[LB265 LB600 LB601 LB646]

The Committee on Health and Human Services met at 1:30 p.m. on Wednesday, March 2, 2011, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB265, LB646, LB600, and LB601. 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: Good afternoon. Want to welcome you to the hearings of the Health and Human Services Committee. I'm Kathy Campbell and I serve as the Chair of the committee and I'm from District 25, which is east Lincoln, and we'll start on my far right. Senator Cook gets to go second.

SENATOR COOK: Oh.

SENATOR CAMPBELL: We don't know were Senator Bloomfield is.

SENATOR COOK: He's a very nice person. I'm sure he's on his way. My name is Tanya Cook. I represent northeast city of Omaha, hey, and Douglas County. Thank you.

SENATOR WALLMAN: My name, Norm Wallman, District 30, which is south Lincoln here to the Kansas border.

SENATOR GLOOR: Mike Gloor. I'm the senator from District 35, which is Grand Island.

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

SENATOR HOWARD: Senator Gwen Howard, District 9 in Omaha. And Bob Krist, who is District 10.

SENATOR CAMPBELL: We try to introduce for everybody, you know, that type of thing. I have been waiting to say this but someday Senator Wallman is going to say I represent south Lincoln and the state of Kansas. (Laughter)

SENATOR WALLMAN: They'd be better off.

SENATOR HOWARD: Annex that area.

SENATOR CAMPBELL: I'm for that, maybe, maybe. We'll go through a few tips and helps for testifying in front of the committee. Please silence your cell phone so you don't...or whatever electronic device you might have with you so that you don't bother your neighbors. Although handouts are not required, if you have a handout we would like 12 copies. And posted outside is where you can obtain extra copies if you need

them or the pages can direct you. We, as a rule, do not make copies for testifiers. We ask that you sign in. If you're going to testify, you need one of the orange sheets. Fill it out, print legibly, bring it up with you and hand it to Diane Johnson, who's the clerk for the committee. And if you just came this afternoon and want to listen but you're supporting one of the bills, you certainly can sign in on the clipboard and indicate--the white sheet--that you're here supporting a particular bill. When you come forward, we would ask that all the materials be given to the clerk right away, that when you sit down you give us your name and spell it so we have it for the recording. And we do run a light system here so we go on five minutes. It will be green for a pretty long time and you'll see them when you come up to testify, and then it goes to yellow but yellow goes really fast, and then it's to red and you'll look up and you'll see me kind of going time. We do this so that all four hearings this afternoon get a good hearing in front of the committee. So with those, we will open the first hearing this afternoon on LB265, Senator Coash's bill to change the Department of Health and Human Services petty cash fund provisions, and Sheila Page, who is Senator Coash's LA, will introduce the bill because he's in front of another committee.

SHEILA PAGE: He is. [LB265]

SENATOR CAMPBELL: So thank you for coming. [LB265]

SHEILA PAGE: Oh, thank you. [LB265]

SENATOR CAMPBELL: We're very kind to LAs here, so thank you for coming, Ms. Page, to introduce and we'll let you go ahead. [LB265]

SHEILA PAGE: Thank you. Good afternoon, Madam Chair and members of the Health and Human Services Committee. For the record, my name is Sheila Page, S-h-e-i-l-a P-a-g-e, legislative aide to Senator Coash of the 27th District in Lincoln, and he is the sponsor of this bill. LB265 increases the amount of money that DHHS may make available in its petty cash funds from $1,000 to $2,000. DHHS child support enforcement offices across the state use petty cash funds to pay for the services of process upon alleged obligors in Nebraska or other states. This involves actual services, not simply mailings, and the fees for these services have increased over the years. Nebraska sheriffs' fees are approximately $25 to $50 per case; however, these fees can be higher and vary greatly among other states. For example, if DHHS needs to serve an obligor in Texas that fee is a flat rate of $75 even if the service is unsuccessful. The average child support enforcement office in Nebraska may process 30 to 40 cases per month that require a service fee. If the available petty cash funds were depleted before replenishment funds arrived, there would be a delay in establishing orders and getting support funds to families and children. Increasing the amount of money that DHHS is authorized to make available allows child support to be collected sooner rather than the child support offices having to wait for services of process funds to become

available. To be clear, this bill does not increase funds to DHHS; rather, it increases the limit on how much money they may have in their petty cash fund at a given time. And I'm happy to attempt to answer questions but I think they would be better answered by Director Reckling, who is going to follow me. [LB265]

SENATOR CAMPBELL: Absolutely. Seeing no questions come forward, will you be staying to close? [LB265]

SHEILA PAGE: No, waive closing. [LB265]

SENATOR CAMPBELL: Okay. Thank you... [LB265]

SHEILA PAGE: Thank you. [LB265]

SENATOR CAMPBELL: ...very much, Ms. Page, for coming and opening. Those who wish to testify in favor of this bill? Good afternoon. [LB265]

