[LB125 LB237 LB267 LB543 LB663]

The Committee on Health and Human Services met at 1:30 p.m. on Thursday, February 10, 2011, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB125, LB543, LB267, LB237, and LB663. Senators present: Kathy Campbell, Chairperson; Mike Gloor, Vice Chairperson; Dave Bloomfield; Tanya Cook; Gwen Howard; Bob Krist; and Norm Wallman. Senators absent: None.

SENATOR CAMPBELL: We'll call together the Health and Human Services Committee for an afternoon of hearings. I'm Senator Kathy Campbell. I serve as the Chair for the committee and I represent District 25 from Lincoln. And we'll start on my far left for the other introductions...or far right, sorry. Look right. I'll get it right, Dave, really I will.

SENATOR BLOOMFIELD: Dave Bloomfield, District 17, Wayne, Dixon, and Dakota County in the northeast part of the state.

SENATOR COOK: I'm Tanya Cook. I represent the 13th Legislative District in northeast Omaha and Douglas County.

SENATOR WALLMAN: Norm Wallman, District 30, from south Lincoln to Kansas.

SENATOR GLOOR: Mike Gloor, District 35, Grand Island.

MICHELLE CHAFFEE: I'm Michelle Chaffee, legal counsel to the committee.

SENATOR CAMPBELL: And the other senators will be joining us. They may be introducing bills at another hearing. To my far left is the clerk for the committee, Diane Johnson. And our two pages are Ayisha and Crystal, and they are students at the university, and we're very glad to have them. They work hard helping us stay on top of all the paper. So with that, I'm going to go through a few housekeeping and then we'll start the hearings. I'd ask that you silence all your cell phones and electronic equipment so you do not bother your neighbors with any of that. We'd also like to have you bring forward when you come to testify, 12 copies. If you do not bring 12 copies of a testimony, the pages will gladly show you where those can be obtained. And if you did not have written testimony, that's fine too. You don't need to have it. We ask that if you're going to testify, and only those people who are going to testify need to sign in on the bright orange sheets. So when you come forward you can give your sign-in sheet to the clerk and your copies. And we run a time system here. You are allotted five minutes, so it will be green for a long time. And then it will go to yellow, and then all of a sudden, it's red. And if you look up, I'm probably the person who is going, time. We try to keep people pretty much to those five minutes. I guess we want to make sure that the quality of time we give to the first hearing is the same as we are giving to the last hearing of the day. And as you start your testimony, please spell your last name for the record so

we're very clear about that. We've been joined by Senator Krist. He's from Omaha. And with those housekeeping chores taken care of, we'll open the hearing on LB125, Senator Avery's bill to create the Children's Health Advisory Committee. Welcome, Senator Avery.

SENATOR AVERY: (Exhibit 1) Thank you, Senator Campbell. My name is Bill Avery, spelled B-i-l-l A-v-e-r-y. I represent District 28 here in the heart of Lincoln. I have a letter, if the pages would come forward, that I would like to have entered into the record. This is a letter of support from the South Heartland District of the Health Department. LB125. This bill creates the Children's Health Advisory Committee which directs the Department of Health and Human Services and the Department of Education to collaborate in the research, in the study and identification of best practices having to do with developing and adopting policies that promote healthful lifestyles and slow the incidents of child obesity in our state. Child obesity is a very real problem. It's not imaginary. It's not fabricated. It's not political. And to bring attention to this is not an insult to our parents, to the parents of our children. The causes of obesity are complex, poor diets, busy working parents, Happy Meals...did you hear that? (Laughter) Lack of physical activity and a life in the fast paced world of Xbox and iPhone technology. What LB125 does is it directs the Department of Health and Human Services to select an advisory committee of members from the Nebraska Health...no, Nebraska Medical Association, the Nebraska Chapter of the American Academy of Pediatrics, the Nebraska Dietetic Association, the Academy of Family Physicians, University of Nebraska Med Center, one member from the Division of Public Health in HHS, and one member of a nonprofit foundation or other relevant organization. I've been in some discussions with the Nebraska Heart Administration and they've expressed an interest in serving on this advisory committee as well. The Department of Education will select members from the State Education Association, the Council of School Administrators, the State Board of Education, the Association of State Boards, the School Nurses Association, one member from the department's nutritional services division and one member of a nonprofit foundation. The bill further directs the advisory committee to report findings and proposals to the Departments of Education, the Health and Human Services. These reports would include recommendations on such things as school vending machines and their contents, continuing education for food staff, physical education, and after-school sports, reporting requirements of student health data by school districts. Every major medical and health expert in this country has reported that at least one-third of our nation's children are overweight or obese. The Centers for Disease Control, the Robert Wood Foundation, and many others, including the World Health Organization, have all concluded that obesity is not just an American problem but it is now an international problem. And these are people who are experts on health and medical trends. Nebraska's children are in the really high risk category. About one-third of our children are overweight or obese. That's nearly 140 of our young people. And I did some homework in this area. I visited a second and third grade class at a school in the heart of my district and had lunch with them and talked with their

school nutritionist. And I have to tell you that the schools are doing a pretty good job in the food that they provide and the choices they provide children in the school lunch program. But I did see firsthand, some evidence of what the nutritionist told me was a growing problem in that particular school. Thirty-six percent, 36 percent of the students in that one school building are overweight or obese. This is, of course, a very serious health risk. We know that there is an empirical linkage between obesity and Type II diabetes, high blood pressure, high cholesterol, heart problems, stroke, cancers. We also know that there is a price to be paid for these diseases and the treatment of them. One estimate that just came out recently is that it cost about $50 million per 100 residents annually with obesity-related illnesses. If you calculate that for the whole state of Nebraska, that's about $900 million in annual healthcare costs. So we're talking about a real problem. And this advisory committee will, for the first time, have actual statutory authority to track and monitor the health and medical patterns of our youth. And I have people here who will testify that know a lot more about this subject than do I. I am urging you to take a good look at the proposed members of this advisory group. These are experts in their fields. They know that child obesity is an epidemic in this country. They're passionate and they're willing to step forward to help address the problem. I believe that this committee will look at this proposal seriously and that you will agree with me that we need to advance this to General File. Thank you. [LB125]

SENATOR CAMPBELL: Questions for Senator Avery? Senator Wallman. [LB125]

SENATOR WALLMAN: Thank you, Chairman Campbell. Thank you, Senator Avery, for coming. [LB125]

SENATOR AVERY: My pleasure. [LB125]

SENATOR WALLMAN: And, you know, I am one of the senators that hates mandates to schools. And so, you got down here, minimal nutritional value, do you have foods, you think...schools sell foods that don't have nutritional value? [LB125]

SENATOR AVERY: Do we have food in the schools that don't have nutritional value? [LB125]

SENATOR WALLMAN: Yeah. [LB125]

SENATOR AVERY: I think that you'll find that mostly in vending machines, not in the official school lunch program. But Cheetos, for example, oh, I love those things, but (laughter) where is the nutritional value? (Laughter) [LB125]

SENATOR WALLMAN: Well, I suppose you could say anything has calories has value, but thank you, Senator. [LB125]

SENATOR AVERY: Well, it might have some nutrition, calories or nutrition, but you can have also high sodium that offsets it. [LB125]

SENATOR CAMPBELL: Senator Gloor. [LB125]

SENATOR GLOOR: Thank you, Senator Campbell, and thank you for being here Senator Avery. And other than the Frito comment, you know I have a basket that contains both healthy and unhealthy options for our senators on the floor. [LB125]

SENATOR AVERY: Right, and I stay away from them. [LB125]

SENATOR GLOOR: And I am pleased to report that I'm surprised at the number of healthy options that flow out there. So there is hope, and I think there is a beginning feeling of the awards of healthy lifestyle and decisions. But I'm kind of surprised that this ended up going to Health and Human Services rather than Education because it appears to me that the active component, not discounting the time put in by members of the committee, commission, but that the implementation of this really is an educational component. Do you have any concern that at the same time we're having to reduce some of our funding for education we're passing along something else that our educators have to implement? [LB125]

SENATOR AVERY: Well, the schools are already having to meet federal guidelines on nutrition in the school lunch program and breakfast programs. What we're looking for with this bill is an advisory committee that can take a global...I don't mean international, but a large look at the problem in the state of Nebraska, not just in schools, and attack the issue from all angles. It's not just the food they eat. It's also the lack of physical activity. So I...and I looked at the fiscal note. I'm not sure that it's possible to accurately estimate the fiscal impact. The note concludes that it is unknown at this time. It's very, very likely that there will be no fiscal impact, certainly not to the General Fund. Now these are programs that schools are involved in, but we don't have any central clearinghouse for looking at the problem beyond what is being done in the schools or what might be done in spotty places elsewhere in the communities. [LB125]

SENATOR GLOOR: Okay. Thank you. [LB125]

SENATOR CAMPBELL: Senator Bloomfield. [LB125]

SENATOR BLOOMFIELD: Thank you. Senator Avery, I need to take a little more direct bite out of what my two colleagues, I believe, nibbled there. And are we, with this bill, passing an unfunded mandate down to the schools, do you believe? [LB125]

SENATOR AVERY: No, I don't think so. I do remember, though, when I appeared before Natural Resources was it in...earlier this year or was it this committee. I've been

before so many committees I can't remember where I've been, but he had an interesting observation about a bill of mine and it had to do with putting warning labels on foods. Warning, this...consuming this item could be harmful to your health. That was my Happy Meal bill. (Laughter) [LB125]

SENATOR BLOOMFIELD: That was in Agriculture. [LB125]

SENATOR AVERY: That was Ag, that's right. (Laughter) [LB125]

SENATOR CAMPBELL: Any other questions or comments for Senator Avery? Thank you, Senator. Will you be closing? [LB125]

SENATOR AVERY: I will not be able to stay. I have to get back across the hall. Thank you. [LB125]

SENATOR CAMPBELL: Thank you for coming. How many people in the audience today would like to testify in favor of this bill? How many would testify in opposition? And how many people in a neutral position? Okay. All right. We'll start with the proponents since they all seem to be on this side of the room. (Laughter) I don't know if you just kind of clustered together or...welcome. [LB125]

KARLA LESTER: (Exhibit 2) Thank you. Thank you, Senators. Thank you, Senator Avery. I'm Karla Lester, K-a-r-l-a, Lester, L-e-s-t-e-r, and I represent Teach a Kid to Fish and the Nebraska Medical Association. Thank you for listening today. I'm Dr. Karla Lester. I'm a pediatrician from Lincoln and I practiced in Lincoln for seven years in a general private pediatric practice. I started an intervention clinic in my practice because I was concerned about the obesity epidemic and I had families come for 12 weeks. And we had a dietician, an exercise trainer, and a psychologist, a nurse, a pediatrician, and we worked with the families for 12 weeks. Parents were required to come. What we found was that there weren't enough things going on in the communities, at the schools, at the community-based organizations, in the homes, at their faith groups, to really support the behavioral interventions we were counseling them on in the clinic. So then in May of 2008, I had called and looked at other models in other communities and I felt called because the epidemic had evolved so much and so many of my patients were being diagnosed with diseases, which were formerly seen only in adults such as Type II diabetes, which Senator Avery mentioned. And so I felt called to leave my practice to start Teach a Kid to Fish, a nonprofit, with a mission to prevent and reduce childhood obesity. And I also worked with the Nebraska Medical Association to start and develop the...and as a director of the Childhood Obesity Prevention Project as we mobilize physicians across the state to become physician champions on this issue. And Senator Avery had mentioned that childhood obesity epidemic affects one-third of children nationally. And currently, 4 percent of U.S. children are classified as being severely obese, which is a very alarming statistic. So their body mass index is 99th percentile or

greater. And they're being seen at very young ages. And according to the Trust for America's Health, we know that Nebraska ranks as having the 20th highest percentage of overweight and obese children at 31.5 percent. We have pockets in our communities in Nebraska such as we've seen in Lincoln where children who live in poverty, children who are minority, children who live in areas that don't have access to healthy foods, safe physical activity opportunities, those children are disproportionately affected by the obesity epidemic. They have much higher than national rates of obesity. One of our schools in Lincoln had even up to 30 percent obesity rate, doesn't count overweight. And that was a school that had a higher poverty rate as well. In my pediatric practice, like I said, I was diagnosing children with diseases such as Type II diabetes that had been seen only in adults just a couple of decades ago. If we do nothing, of all children born in the year 2000, one in three will develop diabetes at some point in their lifetime, one in two ethnic minority children. The longer you have diabetes, the higher your risks for complications such as kidney failure and blindness, obviously, that correlates to higher healthcare costs as well. Other body systems affected, Senator Avery alluded to those, but we do see those in kids. We are seeing those at alarming rates. I get calls from school nurses quite a lot, do you have programs? We have not. We do have a big intervention gap in our community as well as other communities across Nebraska. So it is an issue. And school nurses, schools are left with these kids who are having high absenteeism rates, not wanting to come to school. One little first grader who is morbidly obese was falling asleep in class, could not make it down four steps without turning blue because he had such severe asthma from his obesity. So we're trying to come together in our community to determine how can we as schools and healthcare providers help these kids and develop programs where we can prevent these issues. So we see cardiovascular comorbidity such as early heart disease, atherosclerosis. I want to move forward though and talk about on a statewide level we have been working together on school health screening updates and updating those regulations. And there have been...and Department of Ed, the state school board has been very involved in that and so BMI screening, blood pressure screening has been a key part of it and it pulled together key stakeholders from across the state. The development of this Children's Health Advisory Committee I view as an extension and sustaining piece of the work of the school health screening committee. It is in the first...it would be the first step in the building up of the infrastructure, developing consistent measurements of data from across the state, and best practice policy recommendations. We know that data that we have gotten from LPS students, kindergarten through 5th graders, looking at in aggregate has been extremely helpful for our communities, from our schools, and in our schools. The development of this advisory board will allow experts working together to follow our state's trends, increase efforts in communities and provide sustainability. [LB125]

SENATOR CAMPBELL: Thank you, Dr. Lester. Questions? Senator Bloomfield. [LB125]

SENATOR BLOOMFIELD: Just as a little point of information, thank you for coming in

today. You stated here that if we do nothing, the children born in 2000, one in three will develop diabetes. Do you know what that ratio is roughly for those of us that were born maybe in the forties or fifties? Do you have that number or not? (Laughter) [LB125]

KARLA LESTER: I don't know. I don't have that. Maybe... [LB125]

SENATOR BLOOMFIELD: I just wanted to have it as a comparison. I'm just curious. [LB125]

KARLA LESTER: I know that there are some recent statistics on diabetes, and I think probably Dr. Rauner, one other...maybe a family physician who is going to testify, would have more of that data available. [LB125]

SENATOR BLOOMFIELD: Okay. Thank you. [LB125]

SENATOR CAMPBELL: Senator Wallman. [LB125]

SENATOR WALLMAN: Thank you, Chairman Campbell. Welcome to this committee, Doctor. [LB125]

KARLA LESTER: Thank you. [LB125]

SENATOR WALLMAN: And I think we're all for health, you know. And years ago there was a President named John. What did he promote? Physical fitness. And I think with our video games and all this stuff, that's some of the problem, but also nutrition. Thanks for coming. [LB125]

KARLA LESTER: Thank you. [LB125]

SENATOR CAMPBELL: Any other questions? Thank you very much for your testimony. [LB125]

KARLA LESTER: Yeah, thank you. [LB125]

SENATOR CAMPBELL: Next proponent. Good afternoon. [LB125]

JESSIE COFFEY: (Exhibit 3) Good afternoon. My name is Jessie Coffey, Jessie, J-e-s-s-i-e, Coffey, C-o-f-f-e-y. I'm a registered dietician and a member of the Nebraska Dietetic Association. I represent 600 registered dieticians across the state of Nebraska who are the nutrition and food experts in our state. I am also an employee of Lincoln Public Schools and my testimony today, however, will be representative only of the Nebraska Dietetic Association. As a registered dietician employed by a public school system, I focus a lot of my efforts on wellness and nutrition interventions with children

and families. And the programs that I have worked with that have shown the most success are those that are programs that introduce small, manageable changes into families' lifestyles through cooking interventions, expanded nutrition education for parents, and physical activity opportunities for families. These opportunities happen before, during, and after the school day and allow for us to have to...not to have to compete with the important school time activities. And we all know with No Child Left Behind that the school day is filled with requirements that the children must focus on. So by utilizing these nonmandated portions of the day, we're able to infuse the nutrition and physical activity components that we would otherwise not be able to get into the school day. I'm very privileged to be able to work in a progressive district's nutrition services department where they have focused on hiring a dietician to work primarily on nutrition education with families and children. And we even do some self-wellness programs. Many other districts across the state don't have a person in my position. And many of the programs that I'm able to provide are done so through grant funding that I personally write for. And because most other school districts across the state do not have someone in my position, those grants that are out there and readily available for schools across the nation are not able to be obtained because there's no one that has, you know, the free time and that experience and the background that I have to be able to write for those funding opportunities. And so this health advisory committee is important in identifying solutions to the childhood obesity epidemic and that I didn't...or initiatives like the grant funding could be utilized to address these issues in schools without any further financial costs to the actual school districts. We know that these school environment...and school environmental issues are important and that the school day must also mirror those programs that are happening outside of the school day with children and families. As Senator Avery talked about, there is the federal legislation through The Healthy, Hunger-Free Kids Act that was signed into law in December that designates very specific nutrition guidelines for all schools sold in the food, in the school day. So that would be the vending machines, the school stores. Also things like fund-raising. So those things will be addressed. But what that federal legislation does not address is the PE requirements that are currently in place for children. And we need to, if we're going to look at the whole on this picture, we need to look at the physical activity as well as the nutrition. And as a member of the Nebraska Dietetic Association and as a public school employee I see the need every day for the formation of this committee when I see, like Dr. Lester said, children with...they're so overweight they can't climb the stairs or when I talk to children through my cooking programs and other educational opportunities, and they tell me that they only have physical education once a week. And so I ask that you consider advancing LB125 for further consideration to find a local solution to this obesity epidemic. Thank you. [LB125]

SENATOR CAMPBELL: Thank you. Questions for Ms. Coffey? Thank you very much for your testimony today. Next proponent. [LB125]

