places? [LB940]

ERIC HAMIK: What do you mean by reducing its use? [LB940]

SENATOR KRUSE: Well, they would be less likely to use a generic because they simply can't get paid for it? [LB940]

ERIC HAMIK: Oh, you mean the pharmacy? [LB940]

SENATOR KRUSE: Yes. [LB940]

ERIC HAMIK: If something like this would go through, yes, it would. Right now, the price is built in a little bit in the buying, and after this it will be completely gone. And so I think right now our dispensing fee is like $4. Well, you have what they call a MAC price. There's a list. I think the federal...I think it's a federal MAC price list that our state uses. And the MAC price comes out, and sometimes it is below what we pay for right now on a few items, and so, you know, we are making a very minimal on some of those. But some of them, there is a built-in profit because we are able to buy a little bit better than what that is. So there's a lot of variance in there. And that's overall, over the long run, that it evens out. And that's where the AMP is such a dire thing, because that's going to completely eliminate all of that, and there will be none of that anymore. [LB940]

SENATOR KRUSE: Thank you. [LB940]

ERIC HAMIK: Okay. [LB940]

SENATOR HEIDEMANN: Seeing no further questions, thank you. [LB940]

ERIC HAMIK: Thank you. [LB940]

GARY RIHANEK: Senators, my name is Gary Rihanek, G-a-r-y R-i-h-a-n-e-k, and I own Wagey Drug here in Lincoln, Nebraska, on 27th and Vine, right across from that Walgreens. They're my buddies. I really consider it a privilege...I'm here representing all of the plain guys, you know, the pharmacists that take care of all of your people. I also do 41 percent of my business is Medicaid, okay. Before Medicare D, it was 74 percent. So I know have 41 percent Nebraska Medicaid, 31 percent Medicare D. You ask, how does that happen that I do that? Well, I take care of all those people that were here testifying earlier today. I set up 750 medisets or blister packs a week for DSN, OUR Homes, the...I take care of the People's Health Center, their 340B program. So that's

how I take care of...why 41 percent of my business is that big. Not every pharmacy, of course, does that, but I am working on that. I was the one that originally came up with the custodial foster care mediset system, the blister pack, using that. The state has used all of my research to set the regulations for the labeling of those products. And so since 1977, I've been very active in that process. And I work really hard at saving you guys money, and there are other pharmacists that work really hard at saving money and being practical. Wagey Drug...as a matter of fact, Wagey Drug came to being in February 1924, so we're 84 years old this month. In '77 is when I started, and in '92 I was able to purchase it from the Wagey family. I can fill a scrip for $10.67. Okay? For $10.67 I can fill medisets, I can fill blister packs, I can deliver all over the whole city of Lincoln, I can deliver for under $2.75 a trip. It just gives me chills when I see somebody come in that's used a taxi voucher to come pick up prescriptions, because I know I can do it for less. So I'm the guy that takes cares of, and we are the pharmacists that takes care of that mother with three children that doesn't have a vehicle, can't go down to the local place. We deliver. Okay? And that is all across this state there are pharmacies that do that. My buddies across the street, they're open 24 hours a day, seven days a week. I don't want to be open 24 hours a day, seven days a week. So they provide a service that makes it so I don't have to do that. My cousin, Larry Rihanek, in Pender, Nebraska, is basically the only pharmacy in that county. He takes care of the hospital, he takes care of the nursing home, he takes care of everybody else. He has a limited number of people that he can draw on, so he's not like me where I have an unlimited...I can fill...I fill 565 scrips a day. He doesn't have that, so consequently, he can't kick them out. His costs are going to be higher. I just share these things with you so that you kind of know what the average guy is doing out there and why we need all the different services that every pharmacy provides. Okay? You know, with that I'm available for your questions. I can tell you...yes. [LB940]

SENATOR HEIDEMANN: Senator Harms. [LB940]

SENATOR HARMS: You know, at the price that you listed, how do you come out financially with that, compared to what I've heard with other...you know, um, pharmacists? How does that really work? [LB940]