KAY OESTMANN: (Exhibit 4) Good afternoon, Senator Campbell and members of the

committee. It's a pleasure to be here this afternoon. My name is Kay Oestmann, K-a-y O-e-s-t-m-a-n-n, and I'm president of the Friends of Public Health in Nebraska. This afternoon I'd like to talk to you about some things that are happening throughout the state. Several of the local health departments across the state work with schools in their districts to develop policies and programs to maintain and improve the health status of students. Examples of some of these activities and programs include: Farm to School; Nutrition Backpack programs; Community Alliances for Healthy Children in Healthy Schools' project; nutrition assessments; BMI collection; healthy behaviors assessment; health of school curriculum, environment, and policies; school wellness councils; and provision of school nursing services. All the health departments have identified the need of data on the health status of students as a basis for development of cost-effective policies and programs. The data is being collected in approximately 20 percent of the schools in Nebraska at this time. On the back of your handout there's a bar graph that I'm going to reference now. Kearney and Lincoln are examples of schools that have been collecting data and their findings include: in Lincoln 37.5 percent of the children in Lincoln schools are obese or overweight by the 8th grade. In kindergarten 13.2 percent of these students are obese compared to 20.5 by the 8th grade. Kearney: 37.5 percent of the children in Kearney schools are obese or overweight by the 8th grade; 19.3 percent of these are obese by the 8th grade compared to 10.3 percent in kindergarten. The data indicates that the growing trend of obese and overweight students as they age. Collection of data statewide will provide the ability to develop cost-effective policies and programs to address the nutrition and physical education. The local health departments are willing to assist the schools in the analysis of the data and develop interventions. Local health departments are also willing to assist in the staffing of these programs. I would take any questions. [LB125]

SENATOR CAMPBELL: Any questions for Ms. Oestmann? Thank you very much for coming and your testimony. [LB125]

KAY OESTMANN: (Exhibit 5) I also have a letter of support from the Public Health Association of Nebraska that I would like to have entered into the committee. [LB125]

SENATOR CAMPBELL: Okay. Next proponent. Welcome. [LB125]

JOHN SKRETTA: (Exhibit 6) Thanks. Good afternoon, Senators. My name is John Skretta, and that is spelled J-o-h-n S-k-r-e-t-t-a. I'm testifying in support of LB125. I am a doctor, but in the interest of total disclosure, I confess I'm not a medical doctor but merely a doc of education, so I will leave the dispensing of actual medical advice to Rauner and Lester and those inescapable pharmaceutical ads on TV. (Laughter) I am the superintendent of the Norris School District. As an administrator at Norris, I've had the privilege to promote our school's attempts to deliberately integrate physical activity during the school day, increase nutritional value of food service, institute fitness testing at all levels, and monitor body mass index grade level data. We report this information

to our board of education. We share information about these initiatives to our district through newsletters and wellness council meetings. We support our staff through providing professional development opportunities in these areas. We intend to keep moving forward. The legislation in front of you today provides desperately needed, positive mojo for student health. To put it another way, we need LB125 to increase the muscle mass behind the healthy schools movement. Help all schools in Nebraska, including ours, to do the heavy lifting required to really institute best practices. I speak to you as a school administrator and as a parent. I've got 2,050 kids in my charge at Norris, and four boys of my own in that mix. We are bombarded with messages about food that's cheap, accessible, readily available, but without a sound nutrition education curriculum integrated in schools, we've risked becoming a nation of junk food junkies. And by the way, Senator Avery is right, if you haven't tried the extreme cheddar burst Cheetos, they're excellent. (Laughter) We have achieved a higher standard of living than any nation at anytime in history, but our children's life expectancies are for the first time lower than those of previous generations because of decreases in physical activity, increases in sedentary screen time. We need to make sure we're being prudent in our approach in schools to help students think and act critically to take charge of their own healthy lifestyles. LB125 is good legislation because it addresses a significant social need and some might fairly say, and the CDC has declared it thus, a public health epidemic. And it does so through a collaborative consensus building manner by instituting a committee that I believe will be process-driven and results oriented. LB125 is not frivolous, It's not "spendy." It's not a deterrent from what is important and essential. Until students' health needs are met and schools work with communities and we institute statewide reform to address this, we are not going to see the student learning outcomes which we all desire. Some key considerations in support of LB125: It extends and allows us to actualize the intent of the student health mandate. Now is the time to help us move from policy adoption to practical implementation. I see that advisory committee as a great means of coordinating our efforts statewide measurable results. Are we about measurability in results or not? We broadcast test scores in the core areas, we demand fiscal transparency, we examine demographics, yet when it comes to basic student health index info and profoundly important data like BMI, we are ignoring it. And in doing that, we risk telling kids and communities that student health doesn't matter. Real healthcare reform, LB125, best cure is prevention. You want to drive down costs for the Medicare reimbursements which our state cannot afford to sustain? Prevention. It starts with empowering kids with good information. And I think that advisory committee would help us steer that from the state level. Accountability. We're living in an era of unprecedented focus on results. Schools are responsible for anything and everything. And I am saying, hold us accountable for doing our part, and holding...partnering up with healthcare professionals to promote healthy school environments. Thank you. [LB125]

SENATOR CAMPBELL: Thank you, Doctor. Questions? No questions. Glad to have your testimony today. [LB125]

JOHN SKRETTA: Thanks much. Appreciate it. [LB125]

SENATOR CAMPBELL: Thank you. Other proponents? Welcome. [LB125]

BRIAN KRANNAWITTER: (Exhibits 7, 8) Good afternoon. Senator Campbell and members of the committee, my name is Brian Krannawitter, that's spelled B-r-i-a-n, last name is spelled K-r-a-n-n-a-w-i-t-t-e-r. I am the government relations director for the American Heart Association and on behalf of the American Heart Association I want to express our support for LB125. A lot of the points of my testimony have already been touched on by previous testifiers so I'll try not to be too redundant. As was mentioned, among children today obesity is causing a number of health problems that previously weren't seen until one was an adult. Some of these problems include high blood pressure, Type II diabetes, and elevated blood cholesterol levels. Excess weight at young ages has been linked to higher and earlier death rates in adulthood. Former Surgeon General Richard Carmona issued one of the more sobering statements with respect to childhood obesity when he testified before a U.S. Senate committee. He characterized the threat as follows, and I: "Because of the increasing rates of obesity, unhealthy eating habits and physical inactivity, we may see the first generation that will be less healthy and have a shorter life expectancy than their parents." In addition to the human toll, obesity is a financial burden on our healthcare system as it costs the U.S. billions in healthcare costs each year. The more overweight an individual becomes, the more expensive they become to the healthcare system. LB125 is a step in the right direction in beginning to address childhood obesity in Nebraska. We must do all we can to pursue effective policies and strategies to reduce childhood obesity. I would respectfully ask that the American Heart Association be included as one of the member organizations represented on the Children's Health Advisory Committee that is listed in the bill. Cardiovascular disease remains the number one cause of death, and being overweight or obese is a major preventable cause of heart disease. And finally, I do have some handouts of a press release that was issued just a few weeks ago, and it talks about the cost to treat heart disease in the United States. And the gist of the press release is that it's going to triple by the year 2030. And I'll just give you a quote from our M.D.: "Despite the success in reducing and treating heart disease over the last half century, even if we just maintain our current rates, we'll have an enormous financial burden on top of the disease itself." And our CEO stated, "Unhealthy behaviors and unhealthy environments have contributed to a tidal wave of risk factors among many Americans," said Nancy Brown, American Heart Association, CEO. "Early intervention and evidence-based public policy are an absolute must to significantly reduce alarming rates of obesity, hypertension, tobacco use, and cholesterol levels." I'll go ahead and hand these out too. And I'll just say in closing, as a parent of a six-year-old boy, my wife and I have become more keenly aware of this issue and indeed it's a severe problem we're facing. And Jessie mentioned in the previous testimony, physical activity being part of the solution, and indeed it is. Our son, he goes to a great school, but the fact of

the matter is, he has PE once a week. And this committee can start looking at those issues such as PE and nutritional issues. And as a parent, I certainly see that as a positive thing, and a step in the right direction. So thank you for the opportunity to testify. [LB125]

SENATOR CAMPBELL: Questions for Mr. Krannawitter? Thank you, sir, for coming today. Other proponents? [LB125]

BOB RAUNER: (Exhibit 9) Dr. Bob Rauner, my last name is spelled R-a-u-n-e-r, representing Nebraska Medical Association. Background, I'm a family physician and public health physician. I'd like to start off with addressing, I think it was Senator Wallman who talked about the unfunded mandate issue. This bill was actually based on a bill from Arkansas that was passed seven years ago. Arkansas is in its seventh year of this effort. There's some initial push back because the first bill overstepped and wrote in a lot of unfunded mandates and there was push back from the school boards, school administrators, associations, etcetera. We met with the school board associations, all these people previously. Basically, we stripped out those unfunded mandates for a very good reason. What the committee can do...one of the reasons the committee is split half ed, half HHS is so that the ed folks can say, look, this is unimplementable, we can't do this, it's just going to cost too much money. And so really we need to take light of that and we've heard from those other associations to kind of address that. When this committee meets, it's going to have people who really know what they're talking about on this committee. They're going to look at some issues like, for example, a lot of the nutrition issues have already been addressed by H.R. 5504, which passed in the House this year, actually does set a lot of those mandates. And so really that, for example, may become unnecessary. Physical education, though, really isn't addressed a lot right now, and that's an area where we can work on and make a lot of progress. We can take examples from Dr. Skretta here in Norris Public Schools. If they can do it with similar resources, why can't other schools do the same thing? Another reason, I think for me the biggest thing that would come out of this is onus of the data and the reporting which we don't have right now. The data that was given out to you from the public health, we already have it for Lincoln Public Schools, we have it for Kearney Public Schools. It would be great to have this for the rest of the state as well. This is where you can find out your shining stars, your good examples of people who have already done it, and the things that you can then promote other places. On the flip side of my handout, that's data from Lincoln Public Schools. That's all 37 of our elementary schools, their obesity rate correlated against their socioeconomic status. And you'll see that in Lincoln, it's your socioeconomic status is the single biggest predictor of your obesity rate. We have obesity...we have schools where 30 percent of the kids are obese. We have a school where only 7 percent are obese. What you can do there, there's also a red line, that's a regression line. That's where you control for socioeconomic status and you'll see there's some that are far better and far worse despite that. That's where you can find your shining stars. The ones lower, those are ones that despite having the same obstacles,

somehow have much lower obesity rates. What are they doing right? I suspect if you go look at that across the state you'll find schools and districts that really pop out. I wouldn't be surprised when we do this, if this is successful, that Norris Public Schools is one of those schools. Some of the biggest public health successes we've had in the last two decades is the study of what's called positive deviance. It's kind of the opposite of No Child Left Behind. Instead of finding who your bad actors are and throwing a wrench at them, you find who your good actors are. And you find out how they did it and you take those same methods and you reproduce those in other areas. And there's some amazing successes that have been found that way. But to do that, you need your own data, you need to look at it, and this is one bill that could create that. There's examples of this, like earlier, Kearney and Lincoln are already doing this. There's multiple methods to collect this centrally. Ericka Welsh, HHS, is already doing a voluntary program where they submit Excel spreadsheets to her. Unfortunately, that's very burdensome for the person, in this case, Ericka, having to do that. Arkansas started that first and found out it just took too...way too many manpower hours to do that. It would be great if we could use our current existing system. There's NSSRS where our academic scores come in. It can come in through that. You've already got the infrastructure if that can't be done. You can do a Web-based reporting tool. That's what Arkansas chose. It turns out that Kate Heelan in Kearney already has a Web-based reporting tool that she's using for Kearney Public Schools and starting to farm out to the surrounding districts around Kearney. We could expand that and do the same thing with not a whole lot of money. Arkansas is not the only state that's done this. Texas did this. I have the report analysis in my backpack that goes through and they've not only looked at obesity, they looked at fitness, they looked at academic testing scores to see how they all correlated together. We can do that. We are going to be doing that here in Lincoln next year. We can farm that out to the rest of Nebraska as well and see how they're correlated with each other. Both of the efforts in Arkansas and Texas were partially funded by the Robert Wood Johnson Foundation. If we had a bill in a committee like this would certainly strengthen our application for doing the same kind of thing here in Nebraska. And those are kind of some the things we're looking into. I would also like to suggest a couple other possible changes. I think Senator Avery was going to say them but didn't get to it. We wanted to actually drop out a Nebraska Medical Association spot and give it to a physical education association called NAHPERD. We are open to considering a sunsetting clause because there are a lot of committees that kind of get their things done and then drop off and then they're really hard to discontinue. So if you want to sunset in eight years without reauthorization, we'd be open to that. Also to defer the cost, the Nebraska Medical Association is offering to you, let the committee use its board space and to provide some of the administrative support. And people, like me, would be happy to write some of those reports to offset some of the costs as well. Thank you. [LB125]

SENATOR CAMPBELL: Questions for Dr. Rauner? Senator Krist. [LB125]

SENATOR KRIST: My experience and I wanted to commend the folks who have

actually started the grant writing efforts and have done things that are aggressive in this area, have great deal of experience with a special needs school and that obesity and diabetes is much higher in that group. But I find that the strength in grant writing is in the data collected and the common ground that is established and I am hoping...this is not necessarily a question I'd like you to comment on it, but I'm hoping that this kind of an organization would have, maybe, one or two grant writers that would be focused statewide rather than regionally or just one district. Could you comment on that for me, please? [LB125]

BOB RAUNER: Yes, I would. I actually met earlier today with Ericka Welsh and some other HHS people talking about doing this very thing. The biggest surprise to me, I'm the one involved with the Lincoln data here, is how much has been used by everybody since. We've had several high school students use it for their own projects. They had a great presentation last week. Lee Burnetson (phonetic) actually gave it in front of our legislative breakfast. I've had several UNL students use it as their honors thesis. I've had several schools use that for their own grant applications and the district as well. And like you say, grants like baseline data, this is the baseline data, it's huge numbers. You have great confidence intervals. You can really show a lot, show that what you did really did work. And so, yeah, the data is great and I have been...I'm just continuously amazed at how much this has gone into so many different grants and projects that I had no idea would happen. And I think this would happen statewide if we could do this. [LB125]

SENATOR KRIST: Thank you, Doctor. Thanks for what you do. [LB125]

SENATOR CAMPBELL: Any other questions or comments? Thank you, Dr. Rauner. [LB125]

BOB RAUNER: Thank you. [LB125]

SENATOR CAMPBELL: Any other proponents for LB125? Okay. Anyone who wishes to testify in opposition to the bill? Anyone in a neutral position? Good afternoon. I do. I missed your hand back there. [LB125]

BRIAN HALSTEAD: Good afternoon, Senator Campbell and members of the Health and Human Services Committee. For the record, my name is Brian Halstead, that's B-r-i-a-n H-a-l-s-t-e-a-d. I'm with the Nebraska Department of Education. We're here in a neutral capacity. Actually, I wasn't going to testify, but there's been a little bit of testimony that's come forward so I wanted to clarify a couple of things and point out one thing as we see the bill currently drafted. The bill as currently drafted doesn't have the emergency clause, which means it won't take effect until three calendar months after which the Legislature adjourns, which means it will be September before any advisory committees are appointed. But it does have a requirement for the department to have rules and

regulations in place prior to the 2012-2013 school year. We at the department have some expertise in setting standards in the content areas. We have English language arts, mathematics, science, and social studies. We did not develop those standards in less than six months. So in the sense of, if '12-13 is the year in which you expect this to take place in the public school system in Nebraska, then timing is going to be an issue. The other thing is, I've heard a number of testifiers talk about data collection. We don't see anything in this bill that requires the department to collect data on the individual student basis. I know there have been discussions amongst various groups prior to this about that and the need for it. We read the bill as, we have to set the standards that schools will use not only in the nutrition, but also in the physical activities, but not in data collection. If there is an expectation that we are going to collect individual student data regarding the health and nutrition in this, that is going to have a cost. And for this committee...I know Senator Howard is on the Education Committee. She can understand some of the data collection we're currently doing. This school year for the first time in Nebraska, we are going to collect from the public school districts every course every child has completed and in the high school grades, the grades they were assigned for each of those courses. Keeping in mind we have over 280,000 students in our public school system, that is going to be a challenge this year just for our public schools to report to us all that individual data, and that is all being done because of the federal law when we got the State Fiscal Stabilization Fund. So if there's an expectation or there's a requirement in this for us to do data collection and start doing that in the '12-13 school year, we don't see it. And if that's what's wanted, that may have a cost to it. Other than that, we're neutral on it. We think the advisory committees that are set up in here as you've heard from them, there's a lot of work that's going on out there. There may be a need to bring everybody together because certain groups have their own perspective as to what the health issue is or the nutrition issue. They did mention federal law has just been passed in December. The U.S. Department of Agriculture, I believe last week, published in The Federal Register the proposed guidelines and regulations for the lunch and breakfast programs and there are some significant changes they're proposing. That's still open for comment and it's probably months before those are even going to be implemented. So with that, I'll stop. I'll take any questions you might have. [LB125]

SENATOR CAMPBELL: Questions? Senator Krist. [LB125]

SENATOR KRIST: So there's just a few little challenges we need to get (inaudible). [LB125]

BRIAN HALSTEAD: I think it's the same challenge we've got with what the data shows us right now with the childhood obesity, and this is not a problem we walked into yesterday. It's going to take time to solve the problem, yeah. [LB125]

SENATOR KRIST: So E-clause, potentially in that data distribution or data collection

that you're going to do another column, and reporting to who, and are we going to have HIPAA issues that are involved with it as well? [LB125]

BRIAN HALSTEAD: Well, if you're...if it's student data, we have potentially both HIPAA and FERPA, because if it's an educational record the Family Educational Rights and Privacy Act comes into play. HIPAA deals if you're a health...if I understand that, you guys have...healthcare provider providing healthcare services, then HIPAA covers you. And the interaction between the two is not always necessarily the same. But as we looked at the bill, we didn't see any requirement for data collection. I know that right now the Lincoln Public Schools and the Kearney Public Schools have a federal grant for which they are doing some of this work and they may be doing internally their own data collection for that grant. [LB125]

SENATOR KRIST: That's where I was going with the grant thing earlier, and that is binding or combining those efforts. [LB125]

BRIAN HALSTEAD: Right. Absolutely. [LB125]

SENATOR KRIST: I would say this, I think you would make an excellent candidate for this board. [LB125]

BRIAN HALSTEAD: Well, actually, I served on the steering committee for the screening regulations that the Department of Health and Human Services is still working on. We started that last summer. Hopefully, the regs will be out sometime this spring so they will be in place before the next school year starts. So you can somewhat see the reg process isn't quite as quick maybe as we all expect it to be. It takes us at the department between six and nine months from the time we start a reg before the Secretary of State files it there. So want you to be aware of the time constraints we have at the department, so. [LB125]

SENATOR KRIST: Thank you, sir. [LB125]

SENATOR CAMPBELL: Other questions? Senator Bloomfield. [LB125]

SENATOR BLOOMFIELD: Thank you. I'm going to go back to my unfunded mandate. You see this as possibly being an unfunded mandate then if you're forced together? [LB125]