GARY RIHANEK: How does that really work? You were asking on the $100 brand name, okay? Obviously, I'm not going to pay $100 for that, okay? I may pay $80. So I've got a $20 fee built in that, plus the $4.91 that you pay me, okay? So I've made 25 bucks on that scrip. On generics, it's...the old way or the way that we're under now is called AWP. Well, let's say the federal MAC or the AWP is, for a bottle of 30, it's $2.15, you know, and we put a $4.91 fee on it, well, I'm only making $8 on that thing. But, you're right, I did fill the brand name and made $25, okay? There are also generics that we're able to do that on, is to make more than the $10.67, and that's how we make it work. So far...you know, there's a balance. So I'm here today to make sure, and I thank you, Senator Kruse, for your work and making it so that I can go home and go to sleep

tonight, because I'm not going to worry about it. But I want to make sure that if this comes down, and that thing hits us where they're going to do an AMP, is that you have a plan in place that will ensure that I'm still able to make at least $10.67 on most of my prescriptions. Okay? That I'm able to still run four delivery cars around all day and make between 80 and 100 deliveries, 150 deliveries on some days, that I'm able to make sure that that mother that has three kids doesn't have to get a cab and find a place to go get her prescription for her sick children. All right? That's what I'm asking and that's what I'm, the other pharmacists in this state are asking today, is to just make sure that we're taken care of, that we're not left out, you know, to try to figure out how in the world we're going to do it. We're a pretty resilient bunch, but I don't know, you've just seen what happened in Lincoln in the last few years, is, you know, Plaza Mart closed the doors, Meadowlane closed the doors. You know, it's rough, because, you know, it's past being fun. You've got to be a smart businessman in order to make it work, you know, so thank you for your time and... [LB940]

SENATOR HEIDEMANN: Are there any other questions? Seeing none, thank you. [LB940]

CAREY POTTER: (Exhibits 33 and 34) Committee members, for the record, my name is Carey Potter with the National Association of Chain Drug Stores. I wasn't going to speak, but I just wanted to clear up a little bit of this federal upper limit. That would be what they're referring to as the federal SMAC or the MAC list, is the federal upper limits, and that's the limitation that the federal government puts on what generic drugs will be paid at. The state also has a MAC list, which is the state maximum allowable credit list, which they manage, and that was what Eric was speaking of when the pharmacists call and say, you know, if you did this you could save more money on your generic usage if you changed from a brand to this drug. So the state also runs a MAC list. So we already have two mechanisms in place, at the federal level and at the state level, that limit the reimbursement or the ability for pharmacists to be reimbursed. The reason that this is going to change the AMP when it comes into play, Senator, to your question, is because it won't affect the brand-name drug but it will affect the profit margin that has been there for the generic drugs. And the state government GAO has studies that show that probably at least 70 percent of those drugs, we will be reimbursed less than what it will cost us to buy that generic drug, thus the problem with AMP and why we're asking you to try and compensate through the dispensing fee. Because in 70 percent of those generic drugs that we're trying to fill to save the state money, we're not going to be paid what that product will cost us, and so we won't...there's no incentive. The incentive goes away to dispense a generic drug if you can't make enough in what the product alone costs, let alone the staff, the insurance, the building, everything else that goes into the mix, so. And that's all outlined in that packet of...I killed a few trees to hand out to you folks, and that's all in there, and we'd be happy to help you. And we've talked with the department, and Medicaid has done a fantastic job, I will say, on their state MAC list. They managed that list pretty darn well. They've saved the state a lot of money with the

generic drugs. We ran some numbers in the 2006 data that Nebraska had. It was mentioned that Nebraska has a 60 percent generic utilization right now. There are states that have far better generic utilization than that. We're doing well. We could do better. Some of the numbers that we've run, if we increase generic utilization in Nebraska by 1 percent, that could save the state about $1.12 million right there. So there are other things on the generic side that we can do, but as pharmacy, and I'm speaking for all of the pharmacists, if there is no incentive to dispense the generic drug, the brand-name drug is going to look a lot more appealing at the $100 or $120 more, so. And with that I would just leave you with this thought: You've heard from all of us that, you know, we have not had a dispensing fee increase for years, and we are actually making less than we were. And I think the fiscal note is 7, it came in at 7, I believe, but if you spread $7 million over the last 20-some years, we're not asking an overwhelming amount of money. I know it's a lot for this fiscal year, but I think it's justified at least to consider seriously, so. Any questions? [LB940]

SENATOR HEIDEMANN: I think the fiscal note is only 3, actually General Funds isn't it, Liz? [LB940]

CAREY POTTER: Yeah. The match, with the federal match it was 7. [LB940]

SENATOR KRUSE: The rest is federal. [LB940]

CAREY POTTER: Right. [LB940]

SENATOR HEIDEMANN: Senator Nelson. [LB940]