BRIAN HALSTEAD: Senator, I can't answer that. I think Dr. Skretta pointed out to you what Norris is currently doing. And I suspect there are a number of school districts across the state that are already dealing with their health education piece. The nutrition piece is most likely going to flow down through the lunch and breakfast programs, because the U.S. Department of Agriculture and the legislation there have new

standards they're going to be setting and they are going to be more rigorous. They are going to deal with a number of issues. I had a conversation with our staff member who oversees that. Keeping in mind, all but two public school districts in Nebraska have a lunch or breakfast program. The two that do not are McPherson County and Arthur County schools. They don't have any lunch or breakfast program. We have over 127 nonpublic schools who participate in the lunch or breakfast program so they are going to be impacted by those nutrition guidelines. And the federal law gives the Secretary of Agriculture the authority to prohibit certain types of activities or foods in school buildings. In the press that got this, everybody was concerned that the cookie bake sale would be banned at school. Well, I suspect some of the people behind me who deal with child nutrition, you can have the healthiest lunch and the healthiest breakfast, but when mom and dad bring the cakes and the cookies, we're missing the boat on the nutrition. And that's going to be, again, our society and our culture how we've conducted ourselves the last 30 years may not be how it was in the forties and the fifties or the sixties and the seventies when I went to school. [LB125]

SENATOR BLOOMFIELD: Well, it's not all bad that our nation is faced with the problem of children being too fat instead of starving to death. [LB125]

BRIAN HALSTEAD: Well, I guess, there's always two sides of everything. Yeah, absolutely, Senator, it would be nice if they were all healthy and they were all getting well fed. Correct. [LB125]

SENATOR BLOOMFIELD: Thank you. [LB125]

SENATOR CAMPBELL: Other questions from the senators? Mr. Halstead, I always appreciate when you come to testify because you...I mean, you're providing good information to us. How...do you know how long the federal funds go for LPS and Kearney? [LB125]

BRIAN HALSTEAD: I do not. They were grants and I'm not sure how long that is. I don't believe it's an extended period of time, but at the moment I know they're both working under a federal grant and I'm sure...I know, Mary Campbell from the Lincoln Public Schools was back there. She could get you that information, I'm sure. [LB125]

SENATOR CAMPBELL: Okay. Do you know how much the grants were for? [LB125]

BRIAN HALSTEAD: I do not, Senator. I just know that those two. [LB125]

SENATOR CAMPBELL: Okay, we'll check on that because I wasn't aware that they had the federal money for...I mean, federal grants for it. Okay. Anything else? Thank you for coming, Mr. Halstead. [LB125]

BRIAN HALSTEAD: You bet. [LB125]

SENATOR CAMPBELL: Anyone else who wishes to testify in a neutral position? Okay. With that we will close the hearing on LB125. And we will move to open the testimony on LB543, Senator Cook's bill to provide for a state outreach plan relating to the Supplemental Nutrition Assistance Plan, or SNAP. We'll give him a minute. Welcome again. [LB125]

SENATOR COOK: Why, thank you, Madam Chair, fellow members of the Health and Human Services Committee. My name is Tanya Cook. That's spelled T-a-n-y-a C-o-o-k. I'm the state senator representing Legislative District 13, and I do, indeed, appear before you today as the introducer of LB543. In these historically difficult economic times, we as policymakers must take a look for new ways to organize government. LB543 enables Nebraska to leverage existing funding with contributions from nonprofit agencies for the purpose of conducting outreach and application assistance activities for the Supplemental Nutrition Assistance Program or SNAP program. This policy sets up an innovative, cost-neutral means to assist Nebraska families struggling with hunger. Additionally, LB543 creates a plan for Nebraska to better share information about the Supplemental Nutrition Assistance Program with potential applicants and current participants. Making these changes to state law will enable the state to receive a 50 percent federal reimbursement for funds, public or private, used for SNAP outreach. Currently, only 64 percent of Nebraskans eligible for SNAP benefits are taking advantage of this nutrition aid. This is an unfortunate reality. LB543 will result in better nutrition and lessen the hunger of our most vulnerable constituents. The testifiers to follow will outline the need for these reforms. They will share with you the mechanics of implementing this policy for the good of the state. You will hear that there are private donors ready, willing, and able to fight hunger hand in hand with the state. You will hear that they wait anxiously for the advancement of this legislation, so that they can fulfill this critical mission. I appreciate your consideration and support of LB543. Thank you. [LB543]

SENATOR CAMPBELL: Thank you, Senator Cook. Questions about the bill? Okay. Obviously, you'll be here for closing. [LB543]

SENATOR COOK: Yes. [LB543]

SENATOR CAMPBELL: And, Senator Cook, you can rejoin us. I think you... [LB543]

SENATOR COOK: I can go back to my regular... [LB543]

SENATOR CAMPBELL: Absolutely. [LB543]

SENATOR COOK: Thank you. [LB543]

SENATOR CAMPBELL: All right. How many people would like to testify in favor of this bill? Okay. How many people in opposition? How many people in a neutral position? All right. We'll start with the first proponent. [LB543]

KATE BOLZ: (Exhibits 10, 11) Good afternoon. My name is Kate Bolz. That's K-a-t-e Bolz, B-o-l-z, and I am the associate director of the Low Income Economic Opportunity Program at the Nebraska Appleseed Center for Law in the Public Interest. Nebraska Appleseed is a nonprofit, nonpartisan public interest law firm and advocacy organization working for full opportunity and equal justice for all Nebraskans. I am here today in support of LB543, a bill to develop public-private partnerships to conduct outreach for the Supplemental Nutrition Assistance Program, SNAP, formerly Food Stamps. This bill would take advantage of the federal SNAP Outreach Plan option. This option allows states to receive federal matching funds for activities to provide information and assistance to applicants for SNAP. Such activities include eligibility prescreening, application assistance, information dissemination, and more. The plan also clarifies strategies for cooperation between nonprofits and with the Department of Health and Human Services. The legislation has four significant benefits for the state of Nebraska. First, LB543 will develop public-private partnerships to promote SNAP benefits to those interested in the program. Currently, one in ten Nebraskans struggles with food insecurity which means that they are unsure where their next meal will be coming from. SNAP is our nation's first line of defense against hunger. Connecting individuals in need of assistance to this program promotes the health and well-being of low-income families, the elderly, and people with disabilities. SNAP also has a positive economic impact. Every $1 of federally funded SNAP benefits generates $1.79 in local economic activity. Second, the information and assistance activities under the plan will contribute to the quality of applications submitted to the Department of Health and Human Services. This promises to decrease processing time and the burden on the Department of Health and Human Services. Third, LB543 can contribute to the success of the new ACCESSNebraska program, our state's new on-line applications system which mobilizes technology, community-based partners, and call centers to newly allow opportunities for ACCESS and applications for public benefits. Local offices have decreased hours and some have closed, and community-based partners have stepped up to provide an entry point for clients seeking to apply for public assistance. This bill will help draw down the federal resources to contribute to the success of these initiatives at the community-based partner level as well as at the state level. Fourth and finally, this bill will contribute to the long-term sustainability of state and nonprofit efforts. The federal SNAP Outreach Plan provides ongoing, uncapped federal matching funds for this work. The development of the plan also contributes to the replication and stability of these programs. This consistency will support both nonprofit organizations, the SNAP Program, and the success of ACCESSNebraska. As previously mentioned, initiatives are already in place that would qualify for SNAP matching funds, and the Department of Health and Human Services may utilize a portion of the matching funds

to cover administrative costs. Therefore, the resources needed to implement this plan are available. If such resources are not available, the bill does not require the implementation of a plan. We encourage you to advance LB543 for the benefits to the program administration, sustainability, and, of course, Nebraska families. [LB543]

SENATOR CAMPBELL: (See Exhibit 13) Questions for Ms. Bolz? Ms. Bolz, we also have a letter on our desks from the Department of Health and Human Services in which Mr. Reckling outlines some of the ways that they are partnering with other people. Were you aware of any of those just off the top? [LB543]

KATE BOLZ: There are lots of positive activities that are occurring from the Department of Health and Human Services regarding SNAP, and we applaud them for that. For example, there's a federal participation grant that is currently in process in partnership with some of the food banks. Where the rubber hits the road, Senator, is that that participation grant is a little bit more focused on the administrative processes--mechanisms and machinery technology to screen in verification documents, for example. Whereas the interpersonal outreach to communities and really relational aspects of SNAP administration are more focused within SNAP outreach efforts and would be better served through a SNAP Outreach Plan. [LB543]

SENATOR CAMPBELL: Okay. Do you know whether the department is drawing down any dollars for this? [LB543]

KATE BOLZ: That is occurring. Currently, SNAP, the program administration itself, is allowed a 50/50 match for administration whether that's for a caseworker salary or to keep the lights on at the Department of Health and Human Services, and those dollars are being pulled down. What is not in place and what this bill would do would allow the nonprofit organizations--the Food Bank of Lincoln, the Food Bank of the Heartlands, the Good Neighbor Center to also draw down those matching funds to implement their activities as well. [LB543]

SENATOR CAMPBELL: That's very helpful, the last piece there. Other questions for Ms. Bolz? Thank you for your testimony. Next proponent? [LB543]

KATHY SIEFKEN: Chairman Campbell and members of the committee, my name is Kathy Siefken, Kathy with a K, S-i-e-f-k-e-n, representing the Nebraska Grocery Industry Association here in support of this bill. One of the things that we understand about money that is spent locally, and it doesn't really make any difference if it's in a hardware store or a grocery store, is when more dollars are spent, those dollars locally turn five to seven times. So it helps the local community when dollars from the federal government can be brought into the state and more benefits are made available to the SNAP recipients. If you have any questions, I'd be happy to answer them. [LB543]

SENATOR CAMPBELL: Are there questions? Interesting facts. Thank you, Ms. Siefken. [LB543]

KATHY SIEFKEN: Thanks. [LB543]

SENATOR CAMPBELL: Next proponent? Good afternoon. [LB543]

KELLY DUNLAP: (Exhibit 12) Good afternoon. My name is Kelly Dunlap, K-e-l-l-y D-u-n-l-a-p. I'm the SNAP outreach specialist for the Food Bank for the Heartland. I am here today in support of LB543, a bill to develop a SNAP Outreach Plan for Nebraska. Food Bank for the Heartland considers the SNAP Outreach Program a strategic component of its operation that works to eliminate hunger in the heartland. As I've worked in this position, I have found a great need and appreciation for the assistance the outreach program has been able to provide. I've noticed a disappointing shortfall among the area's agencies serving the food insecure. Local agencies such as food pantries and shelters, to which people turn to in search of food assistance, are both understaffed and uninformed about SNAP. As a result, the majority do not provide clients with even a basic understanding about SNAP, let alone any assistance in navigating the system to begin receiving benefits. These populations are missing out on a much more frequent and reliable form of food assistance. I have found that the outreach efforts of the Food Bank for the Heartland are valued by community agencies and clients alike. Among the eligible population who are not accessing their benefits are the newly poor. Those who, for the first time in their lives, need to reach out for help because of job loss or loss of an economic provider. I assisted a separated mother of three, who had resorted to donating blood platelets as often as she could just so that she could afford the gas to drive her kids to school. Thankfully, after applying, she was granted the benefits for which she was eligible all along. Even college educated individuals, who are unable to find employment, have reached out for help and clarification regarding SNAP eligibility and the application process. In addition to the newly poor, the low-income elderly is a population that often chooses not to apply because of the complexity of the program. After receiving application assistance in Lincoln, an elderly gentleman called in to say an extra thank you for the help he had received. He explained that he did not have any friends or family that could help him in this difficult time, and if he had not received personal assistance, he would not have been able to apply. Among the immigrant population, myths about negative consequences of participating have hindered numerous families whose children would be eligible, from applying. As a result, parents cannot provide nutritious food for their children. The Outreach Program provides SNAP education to eliminate these unfounded fears. There is not enough time today to tell the unique story of every individual and family who has benefited from this assistance. From September to December of 2010, SNAP Outreach in Nebraska has assisted 124 households, 58 of which were ultimately able to access SNAP benefits. To this point, we've discovered that many citizens, for whom SNAP was designed to aid, are not accessing its benefits.

The approval of the SNAP Outreach Plan would help to ensure that others are given this opportunity. We urge your support for LB543. [LB543]

SENATOR CAMPBELL: Questions for Ms. Dunlap? Seeing none, thank you for coming today and for your testimony. [LB543]

KELLY DUNLAP: Thank you. Thank you. [LB543]

SENATOR CAMPBELL: The next proponent? Anyone else? [LB543]

SHEILA SCHLISNER: My name is Sheila Schlisner, S-c-h-...excuse me, my first name is Sheila, S-h-e-i-l-a Schlisner, S-c-h-l-i-s-n-e-r. I'm the executive director of the Good Neighbor Community Center, and we are a nonprofit that has been serving the community since 1973. And our food program has continued to grow in the last few years. It has quadrupled over the last six years, and in the last year, our growth has been 10 percent, in providing more than a million pounds of food to a growth of serving more than 10 percent people than we did last year. Some of the challenges that low-income families face when filling out the SNAP application is the length of the application. The process becomes overwhelming to them and sometimes they give up and don't complete the form. Low-income families also don't have computers in the home, and, therefore, they are not computer literate. And when they do try and fill it out, sometimes the process takes so long that it times out, and if they haven't saved their information, then they have to start all over again. We serve many new Americans at the Good Neighbor Community Center, and some of the problems and challenges that they face is that the SNAP application is not in their language, and they must seek someone to help them with this process which takes them longer. It is challenging just getting them to understand the information that they need to bring that we need to have to fill out the application. And this can take several appointments, and therefore, that process is very lengthy with them also. And then after they have received the benefits, they need to be trained how to use the card, what can be purchased with the card, and then how to read the receipt and what their balance is after they have made their purchases. The application currently is only available in English and Spanish. The clients that we serve speak Arabic, Kurdish, Farsi, Vietnamese, Ukrainian, Russian, Swahili, and various other languages. When we became aware of the change that HHS was making, we wanted to become a partner with them when they asked us to partner with their agency. They came in, and they provided some training for us, and because of a grant that we had received from a local funder, we were able to extend an employee's hours seven hours a week which is not enough hours to provide the services and serve the people that need help with the application process. And to date, just...she's been doing this for just a couple of months. She has helped 12 families and returned from maternity leave and has a waiting list for her today. We also collaborate with the Food Bank in Lincoln on this project, and we feel strongly that the more people that qualify that can use the SNAP's benefits and fill out the application, that this will not

drain the local food banks and the pantries as the sole provider for food resources for low-income families in Lincoln. [LB543]

SENATOR CAMPBELL: (Exhibit 13) Questions? Thank you very much. Other proponents who wish to testify today? Are there any opponents to the bill? Anyone who wishes to provide testimony in a neutral position? And the only correspondence we had that was distributed was a letter from the Department of Health and Human Services from Director Todd Reckling. With that, we will close the public hearing on LB543 and we will moved to the hearing for LB267, Senator Howard's bill to require application for a waiver... [LB543]

SENATOR HOWARD: Tanya doesn't want to close? [LB543]

SENATOR CAMPBELL: Oh, I'm sorry, I apologize. Did you wish to close, Senator Cook? Yes. Thank you for catching that. [LB543]

SENATOR COOK: Thank you. We're moving so efficiently. [LB543]

SENATOR CAMPBELL: It's a good thing Senator Howard is watching out for us. [LB543]

SENATOR COOK: I know. I appreciate it. [LB543]

SENATOR HOWARD: I do my best. [LB543]

SENATOR COOK: Thank you, Madam Chair, thank you, Senator Howard, and the rest of the senators on committee. I would like to encourage the committee to discuss and advance the bill to the floor which we have already done some consideration of cuts to other sources of food monies and food resources for the residents and citizens of the state. And I think this would be an ideal way to maximize community resources across the state, and perhaps, in part, meet that gap that we are obliged due to the current times to fill. And as we all know, and based on the testimony we've heard today, at any point, it could have been a member of our own family. The economic state that we are in right now has not been discriminating among who might need the resource. So thank you very much for your careful consideration. [LB543]

SENATOR CAMPBELL: Thank you. And with that, we will close LB543 once again and move to open LB267, Senator Howard's bill to require application for a waiver to limit the types of beverages which may be purchased with Supplemental Nutrition Assistance Program benefits, or SNAP benefits. Senator Howard... [LB543]

SENATOR HOWARD: Thank you... [LB267]

SENATOR CAMPBELL: ...welcome. [LB267]

SENATOR HOWARD: ...Senator Campbell--Chairman Campbell--Chairperson Campbell and members of the committee. [LB267]

SENATOR CAMPBELL: Whatever. [LB267]

SENATOR HOWARD: For the record, I am Senator Gwen Howard; that's H-o-w-a-r-d. And I represent District 9. LB267 would require the Department of Health and Human Services to seek a waiver to restrict drinks available for the purchase with SNAP benefits. The waiver would allow SNAP users to purchase milk, water, and 100 percent juice. The Supplemental Nutritional Assistance Program is just that, a program intended to supplement nutrition. Nebraska taxpayers provide tax dollars so that those who cannot afford the most basic of necessities, food, will be able to feed themselves and their families. Soda or, as we call it in this part of the world, pop is not food and is certainly not nutritious. What we are actually subsidizing is recognized as a leading cause of obesity, which we've heard about already this afternoon. Over the past 40 years, the number of children who are obese or overweight has grown with alarming rapidness. It has quadrupled among children ages 6 to 11 and more than tripled for adolescents. When many of us were children, soft drinks were a special treat. But now they're considered a part of the daily routine. Many individuals didn't even think about how many calories they or their children were consuming in this liquid form. For 12- to 19-year-olds who consume sugar-sweetened beverages, the average amount consumed is 33 ounces, which is 356 calories per day. Over the past 40 years, sugar-sweetened-drink calories have increased from 70 calories per day to 189 calories. If kids don't compensate for these calories via exercise or reducing other intake, this amounts to a weight gain of 12 pounds per year. You're going to hear this afternoon from individuals about the effect of obesity and what this does to children, not years in the future but right now, during their childhoods. When you hear those stories, I'd like you to keep something in mind. In fact, when we subsidize soda and other sugar-laden drinks, we pay twice over: once when we help families purchase those drinks with the SNAP card and again when we deal with the medical ramifications of the intake of so much sugar. However, our state dollars seem insubstantial compared to the long-term health costs for the kids who are consuming these sugar-laden drinks. LB267 has been carefully drafted to minimize the burden for grocery stores and SNAP participants. We created a bright line of only milk, juice, and water so that there is no confusion regarding what drinks a person can purchase with taxpayer-funded benefits. You're likely to hear from the opponents of LB267 that the bill takes away from the freedom of the benefit users, that it embarrasses them, that it targets individuals in poverty. This is simply not true. LB267 is about ensuring that SNAP benefits are used to purchase nutritional food. Individuals who participate in SNAP cannot use their EBT card, their SNAP card, to purchase alcohol or cigarettes. In fact, benefits cannot be used for a deli chicken or for toilet paper. There are doubtless individuals on SNAP who

choose to smoke and who choose to imbibe alcohol, and certainly they do have toilet paper. The freedom to purchase these items has not been infringed on; individuals simply have to use their own money to do so. LB267 makes it clear: we can pay for these drinks now and we can pay for their effects later, or we can ensure that the taxpayer dollars are used in the way they were intended, to buy actual food for people who need it. Thank you. [LB267]

SENATOR CAMPBELL: Thank you, Senator Howard. Questions for Senator Howard? Senator Bloomfield. [LB267]

SENATOR HOWARD: Yes, Senator. [LB267]

SENATOR BLOOMFIELD: Thank you. Senator Howard, something jumps out at me here, and I...does this cover sugared Kool-Aid, powdered Kool-Aid and stuff? Can we get that included in this or...? [LB267]

SENATOR HOWARD: We could do what we'd want to do. (Laugh) We could certainly include that. We have the ability to do that. What this particular--without an amendment to cover that--this would cover bottled drinks--soft drinks, soda, you know, your colas, your--that sort of thing. But there is not a reason that we couldn't expand the scope. [LB267]

SENATOR BLOOMFIELD: Okay. Thank you. [LB267]

SENATOR HOWARD: You're welcome. Thank you for that question. [LB267]

SENATOR CAMPBELL: Other questions for Senator Howard? Thank you, Senator Howard. I know you'll be here to close. [LB267]

SENATOR HOWARD: I will be here. Thank you. [LB267]

SENATOR CAMPBELL: Um-hum. Thank you. How many would like to speak in favor of the bill? Okay. And how many wish to speak in opposition to the bill? Okay. How many wish to provide neutral testimony? Okay. We'll start with the proponents. So the first proponent. Good afternoon. [LB267]

LAURA WILWERDING: (Exhibit 14) Good afternoon. I'm Dr. Laura Wilwerding; I am a pediatrician. I should spell that: W-i-l-w-e-r-d-i-n-g. I'm a pediatrician, and I'm here on behalf of the Nebraska chapter of the American Academy of Pediatrics and also for the Nebraska Medical Association. As Senator Howard has so eloquently put, we are having a huge epidemic of childhood and adult obesity. While it's a nationwide problem, Nebraska is certainly not exempt. In 1991 no state had an adult obesity rate above 20 percent. But, in fact, now every state has an obesity rate in adults of over 20 percent.

And, in fact, 34 states have well over 25 percent obesity. A new Johns Hopkins study presents evidence that 86 percent of all Americans by the year 2030 will be overweight or obese. Nebraska actually has the 21st-highest rate of overweight and obese youths, and that's at 31.5 percent. And by fifth grade, 20.5 percent of Lincoln schoolchildren are already obese. As the youth population ages, the prevalence of adult obesity in Nebraska is estimated to increase from the current level of 32 percent to 42 percent in 2018. In addition, the cost per Nebraskan for obesity expenditures due to complications currently is $394 per Nebraskan. But in that same time period, by 2018, it will increase to $1,486 for each and every Nebraskan to pay for our obesity epidemic. For me as a pediatrician, I'm mostly concerned with the increased health risks that children have due to their obesity. And this is not just a matter of being teased or shunned for being a little chubby. These children are now having things that were once only seen in adults. We see kids with hypertension, cardiovascular disease, worsening asthma, bone and joint difficulties, and Type II diabetes. When I was in training and started practice 16 years ago, we weren't even trained to deal with these issues, because they were a nonissue. The rates of obesity have changed that much in that period of time. And, in fact, new data released by the CDC just last month shows that 26 million Americans, or 8.3 percent, now are diabetic. And these problems disproportionately affect children of lower socioeconomic status and those who are likely to be covered by SNAP and Medicaid funds. The thing that's really interesting is, in that same 50-year period where diabetes went from less than 1 percent to 8.3 percent, soda consumption has gone up 500 percent. Soft drinks are the leading source of added sugar in adolescent diets. The average boy will drink 57 grams, or 14 teaspoons, of sugar a day; girls, 36 grams, or 9 teaspoons. You can't imagine the kids that come into my office, and when I ask them--they're having issues with their weight--well, what do you drink in a day? Do you know how many of these kids tell me three, four, five...10 percent of adolescent boys drink over seven cans of soda. They are drinking more calories in their soda than I am eating in a day. And they want to know why they're overweight. The other thing that's inversely proportional to the amount of soda they drink is the amount of milk that they drink. These kids aren't drinking milk anymore. Calcium is an absolutely essential part of growth and development; vitamin D--it's all in the news: we know it's important. These kids aren't drinking milk. They're not drinking water. Because now, as Senator Howard said, this is not a special-occasion treat; this is a daily drink that's just served like any other beverage with a meal. And it's very, very significant. Another major cause of childhood obesity is the high cost and limited availability of nutritious food. You see this in the grocery store. The produce is expensive; it's hard to keep it fresh--it's hard to keep it in your house. So it's easier for people to get readily available high-calorie-dense foods, sugar-laden drinks that are readily available and have great shelf life; they stay in your house too. So it's no wonder that people drink it. It's a fact and studies have shown time and time again that kids from higher-risk socioeconomic groups have higher risk of obesity. There's a great study on the back of your sheet that shows the risk to kids who are from high socioeconomic risk of obesity. If you look at the schools in Lincoln--and this was done by Bob Rauner--this study shows that the kids who go to schools with

higher free and reduced lunch...so, in other words, kids with higher socioeconomic risk have a much higher obesity rate. The most affluent schools have, like, 8 percent, 6 percent obesity rates; some of the poorest schools have over 30 percent obesity rates. Early physical activity and dietary patterns track into adolescence; we know this. And any one of you or anyone in the testimony knows that if you have to lose weight, it's a very daunting task. Look at how many people go through surgery, bariatric surgery, to lose weight. They risk their lives to lose weight, because losing weight is a difficult thing. If we don't start with kids and prevention and teaching kids good habits from the time they're small, we don't stand a chance at fighting this as a country and as a state. And in light of all of these issues, it certainly makes no sense to be subsidizing the purchase of soda and energy drinks with taxpayer money. The SNAP program is intended for nutrition. The SNAP program is an absolutely essential program. And with SNAP funds we need to ensure that people are being provided nutritious food. Because soda and other energy drinks have absolutely no nutritional value--empty calories--there is no reason that they should be included in a nutritional program. Thank you. [LB267]

SENATOR CAMPBELL: Thank you, Doctor. Questions? Senator Gloor. [LB267]

SENATOR GLOOR: Thank you, Senator Campbell. Thank you, Dr. Wilwerding, for taking the time to come down and share with us. Let me ask you about sports drinks. [LB267]

LAURA WILWERDING: Yes. [LB267]

SENATOR GLOOR: And I'll use, you know, brand names so we all... [LB267]

LAURA WILWERDING: Sure. [LB267]

SENATOR GLOOR: ...know what we're talking about--the Gatorades, the Powerades that are out there. It used to be that some pediatricians anyway would recommend parents give those drinks to children who had been suffering, you know, serious diarrhea, dehydration. Because even though they had some sugar in it, it also had, supposedly... [LB267]

LAURA WILWERDING: Um-hum. [LB267]

SENATOR GLOOR: ...levels of electrolytes and whatnot. [LB267]

LAURA WILWERDING: Yes. [LB267]

SENATOR GLOOR: Is that still considered appropriate, or isn't it? [LB267]

LAURA WILWERDING: Certainly that's a wonderful question. And we get that question

a lot about sports drinks. Sports drinks were designed for college athletes, actually. It's called Gatorade for a reason. And these are athletes under really excruciating circumstances; this is not a kid playing basketball for an hour or two. So when you think about a sports drink, people under those excruciating circumstances absolutely need that extra sugar. They need the sugar for energy, and they need the electrolytes, absolutely. But what you're talking about--and providing electrolyte balance for kids, say, who have diarrheal illnesses and things like that...actually, for one thing, that can be provided by other things such as Pedialyte. And, actually, Pedialyte is an electrolyte solution that we recommend much higher than sports drinks for just the reason that you said. Sports drinks have too much sugar. Kids with diarrhea don't need all that sugar either. And so, in fact, that is a valid argument. But, in fact, there's no reason that sports drinks need to provide that, and there are other solutions that would be available that are not considered sports drinks. [LB267]

SENATOR GLOOR: But if I recall, Pedialyte, even though it's available as a prescription, is a lot more expensive and might be a challenge for a lower-income individual, who might be able to buy a 32-ounce... [LB267]

LAURA WILWERDING: Right, although Pedialyte is covered under Medicaid. [LB267]

SENATOR GLOOR: But we're not... [LB267]

LAURA WILWERDING: So it is considered a medicinal fluid for that reason, yes. [LB267]

SENATOR GLOOR: But we're not talking about a Medicaid population specifically. You know, if we're talking about somebody who is lower income... [LB267]

LAURA WILWERDING: Um-hum. [LB267]

SENATOR GLOOR: ...but not eligible for Medicaid... [LB267]

LAURA WILWERDING: Um-hum. [LB267]

SENATOR GLOOR: ...would you see yourself recommending that a sports drink is a lower-cost option than running out to buy Pedialyte? You know, a child that's had a high temp for three days and you're... [LB267]

LAURA WILWERDING: Personally, I don't recommend Gatorade in any situation, because of the high sugar. And most kids who are otherwise healthy don't need that electrolyte balance anyway, to be honest. [LB267]

SENATOR GLOOR: Okay. Serving--is serving any sugar drink to a child bad parenting?

Are we at that point yet? [LB267]

LAURA WILWERDING: I think that that is a wonderful question. And my answer to that would be...and I am a mother of four children. And I will tell you that these questions come up. First of all, the issue for a lot of things is moderation, and that's probably what a lot of people would talk about from our opponents. But the problem with that is that kids aren't good at that. (Laugh) And while we are trying to make good choices for them at home, when they get out and about, they're making their own choices. And so the foods that are in their homes really need to be more nutritious. And I can tell you--I'm a mother of four--we don't have soda in my house. Does that mean when they go out for dinner they can't have a soda? Absolutely, they can have a soda. But it's not a normal, routine drink that my kids get. And I don't think it needs to be for any kids. And that includes things like SunnyD and things that aren't 100 percent juice. There's certainly not--we're not just targeting soda; we are certainly targeting those sugar-sweetened beverages that really are just empty calories. You can add vitamin C to it, but it's still just sugar. [LB267]

SENATOR GLOOR: Well, my mother would agree with you. (Laughter) If we had soda, it was--half the audience will have no idea what I'm talking about--we had Tab. [LB267]

LAURA WILWERDING: Oh, Tab, yes. [LB267]

SENATOR GLOOR: If you could stand to drink Tab... [LB267]

LAURA WILWERDING: Delicious. [LB267]

SENATOR GLOOR: ...as a child, you were... [LB267]

LAURA WILWERDING: Or Fresca. (Laugh) [LB267]

SENATOR GLOOR: ...you might as well drink coffee. Thank you very much. [LB267]

SENATOR CAMPBELL: Other questions that you'd like to ask? Thank you, Doctor. [LB267]

LAURA WILWERDING: Thank you very much. [LB267]

SENATOR CAMPBELL: Next proponent. [LB267]

JESSIE COFFEY: (Exhibit 15) My name is Jessie Coffey, J-e-s-s-i-e C-o-f-f-e-y. I am a private consultant for early childhood programs in Lincoln and Saunders County, and I have a lot of experience firsthand seeing the SNAP benefits in my clients' households. We know that the SNAP program was first of all designed to improve food access and

that soda and energy drinks have little or no nutritional value and do not reflect the goals of the SNAP program. These beverages worsen the nutritional profile of the diet by displacing healthier choices such as water and milk. We also know that SNAP households have a 20 percent higher total caloric intake, and many of the--the reason is because of the unhealthy beverage choices. The average 12-ounce can of soda contains 10 teaspoons of sugar. And you can see a visual picture of that on the back of the testimony. I have to give this to you. And so that would just be a regular can of soda; whereas, most 20-ounce bottles of pop, which you'd buy at the grocery store, at the convenience store, have about 17 teaspoons of sugar. And that is the only nutrition that's provided out of those beverages. For all ages, sugar-sweetened drinks have increased from an average of about 70 calories per day in 1977 to about 187 calories a day in 2001. This extra calorie consumption equals about a 12-pound weight gain over the course of a year. And then, you know, over every year, you know, that just keeps continuing to increase. And we know that a 10 percent increase in weight can cause medical problems, such as Dr. Wilwerding noted. By taking soda and energy drinks out of the SNAP program, it will ensure that more SNAP funds are directed to their intended purpose, away from foods of little or no nutritional value, and can help alleviate the problems of the obesity epidemic. As a registered dietician and someone working with low-income individuals, I've had firsthand experience working with clients with small children and infants bringing in bottles full of pop and having to do a whole educational piece about that and not only how that is not nutritionally adequate for the child but also the effects of the dental decay that happens when you have a child drinking pop out of their baby bottle or sippy cup all day long. And then, I know any dentist would be willing to testify to the fact that that is very expensive. And I've seen many children in our low-income population with totally silver mouths because of the extensive dental work that has had to happen because of the quantity of soda or low-nutritional beverages that they've had to consume. And it's something I see every week in my visits with these families, and it is something I spend a lot of time trying to educate on. We know the WIC program does not allow for those foods, and we know many of those families are receiving SNAP and using the SNAP dollars to purchase soda and Kool-Aid, etcetera. So the clients in the SNAP program do receive education on the things that are appropriate to buy with the funds. This would just be another component of the education that the SNAP clients already receive about what they can and cannot buy. Thank you for allowing me to testify. [LB267]

SENATOR CAMPBELL: Questions? There's a lot of problems, too, is there not, with children's dental health with fruit juice? [LB267]

JESSIE COFFEY: Yes. [LB267]

SENATOR CAMPBELL: Juices? [LB267]

JESSIE COFFEY: Um-hum. That is correct. [LB267]

SENATOR CAMPBELL: Oh. Sorry, Senator Wallman. [LB267]

SENATOR WALLMAN: Thank you, Chairman Campbell. Yeah, thanks for coming. I've been behind people who buy with the--pop mostly. And it does bother me. But how are we going to handle this? Like, in our border--do any other states have this, do you know, in place? [LB267]

JESSIE COFFEY: There--there are--I think Dr. Rauner will talk a little bit... [LB267]

SENATOR WALLMAN: Okay. [LB267]

JESSIE COFFEY: ...about other states that are applying for--I think it's New York who's applying for a waiver for the same idea. So... [LB267]

SENATOR WALLMAN: Thank you. [LB267]

JESSIE COFFEY: Thank you. [LB267]

SENATOR CAMPBELL: Any other questions? Next proponent. Welcome back, Dr. Rauner. [LB267]

BOB RAUNER: (Exhibit 16) Thank you. Dr. Bob Rauner, R-a-u-n-e-r, representing Nebraska Medical Association and the Nebraska Academy of Family Physicians. I'll start off with your previous question: Senator Gloor mentioned the sports drinks versus Pedialyte, for example. One of the problems is that the cause is different. With sweat and athletes, it's mostly sodium that they lose, and that's why they're heavy in salt. With a sick child, it's vomiting, diarrhea; it's potassium that they're losing. And that's why Pedialyte and Gatorade are so different. The other thing is even though, yes, Medicaid does cover Pedialyte, but if you don't have Medicaid, then that's an issue. You can actually make your own, and there's recipes online. And I know, actually, I had a handout that I would give to patients, saying here's how you make your own. Because that's what happens in other countries where they don't have access to that kind of thing. So--and it's very, very inexpensive if you make your own. Also, Senator Wallman, with the example of what other states are doing. New York City actually applied for this very waiver in October. And Minnesota tried a few years back, but they kind of overreached and they also included junk food and candy and things like that, and that probably made it harder to define. Our strategy was to take milk, 100 percent juice, plain water--that's it; it's a very simple, bright line. Because people start adding in the slippery-slope argument: well, if you're going to do this, then let's do this; how do you define that? You know, there are some devil-in-the-details like, well, what about the powdered stuff? So--but that can be addressed, you know, and then--so I don't think that's an obstacle. The other thing is that, yes, not a lot of other states have done this

yet, but I think we're in an experimentation phase. One of the criticisms that I heard from the grocers is: Well, Massachusetts is trying a pilot, therefore we should wait for them to do something. This is such a big problem, with so many issues, that I think we need multiple pilots; we need multiple tests going on at the same time. If we could do this, it's going to help New York's application; and then we have two cases, in very disparate populations, different cultures. If they're both successful, it lends a lot more credence to this test; then other states can then do the same. So it's kind of a piloting process, experimentation to see what works. Other things I'd like to really cover I think is some of the objections that I've heard, like this somehow stigmatizes SNAP folks. Well, we're not singling them out; we're just changing the category: they buy this lump of food in this category that's covered by SNAP, then you have other things that, when they go to the grocery store, that aren't covered--toothpaste, toilet paper, cigarettes, what have you. We're just simply moving it to another category. There's just, you know, from the nutritional side, there is no justification to add this to the diet; it does the opposite of the intended purpose of the program. Me, myself, I'm sort of on the government dole, in that I work on several federal grants. I can't use that money for whatever I want; I have to use that money for its intended purpose or I get in trouble. This is just a personal responsibility, accountability thing. This money is intended to make you healthier; it's to clear out--to save you from starving. We want it to be used in that purpose, not used to buy, you know, a case of Mountain Dew, for example. And so I think it's partially a personal responsibility and accountability issue. There's already a proven example. (Inaudible) there's criticism of this: it's going to be too hard to implement. Well, WIC already does this. And this is much simpler than the WIC program. The WIC is--even specifies brands; there's a--you know, there's a long foldout of what things are covered by WIC's--what's on there. So this is actually much simpler than the WIC program, which is already in existence. It also, you know, it doesn't limit choice; you can do whatever you want with your own money. And they do have some of their own money; that's how they buy the other stuff. And so this moves it into this--this is nonessential stuff, basically. You know, again, are we getting rid of all pop? Nope. Like Dr. Wilwerding, we don't have pop in our house. Although when my kids want to walk over to Rocket Fizz, yeah, they buy some root beer; we're okay with that. It's just that it's a treat; it's not something they drink three and four and five times a day. I had cases--one of the things that got me started on this issue was that I had several cases of what I call Mountain Dew-induced diabetes. I had young people, usually men, who went to the 7-Eleven and bought 64-ounce Big Gulps of Mountain Dew; and they were literally consuming 3,000 to 4,000 calories a day, overwhelming their pancreas. One was reversible. One had already burned his pancreas out, and he was on insulin now in his 30s because he literally burned out his pancreas. I've had children come in with Mountain Dew in their bottle, and so that's why they have the rotten teeth, and at 2 years of age they have all silver teeth now. It's one of those things that if it's used to excess--if it's free, it gets used to excess. And so we want there to be a cost to buying the pop for the population. Yet--and we're not just targeting this population. As you've probably heard, we've had other bills going through the Legislature, looking at