SENATOR NELSON: I've got a question that's bothering me. How does this dispensing fee work? Does it go through Health and Human Services then? Okay. So...and are we going to pay out $3 million at a squat to reimburse you for what you've lost over the years, or is this an ongoing? [LB940]

CAREY POTTER: Well, this would..it could be ongoing, but at this point that brings us to what it costs us to dispense the drug right now. So the $3 million in General Funds would bring our dispensing fee up to what it costs us today to dispense that drug. [LB940]

SENATOR HEIDEMANN: It would be built into the base... [LB940]

SENATOR NELSON: It will be built into the base. [LB940]

SENATOR HEIDEMANN: ...and be ongoing, yes. Senator Harms. [LB940]

SENATOR HARMS: Have you dealt any with all the federal government folks that are

really doing this too, (inaudible)? That's really where we've got to go after in order to get some of this straightened up. [LB940]

CAREY POTTER: Right. We have, and actually it's pretty remarkable that the sponsors of the bills that puts this AMP nightmare into the place are now the sponsors of the bills that are trying to change it up and make it a little different, because they realize now, with the CMS regulations that are coming in, that they really screwed up. But unfortunately we've got a law on the books that says AMP is going to be how we're going to be reimbursed. We've got a CMS regulation that, as you heard, you know, it's held up in court right now. If CMS appeals, I think they have until next Tuesday or Wednesday, I believe, to decide whether or not they want to appeal it or not. If not, then it just goes to circuit court, and as soon as we can get to court we find out when this is going to happen to us, but it's not a question of if it's going to happen, it's a question of when it will happen. So they're working on a federal fix, but this took three years to mess up. It's going to take at least three years to fix it, so no offense to my friends that were elected to Congress, but sometimes they're tough to work with, so. [LB940]

SENATOR HEIDEMANN: Any other questions? Thank you. [LB940]

CAREY POTTER: Thanks a lot. [LB940]

SENATOR HEIDEMANN: Is there anyone else wishing to testify in support of LB940? If there anyone wishing to testify in opposition on LB940? Is there anyone wishing to testify in the neutral position on LB940? [LB940]

SENATOR KRUSE: I pass. [LB940]

SENATOR HEIDEMANN: We do get a waive from Senator Kruse. [LB940]

SENATOR NELSON: Thank you. [LB940]

SENATOR HEIDEMANN: (Also Exhibits 35 and 36.) We will close the public hearing on LB940 and we will open up the public hearing on LB1119. Senator Johnson. On behalf of Senator Johnson I believe... [LB940 LB1119]

SENATOR KRUSE: Senator Keetle. (Laughter) [LB1119]

ROGER KEETLE: (Exhibits 37 and 38) Good evening. For the record, my name is Roger Keetle, K-e-e-t-l-e. I'm the legislative aide for Senator Johnson. And trust me, Senator Johnson really wishes he could be here, but physically he just can't be here, so he is sending me as a sub. First of all, I want to commend the committee for all of you being here at this time. This has been one huge long day, and I'll have really high praise if you stay until the end of my presentation. (Laughter) With that, this bill provides if the