(inaudible), going to the schools, looking at breast-feeding. It's a coordinated effort, and we're working on a lot of things. And again not just legislatively, we've got other things educationalwise--going to the medical associations, going to the physicians' offices. And we think this is something that could really add to what we're trying to achieve in Nebraska. [LB267]

SENATOR CAMPBELL: Questions for Dr. Rauner? Senator Gloor. [LB267]

SENATOR GLOOR: Thank you, Senator Campbell. Dr. Rauner, I want to make sure I understand. Your testimony is representative of the stand of both the Nebraska Medical Association and the Nebraska Academy of Family Physicians? [LB267]

BOB RAUNER: Yes. [LB267]

SENATOR GLOOR: Okay. Thank you. [LB267]

SENATOR CAMPBELL: Okay. Any others? Thank you, Dr. Rauner. [LB267]

BOB RAUNER: Thank you. [LB267]

SENATOR CAMPBELL: Other proponents? Okay, we will move to those who oppose LB267. First opponent. [LB267]

KATHY SIEFKEN: (Exhibit 17) Senator Campbell and members of the committee, my name is Kathy Siefken, Kathy with a K, S-i-e-f-k-e-n. I'm the executive director of the Nebraska Grocery Industry Association, here in opposition to this bill. There are a few things that have already been said that are rather troublesome. But first of all, the SNAP program is a federal program; it is run through USDA. It is a program that--all of the benefits are paid for by USDA, and the cost of distribution is split between the state and the USDA. The program is reciprocal from state to state; it is identical from state to state. So people that are in Nebraska can go to Iowa; people in Iowa can spend their money in Nebraska. I talked to a grocer up in Valentine recently, and he informed me that approximately 90 percent of the food stamp business that he has in his store comes from South Dakota residents. If this bill is passed and the waiver is given, Nebraska will be an island that no SNAP recipient will ever want to visit. It will push people away from purchasing things in our stores here in our state. In 2004 the state of Minnesota requested a similar waiver. That waiver included candy and beverages. The copy of that denial letter is in the handouts there. And the listing of all of the reasons why it's such a bad idea is in that letter, and it's followed up with their comments. That's the very first page there. If the waiver is granted by USDA, certain things are going to happen. One of those things is the fact that 70 percent of the SNAP recipients in the United States are expected to spend money from their own pocket to fill out the rest of their food purchases for the month. Those people will simply buy their pop using the money out of

their own pocket. It won't have any effect on obesity. They're still going to drink it. The other thing that's going to happen is the people that are in cities close to state lines, like my grocer up in Valentine--those people that come down from South Dakota are no longer going to shop in our state; he'll lose all of that business. They'll stay in South Dakota, where there isn't a limit to the choices of food that they've got up there. The people in Omaha, the people in Sioux City--South Sioux City--they're all going to go across the state line and spend their dollars there. Carving out special foods that SNAP recipients can't purchase is not going to impact obesity. What it will do is cause problems at the front end of our grocery stores. Those people that are SNAP recipients are used to purchasing these products, and they're going to come into our stores and they're going to get upset about the fact that they can't purchase them anymore. And there are going to be incidents at the front end of our grocery stores. Now, we have been asked by WIC and food stamp regulators to try to get those customers to blend in with our customer base. And I think we've done a very good job in doing that. Today, and for the last ten years, you can't tell when a SNAP recipient comes in and purchases groceries. And what will happen is people will be embarrassed to use these benefits. We think that we have fed hungry families because of the changes that we have made in our grocery stores. And it will come to a point where these people will once again go back to not taking these benefits because they're going to be afraid that family and friends are going to be in that grocery store when they're told: You can't buy that pop. It's just a--it's a bad place to go. Changing the system would require that we would have to upgrade and update our software; it would require that every one of the clerks in our stores would have to be retrained; it would require that all of the food stamp recipients would have to be retrained. It's not an easy thing to do. It's not something that just at the snap of your fingers is something that can be done. Changing or limiting what people can buy with SNAP benefits won't change behaviors; education will. Again, in your packet we have grocery stores that are doing things. Hy-Vee and B&R Stores both have hired dietitians that they have on staff; Hy-Vee has a dietitian in every store. Customers can go in and talk to those dietitians about their dietary needs. Those things are promoted in the fliers, again, that I've handed out to you. There's an ad there that--it was last week's ad, and it's got the NuVal system there. It's a point system from 1 to 100 that shows the healthy foods compared to those that are not quite so healthy, so you can stand there as a consumer in the aisle and make healthy food choices based on the information that's on the shelf tag. In addition to that, we have really promoted front-of-package labeling; that's a federal issue. And the front-of-package labeling will--again, there's a copy of that in your handout. And it's the pink--pink sheet in there; it's close to the back. If you have any questions, I'd be happy to try to answer them. [LB267]

SENATOR CAMPBELL: Questions for Ms. Siefken? Boy, there's a lot of information here. [LB267]

KATHY SIEFKEN: There is. There's a ton of information in there that--it's--it is good

reading. Most of it came from the USDA Web site. And there are...as I said, Minnesota applied for a waiver, and they were turned down because USDA's SNAP program is for supplemental nutrition; it's not--it hasn't been an educational program. But USDA has now came--come out with different guidelines, and they're changing their program. To limit the choice of foods is not the way to go, though. [LB267]

SENATOR CAMPBELL: Senator Gloor. [LB267]

SENATOR GLOOR: Thank you, Senator Campbell. Kathy, how many stores--maybe I should say large chains, like the Super Savers and the Hy-Vees and whatnot--do this front-of label or the NuVal or...I heard a presentation on it; I just don't recall the right name of it anymore. [LB267]

KATHY SIEFKEN: It's--there are several different nutritional programs that the grocery stores are able to adopt. Hy-Vee seems to be at the front of the curve. And so when you go in there, it's on their shelf tags right there in the store. I know that Walmart has a program; I know that Kroger has a program. And what--the way things work in the grocery industry is customers drive what we provide. And customers are asking for this information. So the more customers that ask, the more prevalent these programs become, the more the cost drops, and then your small independent grocers can afford to adopt them. And so the ball is rolling; things are already out there in the stores; the information is available. And it will take time to implement this in all of the stores across the nation. But that's the direction it's going. [LB267]

SENATOR GLOOR: I know it's changed my shopping patterns, even though I can't buy my flavored oatmeal anymore, because I found out how bad it is for me. [LB267]

KATHY SIEFKEN: Um-hum. [LB267]

SENATOR GLOOR: But these are great programs, and I'm glad to see that it seems to be spreading some. [LB267]

KATHY SIEFKEN: One of the interesting things when I walked into the Hy-Vee over at 50th and O streets is the juice aisle. It's a real eye-opening--eye-opener. The bill says it has to be 100 percent juice. We'd have to read every label; because it says right on the front of the label that it's 100 percent juice, but you flip it over and it's 20 percent on the back, on the nutritional label. But what that NuVal program does is it really pinpoints what the more-nutritious juices are. And the more-nutritious juices sometimes are lower, but they're not 100 percent, because they use 30 different points to score to come up with those NuVal scores. And the amount of sugar in an item is factored in there. [LB267]

SENATOR GLOOR: So what...? [LB267]

KATHY SIEFKEN: So it's an eye-opener when you go over there and you just look at the juice aisle. [LB267]

SENATOR GLOOR: So what would you think if the bill we're currently considering was amended not to take out the sugared-drink components of it or whatnot but they could only be used in stores that use these labeling systems? They'd be an informed consumer. It would drive the market more towards more stores going to these... [LB267]

KATHY SIEFKEN: It would also drive up the price of food, because you've got small retailers that can't afford to put those programs in yet. And eventually you'll get there. By the time...when the government mandates those kind of programs, it drives the cost of everything up. If you let the retailers implement that as they remodel and as they bring programs on and they build it into their budget, it doesn't put people out of business. [LB267]

SENATOR GLOOR: So you don't see this as a polite shove in that direction? [LB267]

KATHY SIEFKEN: If you shove people in that direction, you will force people, especially in rural areas, to close their doors. [LB267]

SENATOR GLOOR: Okay. [LB267]

KATHY SIEFKEN: So if you allow them to adopt those things at their own pace and their own speed, they will adopt them, because consumers are clamoring for that information. And it's good information; it helps them make good choices. And, frankly, everyone needs help, not just the poor, not the wealthy, everyone. [LB267]

SENATOR GLOOR: Thank you. [LB267]

SENATOR CAMPBELL: Ms. Siefken, one of my questions is, has the grocers--have you done any education sessions or working with the folks at the department on providing some of this information to their SNAP clients? Would that be feasible? [LB267]

KATHY SIEFKEN: That would--that's a good idea. It's a great idea, as a matter of fact. I do know that the dietitians that are in the stores are there and available for anyone that walks in the door and has questions. [LB267]

SENATOR CAMPBELL: Okay. [LB267]

KATHY SIEFKEN: And--and I will talk to Hy-Vee about maybe making that information available. [LB267]

SENATOR CAMPBELL: Thank you. [LB267]

KATHY SIEFKEN: That's a good idea. [LB267]

SENATOR CAMPBELL: I need to go introduce another bill, so Senator Gloor will take over and finish out the hearing. [LB267]

SENATOR GLOOR: Senator Wallman. [LB267]

SENATOR WALLMAN: Thank you, Senator Gloor. Yeah, welcome, Kathy. Okay. When these food--like Hy-Vee and Super Saver, some of these, put these food sacks together, you know, for a food pantry, they don't have any pop in there, do they? Or do they? [LB267]

KATHY SIEFKEN: I don't know that that is one of the choices, but I do know that the Food Bank has soda available. [LB267]

SENATOR WALLMAN: Okay. [LB267]

KATHY SIEFKEN: They do distribute that. I've talked to Scott, and sometimes those products are donated. Um-hum. [LB267]

SENATOR WALLMAN: Thanks. [LB267]

KATHY SIEFKEN: And, frankly, what's wrong if on occasion you have a treat like that? The problem is, as was shared earlier, it's no longer a special thing; it's an everyday occurrence. And so education is needed. There's no doubt about that. [LB267]

SENATOR WALLMAN: I do drink soda--but not the big ones; I drink the cans. That's enough. [LB267]

KATHY SIEFKEN: And in moderation, that's fine. [LB267]

SENATOR WALLMAN: Yeah. [LB267]

KATHY SIEFKEN: It's when people just can't control themselves... [LB267]

SENATOR WALLMAN: Yeah. [LB267]

KATHY SIEFKEN: ...that we run into issues. [LB267]

SENATOR WALLMAN: Thanks. [LB267]

KATHY SIEFKEN: Um-hum. [LB267]

SENATOR GLOOR: Any other questions? [LB267]

KATHY SIEFKEN: Thank you. [LB267]

SENATOR GLOOR: Other opponents? [LB267]

SENATOR WALLMAN: You can't beat Coke. [LB267]

DON WESELY: (Exhibits 18, 19) Senator Gloor, members of the Health and Human Services Committee, for the record, I am Don Wesely, D-o-n W-e-s-e-l-y, a registered lobbyist on behalf of the Nebraska Beverage Association. I am passing around for your review testimony that was prepared that goes through a number of issues. I'm also passing out a pamphlet for you that talks about the beverage industry in Nebraska and the fact that there are 1,300 workers here, that also the industry impacts another 6,200 jobs in the state of Nebraska. This is an important industry as part of Nebraska. And this industry seems to be targeted by some individuals who have good intentions; they want to try and deal with an important issue, that being obesity. But the obesity issue is much broader than sugared beverages. And we feel being singled out under this legislation or other types of initiatives that are being talked about does not really get at the bigger picture. We believe healthy eating is something that we need to promote, we need to educate, we need to work with the public to try to achieve. And we are making progress on that front. The beverage industry has reduced beverage calories industry-wide from 1998 to 2008--you'll see this in the handout--21 percent. You're seeing more low-calorie, more no-calorie beverages. And the beverage industry is not just pop; it's also diet soft drinks as well as tea, bottled water, water beverages, the juice, the juice drinks, the sport drinks, and more. So the beverage industry is a very diversified supplier of beverages for the general public. One of the things I really want to point out in this, if you get a chance, the school beverage guideline part of this, on the second page--it talks about what's been done since the year 2006. The American Beverage Association has worked very closely with the schools across this country. And if you look at the highlighted figures there: in just the last few years, since 2004, beverage calories shipped to schools has declined by 88 percent, because of the initiative of the beverage industry working with schools and others, including the Heart Association, across this country--88 percent decline in caloried beverages. Also, full-calorie soft drinks have been reduced 95 percent. That's change; that's real change. And it's so real--not too long ago some of my kids were at Northeast High School, and I went to an event and thought I'd go get something to drink. And I went to the vending machine that was talked about, and I couldn't find anything, any full-caloried sugared beverage; they're not available. And I--that was my first realization that times had changed since my days in school. Another thing that's changed--and, Senator Wallman, you mentioned that--is, you know, we're talking about sugared beverages here, but it's exercise; it's

getting out and playing with your neighborhood kids and, you know, instead of sitting in front of the video games. Where's that on the agenda? What are we doing to address that? I've got--again, I've got high school and college-age boys, and they spend many hours in front of their video games. And what are we doing to address that and getting them out and exercising? In my case, they do a lot of that exercise. But that is part of the picture. And the first bill you heard, from Senator Avery, in a sense is looking at the bigger picture. That's what needs to happen, not a single piece of it. And again, the beverage industry has worked hard with youth, with schools, with addressing this. You heard from the grocery association, and they've done amazing things, as you've heard. We've also, in the beverage industry, worked on the "Clear on Calories" initiative. And by next year, early next year, we will have new calorie labels on all brands and packages--many are already available now--so that you can look right on your purchase and see exactly what kind of calories you're looking at and what kind of impact you're going to have on your health. We're trying to educate the public; we're especially focusing in on youth. And we think we're making a difference in a very positive way. We need comprehensive solutions; we don't need piecemeal solutions. We need to look at this and carefully consider our options. And this option is not a good one. If it was a good option, you'd see more states looking at this; and they're not. We've got--one state tried to do this, Minnesota; they were rejected. New York is looking at this as a pilot for New York City; we don't know if they're going to get accepted. No other state has done this. No state has done this. So I'm not sure that Nebraska wants to be following the state of New York on this issue. I think we need to be looking at this problem in a different light than this legislation proposes. As well-intentioned as it is, as sincere as Senator Howard is--and I appreciate that--we think this is the wrong solution to the right problem. So with that, I'd be happy to answer your questions. [LB267]

SENATOR GLOOR: Thank you, Mr. Wesely. Are there questions? [LB267]

DON WESELY: Can I add one more thing? [LB267]

SENATOR GLOOR: Yes, you may. [LB267]

DON WESELY: I apologize, but there has been a--there's been a lot of talk about folks on the SNAP program and not getting the nutrients that they should. There is a study--and I'll get it to you--that shows the macronutrient intake of SNAP-eligible population is not substantially different than the higher-income population. So these folks utilizing SNAP--they're not abusing it; they're not--they're very typical to what all of us in the general population do in terms of our eating habits. And so they shouldn't be singled out. [LB267]

SENATOR GLOOR: Or one could make an argument that we all equally abuse ourselves. [LB267]

DON WESELY: The problem is spread farther than the SNAP program. [LB267]

SENATOR GLOOR: Thank you. [LB267]

DON WESELY: Um-hum. Thank you. [LB267]

SENATOR GLOOR: Thank you. Other opponents. [LB267]

KATE BOLZ: (Exhibit 20) Good afternoon. My name is Kate Bolz, Kate with a K, Bolz, B-o-l-z. And I am the associate director of the Low Income Economic Opportunity Program at Nebraska Appleseed. Nebraska Appleseed has a strong history of supporting the SNAP program. However, I am here today in opposition to LB267, a bill that would require the Nebraska Department of Health and Human Services to submit a waiver allowing our state to limit food choices in the SNAP program. Nebraska Appleseed is a strong anti-hunger advocate, and we do promote policies and programs that connect low-income Nebraskans to the food they need to live active, healthy lives. As such, we are supportive of SNAP and the positive impacts it has on health, nutrition, and food security for Nebraskans. The promotion of healthy eating through this program is very important, and we fully support the SNAP Nutrition Education program that is currently run in the state to educate participants about food choices and healthy lifestyles. However, we do not support this bill because of two main concerns: first, we question the approach and whether or not it is supported by research; and, second, we are concerned that it is potentially expensive and time consuming to administer during these tight economic times. First, our understanding of this waiver is that its intent is to contribute to the health of recipients, and we certainly support that. However, the United States Department of Agriculture study, "Implications of Restricting the Use of Food Stamp Benefits," indicates that there is no strong research evidence to support restricting benefits. Specifically, research conducted by Mathematica Policy Research via their Continuing Survey of Food Intake for Individuals found that SNAP recipients consume 35 percent less beverages, not including milk and juice, than do all nonrecipients. And they also consume less fats, oils, sugars, and sweets. Research indicates that recipients are no more likely than higher-income consumers to choose foods with little nutritional value. Thus we question the thesis of this waiver. I want to stop and make an important distinction at this stage that there's a difference between the low-income population and the SNAP population. Studies that illustrate the higher obesity levels in individuals of lower socioeconomic status are valid and concerning. However, that population is much larger than the SNAP population. Usually low-income is defined as individuals under 200 percent of poverty, while SNAP recipients may only be under 130 percent of poverty. And not every income-eligible individual participates in SNAP. I think these important distinctions should be noted. Further, the Food Research and Action Center points out that SNAP benefits actually increase the nutritional value of food purchases by 20 percent to 40 percent. So I am not convinced that current research supports pursuing a waiver of this nature. Second, if the state were to move

forward with this idea, time and resources would be needed. There are several issues to consider. First, the federal government requires an evaluation of any SNAP waiver. This evaluation would need to be statewide and would likely need to occur at the household level in order to assess individual household choices. This is a potentially costly endeavor. The United States Department of Agriculture also has nondiscrimination regulations. While it would ultimately be up to the USDA to make these determinations, it is likely that special accommodations would need to be made for people with special dietary needs, such as those who are lactose intolerant. And third, in order to positively promote the nutritional components and intentions of this bill, adequate and detailed notice would need to be made in appropriate ways to clients. These considerations would likely take Department of Health and Human Services staff time and resources. We support efforts to promote positive nutrition in the SNAP program but simply question this approach. Our focus at Appleseed is to contribute to the positive functioning of the SNAP program and ensure that this assistance reaches people in need. We are concerned about the concept and the potential costs of this waiver. [LB267]