city of Hastings or somebody in the community kicks in $25,000, the state would put $100,000 towards a best-use study for the campus and buildings at the Hastings Regional Center. And the handout that I've given you is an aerial view of the Hastings Regional Center. It indicates five or the nine buildings that are empty on that campus. And as you can see from the size of the roofs, some of those buildings are pretty good sized. The Hastings Regional Center has a long history of service to the state of Nebraska. In 1887, the Legislature appropriated $75,000 for a state asylum for the incurably insane, if the city of Hastings donated 160 acres of land. And since that time the campus has grown to 630 acres, because they used to operate a farm. So as you can see there's lots of buildings. During the '20s there was a tuberculosis hospital there. There's two buildings that are empty. A medical surgical hospital was built in the '20s. In 1938, they built a psych hospital. If you've seen the outside, there's a beautiful art deco facade. In the 1950s, pharmaceuticals came along and we actually began to really treat mental health diseases. That brought other services, ancillary services. Alcohol treatment was added in 1963. In 1964, there were over 2,000 patients on the Hastings Regional Center campus. I think that's good history for you to know and to realize that this is a large, nice beautiful looking campus with lots of, frankly, really big buildings on it that the state has spent a lot of money over the years bringing up to code; some they haven't. But there is...it is beautiful facility as far as the looks of it. It's a beautiful campus. There are...as you've heard this morning there are 14 beds that are used by the Beatrice Developmental Center for the Bridges Program. These are DD mental illness patients that are violent. You've already heard from HHS about the process of closing the mental health services at the Hastings Regional Center. I won't repeat that. There still is a juvenile chemical dependency program at the Hastings Regional Center. This program has the capacity of 40 persons who are referred from the Kearney YRTC for drug treatment, so they're young juveniles. That program operates at capacity. There is a legislative study that's looked at that facility. The LB542 task force looked at that this summer, made some recommendations, and Health and Human Services, on January 4, issued an implementation plan for what to do with children's behavioral health services, including what's done at the Hastings Regional Center. The plan recommends the development of a new building for chemical dependency treatment and development of a new high security unit for juveniles. None of the current buildings at the Hastings Regional Center would be cost-effectively or programmatically work for that program. The Department of Health and Human Services is working with the Hastings community to develop alternatives for the construction of a new facility. And this study is to look at the highest and best use for this campus, and just like the original legislation, it calls for a partnership. And I guess this committee has been a good steward. You need to be a good steward of the Hastings Regional Center campus and those buildings, and that's what this study is to do, is to have experts look at that campus and determine what would be the highest and best use for that campus and those facilities. With that, I would also add that I have for you--they couldn't stay; somehow the mayor thought he ought to probably show up for the city council meeting--from the mayor of the city of Hastings in support of this bill, he states in his

testimony that they will contribute the $25,000 that the bill calls for. I think he raises some excellent points, that there are some buildings that are really in pretty good shape out there that are up to code. You will...the state will have the obligation to keep these buildings up, and if they are empty they are going to deteriorate and be a nuisance. And that's, I don't think, anything that any of us want. They, again, are...he reaffirms that they are negotiating with the Department of Administrative Facilities on a new building that's probably, again, right-sized. If you'll look at the current campus, there's about 396,000 square feet and 57 people. That works out to about 6,900 square feet per person at the Hastings Regional Center. And I don't know what the size of your house is but it's not 6,000 square feet. So with that, I appreciate you staying. That's the bill. It really needs to be done if we're going to decide what to do with the Hastings Regional Center. And any questions I can take? [LB940]

SENATOR HEIDEMANN: Who will do the study? [LB1119]

ROGER KEETLE: We've looked at HDR, an engineering firm, has been talked to, and they've done this kind of thing before for the state. Again, that would be something Health and Human Services would finally decide. But there are a number of engineering firms that would be available to do this study, and do it in a way that you would get good information, and Health and Human Services would get good information about the status of the buildings, the possible alternatives, that they would do a good job for us. [LB1119]

SENATOR HEIDEMANN: Senator Wightman. [LB1119]

SENATOR WIGHTMAN: Roger, thank you for all this wonderful information. I'm assuming that you would probably intend to build the small new building that would house the chemical dependency people on the same campus somewhere, or...? [LB1119]

ROGER KEETLE: That's what they're looking at, Senator. You know, you just don't need a 3,100-square-foot kitchen to serve probably 60-some people. You don't need a 31,000...well, I've got the numbers on the buildings, but this is a campus designed for 2,000 people. [LB1119]

SENATOR WIGHTMAN: You may not even need 160 acres, right? [LB1119]

ROGER KEETLE: Yeah, and there's farm land that probably could be sold. [LB1119]

SENATOR WIGHTMAN: Thank you. [LB1119]

SENATOR HEIDEMANN: Senator Nelson. [LB1119]

SENATOR NELSON: Some of us are no good at LB numbers. What's LB542? What is that about? [LB1119]

ROGER KEETLE: That was a bill passed last year, and it authorized a children's behavioral health task force. That task force issued a recommendation to Health and Human Services about redesigning children's behavioral health services. And on January 4, the Department of Health and Human Services issued an implementation plan. So that's kind of the history of looking at children's behavioral health services, and again, trying to right-size and come up with the right array of services, so again we can deinstitutionalize kids that currently now are in the YRTC or in group homes. That's what that study is looking at. [LB1119]

SENATOR NELSON: But they're recommending buildings for Bridges and a new building for the chemical dependency. Did I understand you correctly? [LB1119]

ROGER KEETLE: The Bridges Program is not yet addressed. [LB1119]

SENATOR NELSON: Oh, all right. [LB1119]