SENATOR GLOOR: Senator Wallman. [LB267]

SENATOR WALLMAN: Thank you, Senator Gloor. Yeah, welcome, Kate, and I appreciate you testifying here. And are there any things besides beer and cigarettes that's not on the SNAP program, do you know? [LB267]

KATE BOLZ: I mean, as far as consumables... [LB267]

SENATOR WALLMAN: Yeah. [LB267]

KATE BOLZ: ...there's beer and--I don't even know if you can count cigarettes as consumables... [LB267]

SENATOR WALLMAN: No, no, no... [LB267]

KATE BOLZ: ...but you can't buy tobacco products. [LB267]

SENATOR WALLMAN: ...but beer and wine and alcohol. [LB267]

KATE BOLZ: Right. Alcoholic beverages are not allowed. I'm not sure that there are any other distinctions that are consumable or edible goods. [LB267]

SENATOR WALLMAN: But somebody told me there was, so I don't know. Thanks. [LB267]

SENATOR GLOOR: Ms. Bolz, thank you again for your testimony. The studies that

show that SNAP recipients consume 35 percent less beverages--do the same studies show that they consume 35 percent less food overall? I mean, the...you'd have to ask the question about maybe we're talking about overall volume consumption as opposed to them being selective shoppers when it comes to those sort of things. [LB267]

KATE BOLZ: Um-hum. [LB267]

SENATOR GLOOR: Do we know? [LB267]

KATE BOLZ: I'm not sure that it's a matter of volume. I think there is some evidence that shows that SNAP recipients tend to be smart shoppers in some ways, because they need to understand what they can get for the value of their dollar. There are some studies that show that when it comes to purchases of protein, SNAP recipients know a little bit more about things like the value of dried beans, simply because that's what's affordable and that's what they can incorporate into their budgets. So I'm not certain that it's a volume issue, but I think that there is some consideration of SNAP recipients and the choices that they've learned to make. [LB267]

SENATOR GLOOR: Okay. Thank you. [LB267]

KATE BOLZ: Yep. [LB267]

SENATOR GLOOR: Other questions? Thank you. Other opponents? Anyone who wishes to speak in a neutral capacity? Seeing none, Senator Howard. [LB267]

SENATOR HOWARD: When I was very young (laugh) and started out doing social work in the late sixties, the food stamp program came in, and I remember this. At that time they were tear-off coupons. And they were given out pretty indiscriminately because the rules were very loose. Those rules that were adopted in the late sixties haven't made a lot of progress in change. And if any of you remember that era, smoking was pretty universal and high cholesterol was regarded as an annoyance. I mean, things have changed. And we need to have respect for that and be able to utilize what we have appropriately. The purpose of the Supplemental Nutritional Assistance Program is to ensure that individuals in need have nutritious food to eat. And, Senator Wallman, in answer to your question, yes, there are other restricted items. For example, the food stamp recipient, the SNAP recipient, cannot buy a deli roast chicken. (Laugh) Now, you might think that's a nutritious item. But for the SNAP program, that gets into the area of fast food, which gets into the drive-through, the McDonald's kind of places, and that's strictly out of--off the table, as you would say. So there are definitely items that are restricted that you'd look at and you'd say: Well, that's good for you; why can't you purchase that? And why can you go over to the frozen food section and get a nice heavily breaded chicken and eat that? But LB237 (sic) furthers the purpose of promoting nutritional food by eliminating products that have no nutritional benefit. We've

heard a lot of testimony about the ill effects of sugary drinks, so there's the temptation to see this bill as simply seeking to ban sugared pop and fake juice. However, LB237 (sic) is about furthering nutrition. Now, we heard from the grocers that some grocery stores--Hy-Vee is the only one in the Omaha area, to my knowledge, that's really actively into nutritional promotion. And I applaud them for that; I think that's terrific. But you have to remember that a lot of people that are using the SNAP card don't have reliable transportation and are going into the convenience stores that are in their neighborhoods and buying those products there. They're more expensive; they're not labeled specially as being nutritious. But that's what they've got available, and that's what they use. Just this morning an article in the Omaha World-Herald outlined a new study tying daily diet pop intake to stroke risk. While it's too early to say that there is a certain correlation, it's clear that diet soda has no nutritional value and may actually cause harm. This is our dollar; this is our responsibility. If we look the other way when people are supplementing their diets with things that aren't good for them, especially if we're paying for it, I think we're sending the wrong message. Nebraska taxpayers should be subsidizing what's good for our fellow citizens to eat, and that would be real food. So thank you for your time and attention to this. [LB267]

SENATOR GLOOR: Thank you. And before we close this out, I'm sure you'd like the record to show that you made several references to LB237 as opposed to LB267. (See also Exhibits 21-28.) [LB267]

SENATOR HOWARD: What the heck number...? LB267. (Laugh) Well, thank you for that correction. [LB267]

SENATOR GLOOR: Certainly. [LB267]

SENATOR HOWARD: We don't want to... [LB267]

SENATOR GLOOR: So we will... [LB267]

SENATOR HOWARD: ...get the two bills intermingled. [LB267]

SENATOR GLOOR: Yes, we'll close LB267 so that we can begin LB237. [LB267]

SENATOR HOWARD: Go to LB237. Thank you. Thank you, Senator Campbell--although you are now Senator Gloor--and members of the committee. For the record, I am Senator Gwen... [LB237]

SENATOR GLOOR: (Laughter) You honor me; thank you. [LB237]

SENATOR HOWARD: (Exhibit 29) Yeah...Senator Gwen Howard; that's H-o-w-a-r-d. And I represent District 9. Prescription drug abuse is the fastest-growing drug problem

in the country. Over the last two decades, abuse of these drugs has increased fivefold. In 2009 alone, 7 million Americans abused prescription medications. To put this in perspective, in 16 states more people die from prescription drug abuse than from traffic fatalities. In the rest of the country, the only thing that kills more people is auto accidents. The two largest groups abusing these drugs are kids and young adults: 18- to 24-year-olds have the highest rates of abuse, followed by youth age 12 to 17. What this translates to is 2,500 kids per day who start abusing these drugs. Sixty-five percent of these kids start using pain relievers before age 15. And here's the thing about pain relievers: when we talk about drug abuse, we often speak of a gateway drug; with pain relievers there is no gateway drug. These kids become hooked on opiates. The problem is that many adolescents think there's no danger, because medications are prescribed by a doctor. And I think a lot of us, not only kids but a lot of us, share that thinking: if a doctor gives you a prescription, he knows what he's doing and it's got to help you. Two in five teens believe that prescriptions are much safer than street drugs, and three in ten believe that pain meds are not addictive. To start, teens may get pills from their parents' medicine cabinets or their friends at school. And eventually these sources really aren't enough for them. And if they do not transition to heroin, which is much cheaper, they become adult users who doctor-shop. The most effective way for drug users to get pills to feed their addiction is to visit many doctors, pharmacies, and even dentists and receive multiple prescriptions. Drug abusers are often organized; they have maps, they have appointment logs so that they do not alert practitioners to their behavior. Without means to notify one another to track prescriptions, doctors and pharmacists are often unaware that a patient may be getting prescriptions from five or six or even ten doctors and filling the scripts at as many pharmacies. Over the past year and a half, I've been working with stakeholders, the department, and other people to find the best method for fighting prescription drug abuse. The goals have been simple but not easy to achieve: find a mechanism for preventing drug abuse that does not interfere with legitimate use of prescription medication, make it useful and effective, and have little or no cost to the state. Those are the criteria that we set out. Through the work of many dedicated people who have really committed themselves diligently over the past summer and fall and especially Dr. Schaefer, who has been with me every step of the way in this process--I want to thank them. LB237 meets the goals we set out. LB237 enables the Department of Health and Human Services to collaborate with the Nebraska Health Information Initiative to ensure that practitioners are able to monitor the drugs their patients are taking. Nebraska is leading the nation in electronic medical records with the NeHII program. It seems natural to tie prescription medication monitoring into this cutting-edge tool. Doctors and pharmacies can use this to store and exchange patient information. We have individuals here--the representative from NeHII is going to give you more specific information about the nuts and bolts of the program and how the initiative works--but I want to explain to you how this changes the nature of prescription drug monitoring. States that have traditional programs often have providers waiting anywhere from seven days to a month for updates on patient information. And with this situation, any delay in receiving the information simply makes it useless. NeHII operates

in real-time at the point of care; the information is available in a matter of minutes. This is significant in that when an employee of the Division of Public Health explained the direction we are taking to a national group of prescription drug monitoring stakeholders, the room went silent. The individuals who work in these programs were more than impressed by the plan that we are putting in place. I want to leave you with one final piece of information: Nebraska is one of only a handful of states who have done nothing to address the scourge of prescription drug abuse. If you look at the regional map--and I've got a handout that we're going to give you. Did you hand that out? Thank you. The CSG article in your handouts--you can see that we're the only state--we're the state...you'll recognize Nebraska; I don't have to explain to you that it's colored in white. Drug abusers are not stupid individuals. They're often very organized, as I've explained. Users know which states have tracking mechanisms, and they know that it's far easier to get drugs in a state that has none. We do not want to become one of those states that is known for being an easy place to get prescription drugs without a valid medical reason. Yesterday my office e-mailed you a video that highlights how being one of those states has created literally an epidemic in Florida. The video is both frightening and disgusting, and although it's not a great movie for a review, I hope you take the time to get a glimpse of what can happen. Prescription drug abuse is a real problem. It's killed people; it's killed Nebraskans. LB237 gives doctors and pharmacists a way to ensure that their patients are using prescriptions for legitimate medical reasons. It gives practitioners the information they need to recognize a problem and the ability to guide patients toward recovery. Thank you. [LB237]

SENATOR GLOOR: Thank you, Senator Howard; and thank you for your persistence and your courage in bringing this bill forward. Are there questions for Senator Howard? I'm sure you'll want to close. [LB237]

SENATOR HOWARD: I will be here. Thank you. [LB237]

SENATOR GLOOR: Could I see a show of proponents? Opponents? Neutral? We'll start with proponents. And if you are a proponent, in the interest of time, to keep things moving, would you mind moving more towards the front. That way, there's not quite as much transport time from point A to point B; we'd appreciate it. Good afternoon. [LB237]

CHRIS HENKENIUS: Good afternoon. My name is Chris Henkenius, H-e-n-k-e-n-i-u-s. I am the program director of NeHII in Nebraska. In 2005 a group of physicians, hospital administrators, government representatives, payer representatives all came together to create an important project designed to provide critical clinical healthcare information at the point of care, with the goal of improving patient safety and quality of care. That project, the Nebraska Health Information Initiative, or NeHII, eventually came to fruition in 2009 with the implementation of a statewide health information exchange, which is today known as NeHII. The mission and vision of NeHII closely resembles the goals and objectives of this important bill. And therefore the NeHII board of directors, a group

representing a cross-section of the healthcare industry in Nebraska, wishes to pledge its support for this bill as well as promise to continue its partnership with the state of Nebraska in implementing the proposed solution. NeHII counts among its participants many physicians that are working with patients daily, patients who sometimes need access to prescription narcotics for various reasons. These physicians have been adamant thus far as to the usefulness of NeHII to assist in these efforts. Over the past two years they have been able to identify patients seeking to abuse prescription narcotics and use that knowledge to counsel their patients on appropriate wellness and recovery plans. Some physicians have become so convinced of the benefits of the HIE that they have begun to require patient participation prior to providing treatment. The result of having real-time access to critical data combined with the dedication of these healthcare professionals provides great advantages in ensuring that patients receive appropriate treatment without enabling abuse. Nebraska is one of nine states that has not implemented the use of a stand-alone PDMP system to enable the early identity of possible drug seekers. In addition, Nebraska's neighboring states are all utilizing such systems, which creates a natural attraction for the drug seekers to cross state lines and travel to Nebraska, where their attempts to obtain multiple prescriptions for narcotics cannot be easily identified nor tracked. This gap poses a safety hazard and a public health threat. In recent years, Nebraska has received national accolades for its success in health information exchange. Nebraska truly leads the way in this industry, thanks in part to the many partners within the state government that have provided input, guidance, and support of these efforts. In addition to the state government, we have worked closely with the Nebraska professional associations, the medical associations, the pharmacy associations to ensure that all industry participants have input into the day-to-day operations of NeHII. While many states have spent large sums of money in building competing HIE and PDMP systems, Nebraska is again poised to lead the country in utilizing its existing HIE infrastructure to accomplish a common goal. Because of the existing HIE infrastructure, the state will be able to capitalize on the opportunities and save countless implementation and operational costs while ensuring the goals of the program are met. Therefore the NeHII, the nonprofit health information exchange in Nebraska, offers its support of this important legislation. One final comment I'd like to make very clear is that the program that we're talking about is already in place and is already being used throughout the state of Nebraska. Primarily in Omaha, emergency room physicians have the ability to go out and query prescriptions that their patients are using, in a real-time format. That medication history list is provided by over 190 pharmacy benefit managers or payers as well as self-pay medications from over 11 different national pharmacy chains. So it is in use, and it is being used today. Thank you. [LB237]

SENATOR GLOOR: Thank you. Questions? I would have a couple of quick comments, maybe a question. [LB237]

CHRIS HENKENIUS: Sure. [LB237]

SENATOR GLOOR: First of all, it's nice to meet you; if we've met before, I apologize. But I have--I can remember organizational meetings around NeHII in my other capacity, and it's nice to know we're at a point in time where NeHII actually is evolved to this level. But you're saying that the system already is in place and is being used in some areas of the state. [LB237]

CHRIS HENKENIUS: That's correct. [LB237]

SENATOR GLOOR: So what is your understanding that this bill will do? [LB237]

CHRIS HENKENIUS: This bill will help us to--provide authority to help us continue to work with the pharmacy association, with HHS, with others to help roll this out to more physicians, more hospitals, more communities. Today we have 19 hospitals that are participating in this and providing data. We have over 500 physicians. A majority of those are centralized in Omaha, because that's where the pilot was originally written. We do have hospitals and physicians now in Hastings, North Platte. We are bringing up Beatrice and Falls City as well. So this bill will help us to continue those efforts and move forward. [LB237]

SENATOR GLOOR: And if the bill doesn't pass, what will happen? [LB237]

CHRIS HENKENIUS: We will continue to move forward. The functionality that we're talking about here is central to the application. So as I mentioned before, physicians are using it today. [LB237]

SENATOR GLOOR: Okay. Thank you. Other questions? Thank you. [LB237]

CHRIS HENKENIUS: Thank you very much. [LB237]

SENATOR GLOOR: Next proponent. [LB237]

BOB TWILLMAN: Good afternoon, Senator Gloor, members of the committee. My name is Bob Twillman; that's T-w-i-l-l-m-a-n. I'm the director of policy and advocacy for the American Academy of Pain Management. I'm here today to speak in support of the passage of LB237, the bill to provide for the creation of a prescription monitoring program in Nebraska. Just by way of background, the academy is the largest professional pain organization in the United States, with approximately 5,000 members. Its emphasis is on integrative pain management, that is, using multiple types of interventions to develop the best possible treatment plan for each person with pain. Our members represent a variety of disciplines, including physicians, nurses, psychologists, physical therapists, chiropractors, dentists, acupuncturists, and others. The academy is dedicating considerable resources this year to supporting passage of PMP laws in the

five states that are actively considering them. I should also tell you that, although I'm not here officially in this capacity, I am the chair of the Prescription Monitoring Program Advisory Committee for the Kansas Board of Pharmacy. Our program began accepting uploads of data from pharmacies on February 1; it will begin being available for prescribers and dispensers on April 1. We do also plan to integrate our PMP with our health information exchange when the health information exchange is ready to accept that, which in our case will be a few years from now. I can also tell you we have gotten the funds to establish this program and have enough cash on hand to run it through October of 2012 without ever getting a single dollar allocated from the state budget and without charging a single dollar in fees to anyone. So if you will forgive my Jayhawk affliction, I mean, affiliation, I'd like to talk to you just briefly about prescription monitoring programs. As you've heard today, we're faced with two concurrent, somewhat conflicting public health crises in the United States. On the one hand, we're confronted by an epidemic of prescription medication abuse. Only alcohol and marijuana are abused more frequently than prescription medications. And this survey finding is the one that really gives me pause: teenagers now say that it's easier for them to get prescription medications than it is for them to get beer. As the father of a teenager, I find this especially chilling, because I remember how easy it was for my peers to get beer when I was a teenager. The other public health crisis we face is one of the undertreatment of chronic pain. Chronic pain affects as many as 30 percent to 50 percent of adult Americans, a number that comes to 70 million to 100 million individuals. It's the number one reason people seek healthcare. And as many as 80 percent of people in doctor's offices have pain. Unrelieved pain, according to the National Institutes of Health, costs our national economy over $100 billion every year. The difficult task for us, then, is to find ways to address both of these problems simultaneously. One tool that allows us to begin to do so is the prescription monitoring program. These programs have been in existence since 1939. Forty-three states currently have statutes authorizing them, with another five considering bills this year. These programs, when they're well designed, allow prescribers and dispensers to obtain a record of all controlled substances dispensed to their patients over a prior period of time--for instance, for five years in the case of our Kansas program. By reviewing these records, healthcare providers can determine whether or not their patients display patterns of behavior commonly known as doctor shopping, described earlier by Senator Howard. Without a comprehensive prescription monitoring program, it's virtually impossible for providers to know that this is occurring. Supplied with large amounts of these medications, individuals then can turn around and divert them by selling them or trading them for goods or services, or they can abuse them through a number of means. We view these programs as tremendous boons for healthcare providers; and we see three possible outcomes, all good, that can result from the regular use of these reports. First, in cases where there is evident doctor shopping, the prescriber can decline to prescribe further; and a dispenser can decline to dispense the prescribed medication, thereby reducing drug diversion. In fact, the mere fact that such a program exists may deter some individuals from engaging in this behavior in the first place. A study of data from

the state of Massachusetts found that in 2006 alone individuals who used at least five different physicians and five different pharmacies in one year accounted for fewer than one-half of 1 percent of individuals in their database. However, those individuals received more than 12 million doses of Schedule II opioids in that one year. So clearly it's a significant problem if you're associated with this. The second outcome is the detection of patterns that may be suggestive of substance abuse, in which case healthcare practitioners can work with their patients to refer them to appropriate treatment. And a final outcome, which would probably be more than 85 percent of patients, is one in which the record raises no concerns at all, thereby reassuring practitioners that their patient is on the up-and-up, and they will feel more comfortable prescribing what's needed to get their pain under control. So with that, let me just urge you to pass LB237. And should it pass, I'd like to offer my assistance in the development of the program, as that's when the really heavy lifting will occur. Thank you very much for the opportunity to be heard. [LB237]

SENATOR GLOOR: Thank you, Mr. Twillman, or is it Dr. Twillman? [LB237]

BOB TWILLMAN: Doctor. [LB237]

SENATOR GLOOR: Dr. Twillman. Senator Wallman. [LB237]

SENATOR WALLMAN: Thank you, Senator Gloor. Yes, welcome here. [LB237]

BOB TWILLMAN: Thank you. [LB237]

SENATOR WALLMAN: My district borders Kansas, so...how much percentage would you say senior citizens abuse this? [LB237]

BOB TWILLMAN: We believe that this...abuse these prescription pain medications? [LB237]

SENATOR WALLMAN: Yeah. [LB237]

BOB TWILLMAN: The best data that I've seen indicate they abuse at about the same rate as other people do. It is a significant problem for senior citizens as well. And we know of cases where senior citizens are also diverting this medication as a way of paying the rent. [LB237]

SENATOR WALLMAN: Thanks. [LB237]

SENATOR GLOOR: Other questions? Senator Cook. [LB237]

SENATOR COOK: Thank you. To clarify "diverting," you mean selling it to somebody

else? [LB237]

BOB TWILLMAN: Yes. General... [LB237]

SENATOR COOK: Is that the professional term? [LB237]

BOB TWILLMAN: Selling it or trading it, yes. [LB237]

SENATOR COOK: Okay. Thank you. [LB237]

SENATOR GLOOR: I've heard the acronym PDMP; you've used PMP. [LB237]

BOB TWILLMAN: Right. [LB237]

SENATOR GLOOR: Are we being redundant with...? [LB237]

BOB TWILLMAN: Interchangeable. [LB237]

SENATOR GLOOR: They're interchangeable? [LB237]

BOB TWILLMAN: Yes. It is just a question of whether you include the term "drug" in that. [LB237]

SENATOR GLOOR: Okay. [LB237]

BOB TWILLMAN: So, yes. [LB237]

SENATOR GLOOR: Thank you. Other questions? Thank you again. [LB237]

BOB TWILLMAN: Thank you. [LB237]

SENATOR GLOOR: Next proponent. I was sure I saw more hands. [LB237]

JONI COVER: (Exhibit 30) I'll come up and talk to you. Senator Gloor, members of the committee, my name is Joni Cover; it's J-o-n-i C-o-v-e-r. And I'm the executive vice president of the Nebraska Pharmacists Association. I'm here today in support of LB237, and I would like to say a huge thank-you to Senator Howard and her staff for their tireless work on this issue. As pointed out by the previous testifier, Nebraska is one of only a handful of states that does not have a PMP or a PDMP or whatever you want to call it. Nebraska, however, is one of the first states to implement a prescription drug monitoring program not as a stand-alone program but in connection with the state health information exchange, known as NeHII. And you've already heard from NeHII. The Nebraska Pharmacists Association generally supports implementation of a

prescription drug monitoring program, but we would ask that there would be some recommendations or some requirements that the prescription drug monitoring program meet. We would ask that pharmacists be included in a prescription drug monitoring program. In full disclosure, NeHII came to our board of directors meeting a few weeks ago and had a great discussion with our board, so we are very hopeful that the pharmacists will be participating in NeHII, pharmacies will be connected to NeHII, but currently they are not. I know that the information on the drug side that NeHII does receive is from pharmacy benefit managers and from a third party called Surescripts. And we questioned at our board meeting how accurate and how complete that information is that NeHII is receiving. One other issue that was brought up was that NeHII is an opt-out program. And we have just heard about the number of people who abuse prescription drugs. And so we would prefer that it not be an opt-out program. And I'm not sure how creative we can be with our legislation about requiring folks who have received controlled substances prescriptions to not be able to opt out of a NeHII-type program. We'd like it to be user friendly so that it's easy for the pharmacists and the prescribers to use. We would ask that all schedule drugs at least, including a drug called Ultram and a drug called Soma, be included on that. We'd like the system to be real-time, and we believe that NeHII is a real-time type of system. We had some questions about whether or not--or who would have access to the prescription drug monitoring program. So is it providers, prescribers, pharmacists? Can patients have access to it? I know that there are some things in place for NeHII--for patients who can either opt in or opt out of NeHII. Does Health and Human Services have access to that information? Or does law enforcement? And these are probably things that we need to visit more with NeHII about, because we don't have the answers to that. We hope that it's financially sustainable. We realize that asking the state of Nebraska to fund a program such as this is not allowed right now, because of our budget deficit. But we would ask that whoever is implementing a prescription drug monitoring program, that we apply for federal funding or whatever kind of grant funding we can have available out there so that this isn't paid for on the backs of the providers. We would also ask that an advisory group of pharmacists and prescribers and other interested parties be appointed to kind of oversee the process. Since this is new to us, maybe that advisory group that we've worked with so closely could continue on to help sort of structure and guide this process. Again, I would just like to say that I think NeHII is a very innovative program right now. It's not, in our opinion, quite sophisticated enough to do the prescription drug monitoring program to the extent we'd like it. I think we'll get there eventually, someday. But I would really like to again say thank you to Senator Howard and to Health and Human Services. And we appreciate the positive step that we are working towards to adopt a prescription drug monitoring program, and we're willing to work with this committee and with anyone interested in the development of a prescription drug monitoring program. [LB237]

SENATOR GLOOR: Thank you, Ms. Cover. Are there questions? Seeing none, thank you. [LB237]

JONI COVER: Thank you. [LB237]

SENATOR GLOOR: Observers will note that the queen is back in the castle. She has asked me to finish out this particular hearing. (Laughter) [LB237]

DAVID BUNTAIN: Senator Gloor, members of the committee, I'm David Buntain, B-u-n-t-a-i-n. I'm the registered lobbyist for the Nebraska Medical Association. We also support LB237. We want to acknowledge the excellent leadership that Senator Howard has shown on this issue. It is an important issue, and I think we're on the right track as far as resolving it. I would be...well, first of all, I would say I pretty much echo the comments that Joni Cover made, and I'm not going to repeat those. I would have to say that there were some initial misgivings by some of our members about using NeHII as the vehicle for this; this will be a different approach than other states have taken. There's...NeHII is also in its relatively early stages. Basically, what we are saying is that we believe NeHII when it says that they're going to grow, as they plan to do, and that this can be an integral part of NeHII. It will work if we are able to get the broad participation across the state among the prescribers, among the pharmacists, and among the other participants in the program. And that will need to be a part of this. We also have a concern about the opt-out aspect. And just to make it clear what--under NeHII currently, patients can opt out of having their records a part of NeHII. And the concern is that there will--that you will have--that the population we're talking about tends to be very aggressive and manipulative in order to obtain these prescription drugs, and opting out would be one of the mechanisms that would enable them to bypass the system--would enable them to bypass the system. So I think we have to think that through. We also agree that it would be helpful to have an advisory committee of prescribers and pharmacists, the various groups that are going to be involved in it. And we would like to be involved in that. [LB237]

SENATOR GLOOR: Thank you, Mr. Buntain. Are there questions? Senator Wallman. [LB237]

SENATOR WALLMAN: Thank you, Senator Gloor. Yeah, that...I think it is a good bill. It probably has to have some work, including--I know it does. But how are we going to deal with the stuff coming from the south, you know? [LB237]

DAVID BUNTAIN: I take it you're not talking about Kansas. [LB237]

SENATOR WALLMAN: No, no, no, further south than that. (Laughter) [LB237]

DAVID BUNTAIN: Well, this is prescription drugs. I mean, there is--and as Joni mentioned, there's a whole other element to drugs and drug trafficking involving the criminal laws. This is really intended to deal with the patient-care side of... [LB237]

SENATOR WALLMAN: Um-hum. [LB237]

DAVID BUNTAIN: ...of drug use. [LB237]

SENATOR WALLMAN: Yeah, thanks. [LB237]

SENATOR GLOOR: Any other questions? Thank you. [LB237]

DAVID BUNTAIN: Thank you. [LB237]

SENATOR GLOOR: Any final proponents? [LB237]

JOANN SCHAEFER: (Exhibit 31) That's me. Good afternoon, Senator Gloor, Senator Campbell, and members of the Health and Human Services Committee. My name is Dr. Joann Schaefer, J-o-a-n-n S-c-h-a-e-f-e-r, M.D. I am the Chief Medical Officer and the director of the Division of Public Health in the Department of Health and Human Services. I am here to testify in support of LB237, and I would like to thank Senator Howard for introducing this bill. A prescription drug monitoring program, or in our case a medication alert system, would be a valuable source of information for medical practitioners and pharmacists in identifying patients who misuse prescription drugs or who may be getting similar or conflicting drugs from multiple doctors and are not aware of potential harm. There are four types of prescription drugs most commonly misused, confused, or abused: one, opioids; two, central nervous system depressants; three, stimulants; four, anabolic steroids. These are four types, but there are other drugs that have high potential for abuse. A medication alert system could allow physicians and other prescribers to access patients' information and their prescription profile in close to real time. If an alert system were available, the physician or other prescribers would have immediate information to use for diagnosing and treating a patient or for education and intervening at the time of the patient's visit--in other words, in real time, right there; the patient is with the physician; they're getting ready to prescribe; they have some suspicions, or they want to check, and they have the information right there available to them. Or an alert system that has the ability, the triggers, that can alarm the physician that--or the prescriber that that patient has received multiple prescriptions from other physicians or prescribers in a short period of time. The program would be especially useful for emergency room physicians, who may see patients in the emergency room without knowing about the patient's pharmaceutical history. Information about prescription monitoring program could be invaluable, particularly if the patient is unable or unwilling to disclose their pharmaceutical history. The physician would be able to avoid prescribing a drug that the patient should not be taking because of similar drugs the patient may already be taking--or they're...the potential for abuse. You've already heard we're building this health information exchange in the state, and it's time to think ahead in the future. The traditional prescription drug monitoring program is not

real-time; it's not automatic; and it depends on multiple human interactions to move data in most cases. What we are trying to do is truly cutting-edge in allowing for the most up-to-date information to help prescribers take care of patients and taking the delays and costly programs out of the way so that it's right at the time when the patient is with the physician. As you may have noticed, the fiscal note does not assume any costs to the Department of Health and Human Services to implement this program. The Nebraska Information Technology Commission recently applied for a federal grant of $1.5 million to offset the healthcare provider costs. Unfortunately, Nebraska was not awarded this grant, so adoption will be slowed unless other sources of funding can be identified. I want to assure you that it is not the intent of the department to request general funds now or in the future for this program. I've worked closely with Senator Howard on this bill over the last year; and I can't speak for her, but I believe the intent is for medical purposes only. And that concern has been brought up before--it is not for law enforcement purposes. Access to sensitive medical information will be available through this program and should be limited to medical professionals, on their patients. Any effort to expand access to private medical information beyond the intent of this bill would be especially concerning for the department. But for medical purposes, it is the department's view that establishing a prescription drug monitoring program or alert system would advance public health in Nebraska, increase efficiency, decrease duplication, and support improved patient outcomes. And I just want to take a moment to clarify on the opt-out. I know there's been a lot of concern about opt-out, but I want to put this into some perspective about when we start to change and bring technology into our lives. Right now, today, if we pass this bill--if this bill got out and we started this system...and as you heard, parts of this are already working. The part that doesn't--that requires extra funding is that IT piece that would set up the alerting function; so that physicians would have the alert function set up when multiple prescriptions were going on your patient. That part will take extra funding that we have to go after grants for. And that part is going to be slowed when there's no funding for it. But as NeHII grows and more people are involved in the system, which includes pharmacists--as they all get in, so everyone is part of this network that can track this, over time everyone is going to be involved in NeHII eventually. That's not--that's certainly not... [LB237]

SENATOR GLOOR: Take your time. [LB237]

JOANN SCHAEFER: Sorry. [LB237]

SENATOR GLOOR: No, no. No, no. [LB237]

SENATOR CAMPBELL: Oh, no, take your time. [LB237]

SENATOR GLOOR: Take your time. [LB237]

JOANN SCHAEFER: Oh, okay. Sorry. [LB237]

SENATOR GLOOR: This is important. [LB237]

JOANN SCHAEFER: Okay. [LB237]

SENATOR GLOOR: We want to hear it all. [LB237]

JOANN SCHAEFER: So over time, people are going to be involved in electronic health records; it's just the way of the future. But tomorrow that's not going to happen, and no one is under the delusion that this is going to be the end-all, be-all short monitoring system in quick time. But if we think in the future, tomorrow there are people that are going to be injured that are going to be prescribed narcotics, and a certain percentage of them, predictably, will become addicted. We don't know who they are--they're not bad people; things are going to happen, and over time they're going to become addicted; and they may become doctor shoppers over the next five to ten years. When they are...they already have an electronic medical record; they're going to be in the system over time. And that's what's going to happen over time. In five to ten years, when we have this better system built, people will already be a patient in NeHII that has a record. Yes, are there opportunities for people to opt out at that point? Certainly. But I think it would be a red flag to a physician if someone comes in and they're at that point where they're about ready to check or write or intervene with the pain medication and suddenly someone wants to opt out. I don't think--you know, most of the time we're pretty savvy to that; I've certainly been burned by doctor-shopping patients before in my practice. So I just want to encourage everyone that we're trying to be cutting-edge and visionary. And traditional prescription drug monitoring programs as they are now are not real-time, and they're costly, and they come with bodies and paperwork and data and a lot of stuff that has to be shifted around. And what we're trying to do is have our wave of the future in electronic health records be a part of the solution in how we cope with this and make the point of intervention between the physician and the patient and not between...it's not a law enforcement function; it's not a state health department function. It's between the physician and the patient. So I'll be happy to answer any questions. [LB237]

SENATOR GLOOR: Thank you, Dr. Schaefer. And we know we have a significant piece of legislation when the Chief Medical Officer is here. So we appreciate your taking time. [LB237]

JOANN SCHAEFER: Thank you. [LB237]

SENATOR GLOOR: Any questions for Dr. Schaefer? Thank you. [LB237]

JOANN SCHAEFER: Okay. Great. Thank you. [LB237]

SENATOR GLOOR: And thank you for that additional explanation. Other proponents.

[LB237]

ANNETTE HARMON: (Exhibit 32) Good afternoon, Senator Gloor, Campbell, and members of the Health and Human Services Committee. My name is Annette Harmon, A-n-n-e-t-t-e H-a-r-m-o-n. I'm executive director for the Nebraska Nurses Association. We also would like to go on record as thanking Senator Howard for introduction of this important piece of legislation. I won't reiterate in the testimony the points that have already been made by the previous testifiers. I would just have perhaps one little point of clarification. And that is, we know that there are more than doctors that do prescribe. We've heard the term "providers," "prescribers," so we would just ask that the legislation be slightly tweaked to include the word "providers" or "prescribers" to denote that. And I would be happy to answer any questions. [LB237]

SENATOR GLOOR: Are there any questions? Seeing none, thank you. [LB237]

ANNETTE HARMON: Thank you. [LB237]

SENATOR GLOOR: Any additional proponents? Seeing none, are there any opponents? Anyone who wishes to provide neutral testimony? Senator Howard. [LB237]

SENATOR HOWARD: You know, I want to--I really want to say, while I appreciate the thanks that I've received on this from everyone that has testified, that I didn't do this; it was everyone working together. I wouldn't have known what direction to go. And I can't tell you how much I appreciate having people come to the table and say: We're going to back this; we're going to work with this. And especially, as I've said earlier, Dr. Schaefer, who just has all but held my hand on this, which I deeply appreciate. Prescription drug abuse is the fastest-growing drug problem in America. Many individuals become addicted to prescription drugs, and they cannot see a way out. LB237 gives medical professionals the tools they need to identify patients who may be abusing prescriptions, enabling practitioners to assist patients in moving toward recovery. And as Dr. Schaefer so eloquently pointed out, these are not bad people. These are people who oftentimes through no circumstance or fault of their own--they're involved in an auto accident, they're prescribed this medication, and they become addicted to it. It's very, very powerful. And I want to thank all of the stakeholders again who have worked hard over the past year, year and a half, and who have supported this bill. Their diligence and their commitment to raising issues and to finding solutions to this urgent problem has and will continue to ensure that we have the best possible answer to prescription drug abuse in Nebraska. Now, my LA reminded me that I was given a story on this in the last couple of days; I wish I could remember who told me this. But a doctor--and I believe here in Lincoln--had a patient who came to him and said: I have these problems, and I need this prescription medication. And he said: Are you willing to sign the contract and to sign the release of information so this can be shared? And he wasn't. And the doctor said: I think you'd be better with another doctor.

So there are ways to address the opt-out. Thank you for your time and your attention to LB237. [LB237]

SENATOR GLOOR: Are there any final questions for Senator Howard? [LB237]

SENATOR HOWARD: Okay, thank you. [LB237]

SENATOR GLOOR: Thank you, Senator Howard. I don't believe we have any letters to add to the record. We'll close the hearing on LB237. (See also Exhibit 33.) [LB237]

SENATOR CAMPBELL: Thank you, Senator Gloor, for filling in. It was an exciting experience at Revenue. (Laughter)

SENATOR GLOOR: I'll bet.

SENATOR CAMPBELL: And for my colleagues, while everybody is shifting around, it was on the 10 cent gas tax increase.

SENATOR HOWARD: You're advocating for an increase?

SENATOR CAMPBELL: Yes, I was.

SENATOR HOWARD: Well, I was hoping a cut.

SENATOR CAMPBELL: So it was an interesting afternoon. (Laugh)

SENATOR HOWARD: Did you have naysayers?

SENATOR CAMPBELL: I left quickly, Senator Howard. (Laughter)

SENATOR HOWARD: Ah, wise, a very wise choice.

SENATOR NORDQUIST: That's a good strategy.