ROGER KEETLE: What they're looking...they were focused on the children's behavioral health program. The Bridges Program is for DD code, for people with DD and mental illness. And that probably could be moved somewhere else too. That issue has not been addressed. What the children's behavioral health plan came up with is, we need a good facility that's really designed for chemical dependency treatment, and we need a good facility for kids that have failed at the YRTCs and need a secure environment, and no provider will take in the community because they're not safe. So we need a, for better or worse, Kearney has always prided itself that it's a rehabilitation center with no fence. We've got kids that are violent enough we need a fence. And we're probably looking at a relatively small unit. HHS has not decide how big a facility they need with a fence around, but we've got some kids...let's see, I think I do have that down... [LB1119]

SENATOR HEIDEMANN: I would like to state that there's a difference of opinion between the LB542 task force, what they would like to do, and what probably Health and Human Services has brought forth. [LB1119]

ROGER KEETLE: Right. Twenty-five beds is what they're looking at, and Health and Human Services, the original recommendation from the task force was, was to put those kids in the community. HHS is saying we don't know of anybody who will take them, and is that really safe for those kids to be in the community? That's the difference of opinion. Is that a fair summary? [LB1119]

SENATOR HEIDEMANN: Yes, that's...yes. Senator Kruse. [LB1119]

SENATOR KRUSE: Just quickly, anybody ever priced a bulldozer for one building? [LB1119]

ROGER KEETLE: I think they're looking at...Sandy probably has the number, but I know that they've...the TB hospital has been closed for, what, 35 years? They've torn down one of them, and the next one, I think somebody over at building maintenance has got a number for what it's going to take to tear down one of the...another TB hospital building. Sandy has probably got those numbers. [LB1119]

SENATOR KRUSE: Yeah. Okay, don't dwell on it. I know it's being... [LB1119]

ROGER KEETLE: Well, part of the problem we've got is I think a lot of these buildings are full of asbestos. [LB1119]

SENATOR KRUSE: I know it would be expensive, but, good Lord, we're not going anywhere. [LB1119]

SENATOR HEIDEMANN: Are we for sure we're not going to fund $100,000 or $125,000 study, and they're going to tell us that we can do something. What's the odds of that being done? [LB1119]

ROGER KEETLE: Again, that's probably you, as good stewards, to decide what to do, but I think you'll make a better informed decision with good information. And that's the purpose of this. I, again, I can't answer your question because I think you need more information, and that's what this will do for you. [LB1119]

SENATOR HEIDEMANN: I understand that. I was...sometimes I think more than what I should maybe, but... [LB1119]

ROGER KEETLE: No, it's good questions. [LB1119]

SENATOR HEIDEMANN: Sometimes we fund studies and sometimes we might know the answer before we fund the study, but we want to do that just to be nice neighbors maybe. I don't know, so. [LB1119]

ROGER KEETLE: Well, there's...again, there's some buildings on campus that have been kept up to code that could be used for something. One is being used for an educational building, for example. I don't know whether you took the tour... [LB1119]

SENATOR HEIDEMANN: I was in Boston at that time. I wasn't able to. [LB1119]

ROGER KEETLE: Yeah. Well, look at Boston or Hastings. I...(laughter). But again, we really...what we're really looking at is some good expert opinions. Somebody that knows

construction, knows buildings, can look at a heating system and say, you know, it's better to tear down; yeah, we could renovate this one. And that's going to take engineers and people with expertise that HHS doesn't have and the Legislature doesn't have. [LB1119]

SENATOR HEIDEMANN: Senator Kruse. [LB1119]

SENATOR KRUSE: Do we own this 100 percent? [LB1119]

ROGER KEETLE: Oh, yeah. There's no...yeah, there's no debt on this. [LB1119]

SENATOR KRUSE: We can't hang it on somebody else. All right. [LB1119]

SENATOR HEIDEMANN: (Laugh) Any other questions? Seeing none, I don't see too many people that are going to be in support or opposition. Was you going to close? [LB1119]

ROGER KEETLE: I'm waiving closing so you all can have dinner, and congratulations for hanging in there for this long day. [LB1119]

SENATOR HEIDEMANN: Thank you very much. We are going to ask, is there any other people wishing to support LB1119? Anybody in opposition? Anybody in the neutral position? We will close our hearing on LB1119. [LB1119]

Disposition of Bills:

LB795 - Held in committee.
LB842 - Held in committee.
LB940 - Held in committee.
LB1119 - Held in committee.

Chairperson

Committee Clerk