SENATOR CAMPBELL: I didn't close. They said...I said I'm going back to Health and Human Services. We will open the hearing this afternoon on LB663, sponsored by Senator Nordquist to provide for a categorical eligibility policy relating to the Supplemental Nutritional Assistance Program, SNAP. [LB663]

SENATOR NORDQUIST: Thank you. [LB663]

SENATOR CAMPBELL: Welcome. First time this year. [LB663]

SENATOR NORDQUIST: (Exhibit 34) Yes, that's right. Thank you, Madam Chair and members of the committee. I am Jeremy Nordquist. I represent District 7, in downtown and south Omaha. I introduced LB663 to reinforce the intent of public assistance programs which I believe is to assist families in a temporary period of need and move them as quickly as possible to sustainable self-sufficiency. Personal savings and assets are exactly what people need to move off of and stay off of public assistance benefits permanently. According to a leading expert on welfare policy in the U.S.,: "Simply put, people think and behave differently when they're accumulating assets and the world responds to them differently as well. With assets, people begin to think in the long-term and pursue long-term goals." In other words, while income feeds people's stomachs, assets change their head. Asset limits in public benefit programs encourage families in temporary need to spend down their assets and discourage them to even accumulate meager savings. I believe poverty is overcome by saving, investment, and asset accumulation, and LB663 would reinforce these public policy goals. The bill takes advantage of an option made available under federal law which allows state eligibility workers to eliminate the asset test in Supplemental Nutrition Assistance Program, or SNAP, thus simplifying and streamlining the administration of the program within the department. The categorical eligibility option allows states to establish a food assistance eligibility based upon their eligibility for noncash program benefits paid for by TANF program funds. Households found to be categorically eligible for food assistance are then not subject to the regular income and resource limits. The USDA has been encouraging states to take advantage of this option to improve stamp operations. Twenty-four other states have done so and eliminated SNAP asset limits entirely. Currently, there is a fairly in-depth screening process for eligibility for SNAP benefits. For households to be eligible for this program, DHHS staff have to evaluate a household's eligibility based on assets, incomes, deductions, employment requirements, and special rules for elderly and disabled. Under current asset limits, households may have no more than $2,000 in countable resources, such as a bank account, or $3,000 if at least one person is 60 or older or is disabled. Certain resources are not counted but rules and regulations are very detailed as far as what's included and what's not, and the regs covering eligibility is about 66 pages long. This administrative simplification in this bill, LB663, is particularly important. At a time when we are implementing ACCESSNebraska and simultaneously proposing cuts to HHS's FTEs in Economic and Family Support division, which is responsible for making the eligibility determinations. The LR542 report explains budget cuts...which explains the budget cuts, states reducing staff in this budget will have an impact on completion...on completion of the function described above that were performed by the staff of determining eligibility for economic assistance programs, including SNAP on that list. It is also important to remember that SNAP benefits are 100 percent federally funded. The administrative portion is a fifty-fifty match. If you look at the fiscal note, it tells us that the reduction of administrative burden necessary to determine...let me see here...the reduction of the administrative burden essentially balances out any increased workload by the additional people who would qualify. So essentially we're breaking even on the administrative side

and we'll be bringing in additional federal...100 percent federal benefits for the new people who are eligible into our state's economy. While this bill eliminates the asset test, it maintains income eligibility, citizenship, residency requirements. Households would still need to be under 133 percent gross income limits, and I've attached a handout for you detailing specifically what those are. I'd like to reiterate that LB663 is not substantially expanding access to the program but, rather, about preventing those in temporary need from spending down their assets and encouraging the development of assets to help move families out of poverty. In a letter to regional USDA administrators, the associate administrator of SNAP within USDA wrote: "In times of rising caseloads and shrinking state budgets, expanded categorical eligibility can benefit states by simplifying policies by reducing the amount of time states must devote to verifying resources and by reducing errors." She closed the letter by saying: "We believe that increasing the number of states that implement broad-based categorical eligibility will benefit families hurt by the economic crisis, promote savings among low-income households, and simplify state policies." This bill will help the department deliver the benefits to those who are really in need who are struggling, it will help put food on their tables, and promote savings and asset accumulation in the long run. Thank you, Madam Chair, and will take any questions. [LB663]

SENATOR CAMPBELL: Questions for Senator Nordquist? Does this mean they don't have to fill out that 30-page application? (Laughter) [LB663]

SENATOR NORDQUIST: I don't know how the department will handle application changes but it will simplify certainly the asset portion. [LB663]

SENATOR CAMPBELL: I just want my colleagues to know that we should all get you an application... [LB663]

SENATOR NORDQUIST: Yeah. (Laugh) [LB663]

SENATOR CAMPBELL: ...to apply for benefits and then have you sit in this room and do it. It is...it was very daunting. [LB663]

SENATOR NORDQUIST: I imagine. And then it's...then you have to do a face to face every 12 months on these for renewal so, yeah. [LB663]

SENATOR CAMPBELL: And I mean I can't imagine if you were struggling... [LB663]

SENATOR NORDQUIST: Yeah. [LB663]

SENATOR CAMPBELL: ...to understand the language and we had some testimony from that under Senator Cook's bill. [LB663]

SENATOR NORDQUIST: I'm sure it's a challenge, yeah, absolutely. [LB663]

SENATOR CAMPBELL: ...but it would be worth, in many cases, to be able to shorten that application for people... [LB663]

SENATOR NORDQUIST: Uh-huh. [LB663]

SENATOR CAMPBELL: ...who just want, you know, are just... [LB663]

SENATOR NORDQUIST: Yeah. [LB663]

SENATOR CAMPBELL: ...applying for that one benefit. [LB663]

SENATOR NORDQUIST: Yeah. Yeah, and (inaudible). [LB663]

SENATOR CAMPBELL: I mean I understand the total, because the department is trying to see all the things that people may be qualified for but, ah jeez, it's daunting. [LB663]

SENATOR NORDQUIST: Yeah. Sure. And then on the back end, you have the staff time having to process that and make those determinations so, yeah. [LB663]

SENATOR CAMPBELL: Yeah. Well, I appreciate that. So much for soapbox theory here. [LB663]

SENATOR NORDQUIST: Yeah, thank you. [LB663]

SENATOR WALLMAN: The Methodist Church actually had a program on that in Beatrice. [LB663]

SENATOR CAMPBELL: Really? [LB663]

SENATOR WALLMAN: And they asked me to do it. It took me a while. [LB663]

SENATOR CAMPBELL: Oh. It does, doesn't it? (Laughter) Any other comments or questions for Senator Nordquist? Will you be staying to close, Senator? [LB663]

SENATOR NORDQUIST: Yeah, I sure will. Thank you, Senator. [LB663]

SENATOR CAMPBELL: Okay. How many in the hearing room wish to testify in favor of the bill? Okay. How many wish to testify in opposition to the bill? Or in a neutral capacity? Aha! We shall go forward with the proponents. Good afternoon. [LB663]

KATE BOLZ: (Exhibits 35, 36) Good afternoon. My name is Kate Bolz, that's B-o-l-z,

and I hope that my Department of Health and Human Services Committee frequent flier miles are being duly noted this afternoon. (Laughter) I am here today in support of LB663, which would streamline asset rules in the Supplemental Nutrition Assistance Program. As you know, SNAP provides aid to low-income families, the elderly, and people with disabilities in meeting their food needs and in pursuing economic self-sufficiency. You may not know that SNAP also provides assistance in education and employment services through the SNAP employment and training program in order to help individuals meet the work requirements that are associated with SNAP. Removal of asset limits from this program will help recipients to leverage these opportunities to build savings and better achieve economic self-sufficiency. This bill will also contribute to the effective administration of the SNAP Program and I would like to discuss two technical aspects of the bill and the ways they will benefit administration and ultimately low-income Nebraskans. First, I would like to take a moment to discuss the current income and asset rules. As Senator Nordquist noted, families must make 130 percent of the poverty level or less, or about $28,000 a year for a family of four. The income requirements will not change under this bill, assuring that assistance is targeted to those who need it. Current asset rules allow $2,000 in resources or $3,000 for those who are elderly or disabled. However, as previously noted, these rules are exceptionally complex and they involve multiple steps. First, information is gathered regarding assets, including but not limited to stocks, bonds, retirement accounts, children's accounts, livestock, and vehicles. Then determinations are made, including: whether or not the assets can be excluded from the limits, such as tools that are used for a person's ability to make a living; determinations are made regarding whether or not the asset is actually available to the applicant--a piece of farmland that is co-owned may be determined inaccessible; and third, whether or not the equity value of an asset exceeds the limit, in other words, is the fair market value of an asset, minus the loan, under the limit. In Nebraska, less than 2 percent of applicants are ineligible because they are over the asset limits. Senators, the question was brought up about the application itself. I have one copy which I'll give to the page and you can take a look at that if you'd like to see it. LB663 would lift these burdensome verification requirements, simplifying the application process for clients, particularly those using the new on-line ACCESSNebraska system. Further, the United States Department of Agriculture lists the administrative advantages of such a change as simplifying policies, reducing the potential for errors, decreasing work for caseworkers, and improving customer service. Second, let me speak briefly to the way in which this change will be made. Nebraska can implement streamlining of asset rules by using a federal option for administration of the SNAP Program called categorical eligibility. This option allows states to simplify eligibility determinations for people in certain categories, such as those with disabilities. By utilizing categorical eligibility, LB663 will simplify eligibility determinations for applicants that have received access to a service funded through the Temporary Assistance to Needy Families Program, or TANF. The TANF-funded service can be applied in a broad and simple way. For example, we can provide all applicants access to a TANF-related service, such as a 1-800 number for a family support hot line, by sharing this information on the

application itself. This would put almost all applicants in a TANF service category and, consequently, allow their eligibility to be determined in a simplified way. In addition, these services would help to achieve the TANF Program goals of providing economic self-sufficiency and family stability program information. To be clear, such applicants must still be deemed eligible on the basis of income, residency, and other requirements. This option, at its core, allows Nebraska to opt out of complex, unnecessary federal rules to better administer our program and serve the needs of our population. LB663 would allow Nebraska to administer our SNAP Program more effectively and in a manner that is aligned with the TANF Program. We urge the committee to advance LB663. [LB663]

SENATOR CAMPBELL: Questions for Ms. Bolz? Ms. Bolz, I have a question here, because you're raising the TANF funds issue. Could we use any of those funds to pay for the system? [LB663]

KATE BOLZ: It's quite possible that there is an activity that we are already doing that would qualify as a triggering service. That would be a final determination of the USDA, but some of the 1-800 numbers that are available to folks who maybe want to access services for domestic violence, that may qualify as an allowable service. The tweak we would have to make is that we would have to make sure that the information about the availability of that service is made available to all SNAP applicants and we can do that simply by adding that to the application. [LB663]

SENATOR CAMPBELL: Okay. Thank you for your testimony. Next proponent? [LB663]

ERICKA SMRCKA: Good afternoon. [LB663]

SENATOR CAMPBELL: Good afternoon. [LB663]

ERICKA SMRCKA: (Exhibit 37) My name is Ericka, E-r-i-c-k-a, and my last name is Smrcka, S-m-r-c-k-a. I am the director of programs and advocacy for the Food Bank of the Heartland, and I'm here today in support of LB663, a bill that will streamline asset rules in the Supplemental Nutrition Assistance Program, SNAP, formerly called food stamps. Food Bank for the Heartland is a Feeding America network member, the largest food bank agency in the United States. Along with the Food Bank of Lincoln, we are responsible for distributing food to more than 150,000 hungry people across the state of Nebraska. In focusing our mission on eliminating hunger, we realize that emergency and episodic food distribution really would not suffice in feeding the hungry in our state and that has brought us to actively become involved in outreach to the thousands of people in the state that are eligible for SNAP yet don't receive the benefit. We currently employ three full-time grant-funded staff whose sole function is to provide information, education, and application assistance around SNAP benefits, and I'd like to tell you a little bit more why we got involved. Food Bank for the Heartland is accountable for food

to 77 counties in the state of Nebraska. We have over 300 partnering agencies, and in 17 counties that we serve we actually have no pantries at all. So our rural agencies many times are serving multiple counties. For instance, in our pantry in McCook, Nebraska, they serve six of their center's surrounding counties, so often a family has to drive 50 or 60 miles to receive a week's worth of food, and that's also dependent on if they even have transportation to get to that pantry. Fran, a woman who runs the pantry, has told us that many times she sees families arriving with two or three families in one vehicle just to receive that week's worth of food. And as gas prices continue to rise, families are going to have to make some tough choices on where they're going to use their limited budgets, and we believe families shouldn't have to make that choice between food and electricity and medical bills. And through SNAP benefits, families can actually access their food through local grocers, lessening the burdens on our pantries as well as supporting their local retailers. In rural counties with limited or no access to charitable organizations, SNAP benefits are just critical to overcoming our hunger issues. With one in six children in the state of Nebraska living in a food-insecure household, the USDA shows that this issue is growing yearly. We know that our agencies that we work with, as I mentioned, 300 of them across the state, do amazing work, but by the sheer size of our state, widely dispersed pantries can't reach every family in need so SNAP benefits are just critical. Through the elimination of asset limits on SNAP, we would open up this benefit to more families. In addition, through categorical eligibility, families would not have to be required to be below that $2,000 or $3,000 requirement or to use up their emergency funds to qualify for assistance. We support the removal of asset limitations for SNAP eligibility because we believe that families deserve opportunities to save and to contribute to their own economic security. One of the reasons that we actually became involved in SNAP is because we believe that families experiencing tough times, we can support them to overcome their challenges and to reach self-sufficiency, and requiring families with hunger issues to deplete all of their resources is really counterproductive to this goal. We at the Food Bank of the Heartland urge your support for LB663 and we applaud your continuing efforts to end hunger in Nebraska. And I personally have to say, Senator Campbell, I applaud your remarks about the application process. It is a very daunting process and we definitely see that as a burden on our efforts, so thank you for those comments. [LB663]

SENATOR CAMPBELL: Thank you for your testimony. And we are looking at the application now. We've got...we're passing it down so... [LB663]

ERICKA SMRCKA: Perfect. Perfect. [LB663]

SENATOR CAMPBELL: Any questions? Thank you for... [LB663]

SENATOR BLOOMFIELD: I do, Senator Campbell. [LB663]

SENATOR CAMPBELL: Oh, sorry, Senator Bloomfield. [LB663]

SENATOR BLOOMFIELD: I don't know if you are in a position to answer it or not. The gross income here I see for a family of two is $18,000. Roughly how many dollars worth of SNAP coupons would that family get if they were at 17,000 and there's two of them? [LB663]

ERICKA SMRCKA: I don't have that information off the top of my head, unfortunately. [LB663]

SENATOR BLOOMFIELD: Okay. Thank you. [LB663]

ERICKA SMRCKA: We have... [LB663]

SENATOR BLOOMFIELD: I'm sure somebody will be able to get it for me. [LB663]

ERICKA SMRCKA: Yeah. As I say, we have three outreach specialists that do amazing work. I'm just not privy to that information off the top of my head. [LB663]

SENATOR BLOOMFIELD: Thank you. [LB663]

SENATOR CAMPBELL: Seeing no other questions, thank you. [LB663]

ERICKA SMRCKA: All right. Thank you. [LB663]

SENATOR CAMPBELL: Next proponent? Next proponent? I know I saw four hands, so I...good afternoon. [LB663]

CHELSEA SALIFOU: (Exhibit 38) Good afternoon. My name is Chelsea Salifou, C-h-e-l-s-e-a S-a-l-i-f-o-u. I am here on behalf of Mission for All Nations. We operate a food pantry in the Omaha metropolitan area. Last year we served over 35,000 clients in need. We saw a tremendous increase as the economy dropped. Our numbers increased by 38 percent. I would like to share some stories from families that have been affected by this asset limitation. The first family I'd like to share with you is Joe and Sue. Joe and Sue are your typical middle-class family. They had a nice house, two cars. Sue only worked part-time. She got to be at home part-time with her children. Joe worked full-time and was the breadwinner. Joe lost his job and it put the family in a crisis situation. Sue went to work full-time by working two part-time jobs. Joe was able to eventually find a job over the course of a couple of weeks. They applied for a loan remodification and, in the process, they weren't sure if they were going to be able to keep their house so they put it up for sale and they were unable to sell their house in the market. They also traded in one of the vehicles that they had a payment on to try to get a vehicle with a lower payment and longer payment periods. At this point, the family was

desperate. Both of them were full-time employed but the income was less than half of what Joe had been making, so the family applied for food stamps and they were denied because they were over the asset limitation. This family is a family who within a year was back on their feet. They were able to get better jobs and be in a better situation, but they had a temporary crisis that they needed help to get through, and because of the asset limitation, they were denied those resources. The second family I would like to share with you is Frank and Rachel and they had a situation where the husband was forced to take a pay cut. The wife did start an in-home day care and they were able to receive food stamps. However, shortly thereafter, the 16-year-old daughter decided to get a job solely to buy a used car for herself. The used car put the family over the asset limitations and they lost their food stamp eligibility. The father was put in a position where he had to choose whether or not to tell his daughter she was able to have a car that she was paying for and the house because it meant that he didn't have access to food resources that he needs. We support LB663 because it's hurting families who are working and trying to get back on their feet. This would allow families, who have built up some assets and just have a temporary crisis, to receive assistance until they're able to get back on their feet. Thank you. [LB663]

SENATOR CAMPBELL: Thank you very much. Are there any questions? Thanks for coming today. [LB663]

CHELSEA SALIFOU: Thank you. [LB663]

SENATOR CAMPBELL: Next proponent? [LB663]

AUBREY MANCUSO: (Exhibit 39) Thank you, Senators. My name is Aubrey Mancuso, A-u-b-r-e-y M-a-n-c-u-s-o, and I'm here on behalf of Voices for Children in Nebraska. I won't take up your time reiterating a lot of the points that have already been made today about this but just to say that we strongly support LB663. Child poverty in this state has been on the rise for the last decade, from 10 percent, now at 15.2, and during this same time period Nebraska parents have maintained strong employment statistics. And savings is one of the ways that we can help families move permanently out of poverty. I'll also add that half of all new SNAP participants leave the program in nine months and they're in a much better situation if they're able to not have to tap into things like an individual retirement account or a college savings account for their child. Attached to my testimony is also a fact sheet on asset limits in the different programs and what's exempt from them, and this illustrates some of the complexity of the limitations. So with that, I'll just urge the committee to advance this bill. [LB663]

SENATOR CAMPBELL: Questions for Ms. Mancuso? Thank you for your testimony and coming today. [LB663]

AUBREY MANCUSO: Thank you. [LB663]

SENATOR CAMPBELL: Any other proponents who wish to testify in favor of the bill? (See also Exhibit 40.) Anyone who wishes to testify in opposition to the bill? Or provide neutral testimony? Seeing no one, Senator Nordquist, would you like to close on your bill? [LB663]

SENATOR NORDQUIST: Thank you, members of the committee, for the hearing today. I look forward to working with you on this issue. Real quick, the amount of the benefit varies by how many people are in the household, how old they are, how much they work, and we can get some more detail on that. But roughly, if you wanted just a ballpark, it tends to be $1 per meal per person per day is what the benefit tends to be, but yeah. [LB663]

SENATOR CAMPBELL: Any other questions that you have for Senator Nordquist? [LB663]

SENATOR NORDQUIST: Great. Thank you. [LB663]

SENATOR CAMPBELL: Seeing no other questions, we will close the public hearing on LB663. That is the final hearing for today. Thank you for coming. [LB663]