TODD RECKLING: (Exhibit 1) Good afternoon, Senator Campbell and members of the Health and Human Services Committee. My name is Todd Reckling, R-e-c-k-l-i-n-g, and I'm the Director for the Division of Children and Family Services within Health and Human Services. I'd certainly like to thank Senator Coash for introducing LB265 and I'm here to testify in support. This bill, as mentioned, would amend Nebraska Revised Statute 81-3120 to increase the child support enforcement petty cash fund from $1,000 to $2,000. This amount has not been increased since 2007. Child support enforcement offices use this petty cash fund to pay for service of process in Nebraska as well as other states. Sheriff service fees in Nebraska cost about $25 to $50 per case for us. Many states require a flat fee that is nonrefundable regardless if the service is made or just attempted. For example, Texas requires a $75 flat fee that is nonrefundable whether service was successful or not. Arizona requires a $200 deposit before the paperwork is accepted; however, Arizona will refund the unused fee amount. Child support enforcement offices attempt service in Texas and Arizona on a frequent basis. The average child support enforcement office may process 30 to 40 cases per month that require such a service fee. If for some reason our fund went to zero before replenishment funds arrived, there could be a delay in establishing orders for getting child support funds to children and families. Service fees have increased over the years in Nebraska and across the country; however, the petty cash fund has not been increased to meet the growing service needs. This proposal addresses an efficiency issue in that the waiting time to move forward on a child support case would be reduced. This change does not add to the total funds expended. Instead, it just limits the potential number of times that no funds are available for service of process. It is a matter of having adequate funds available on a continuous basis so that service on the obligor parent can be pursued. The sooner the case can be processed, filed and served, the sooner the child support issue can be addressed. On average, it normally

takes one to one and a half weeks to replenish an account after the request is made to the Department of Administrative Services. I'd be happy to answer any questions that the committee may have. Thank you. [LB265]

SENATOR CAMPBELL: Questions for Director Reckling? Senator Howard. [LB265]

SENATOR HOWARD: Thank you. Thank you, Madam Chairwoman. Just so I completely understand, this isn't a new allocation of money; it's just making this money available for this purpose. Is that... [LB265]

TODD RECKLING: There is no more money, as you mention. This is basically a cash flow issue for us right now. In statute, we're limited to maintain a $1,000 cap right now, and so we're asking to go from a $1,000 cap, this bill would take it to the $2,000 cap, but we would not expend any additional funds. [LB265]

SENATOR HOWARD: Where does this money...where is it right now, before you begin...where is it, some place? (Laugh) [LB265]

TODD RECKLING: Yeah. Like we have different like kind of the main offices that serve and would use this fund are like in Fremont, Norfolk, and Hastings where we have the state child support enforcement workers enforcing this, so it's an account within Health and Human Services under our child support area. And then in other state...or, excuse me, in other areas of the state, it's actually these kind of actions are processed through the county attorney's office. [LB265]

SENATOR HOWARD: Right. But the additional $1,000, where would that...you want to move that from some place to this fund, where is it currently? [LB265]

TODD RECKLING: It would be through our main child support enforcement budget. [LB265]

SENATOR HOWARD: Okay. It's just not accessible for this purpose. [LB265]

TODD RECKLING: Yeah, I can only, again, I'm limited to keeping a $1,000 limit in that petty cash fund. [LB265]

SENATOR HOWARD: Okay. [LB265]

SENATOR CAMPBELL: Any other questions of the Director? Thank you very much for coming. [LB265]

TODD RECKLING: Thank you. [LB265]

SENATOR CAMPBELL: Other proponents for LB265? Anyone who wishes to testify in opposition to LB265? Anyone in a neutral position? And Senator Coash's office has waived closing so we will close the public hearing to LB265 and proceed to the next bill on our list. I don't see Senator Christensen, though, or his aide. We're going to call so you can just visit among yourselves for a minute and we'll try to call that office. [LB265]

BREAK

SENATOR CAMPBELL: How many in the hearing room are here for LB646? Ah, okay. There he is. Senator, we're glad to find you. And you have testifiers here too. We will open the public hearing on LB646, Senator Christensen's bill to redefine emergency medical service. Welcome. Thanks. I'm going to let you go ahead and open. [LB646]

SENATOR CHRISTENSEN: Thank you, Madam Chair and members of the Health and Human Committee. I'm Senator Mark Christensen, C-h-r-i-s-t-e-n-s-e-n, represent the 44th Legislative District. LB646 redefines emergency medical service. Nebraska statute Section 38-1207 currently defines emergency medical service as an organization responding to a perceived individual's "need for immediate medical care in order to prevent loss of life or aggravation of physiological or psychological illness or injury." LB646 removes the word "immediate," which would allow an emergency medical service to provide the same medical services in a nonemergency setting on a scheduled or on-call basis. This change would not alter the scope of practice for the level the service is licensed at; it would continue to require that the service and its employees operate under the supervision of a physician medical director and the Nebraska Emergency Medical Services Board, as currently defined in related statutes. In addition, this change would allow an emergency medical service to provide education and follow-up patient care in a nonemergency or nonhospital setting, helping to increase access to care and to lower costs to both patient and medical providers. This is especially critical to rural and underserved areas of the state, such as portions of District 44 which I represent. Moreover, I believe this provides more options, flexibility, and convenience for Nebraskans in these areas to obtain certain medical services. This bill was brought to me by Tom Townsend, who is a volunteer paramedic with the Irvington Volunteer Fire Department. He has worked hard to meet with all interested parties to explain what he and his supporters are trying to achieve through this legislation. He and others will follow me and be able to answer questions of specific questions regarding this bill. Thanks for your consideration of LB646, and I urge its advancement. [LB646]

SENATOR CAMPBELL: Questions for Senator Christensen? There are no questions. Will you be here for closing, Senator Christensen? [LB646]

SENATOR CHRISTENSEN: Yeah. [LB646]

SENATOR CAMPBELL: Okay. Thank you. Okay, the first proponent for LB646. Good

afternoon. [LB646]

TOM TOWNSEND: (Exhibit 2) Good afternoon, Senators. My name is Tom Townsend, that's T-o-m T-o-w-n-s-e-n-d. I'd like to thank Senator Campbell and the other members of the committee, and also would like to thank Senator Christensen for introducing this bill. As he stated, I'm a volunteer paramedic with the Irvington Volunteer Fire Department, which is located in northwest Douglas County near Omaha. I've been with the department for 38 years. I first received my EMT certificate in 1973 and became a paramedic in 1984. Based on my years of experience in prehospital EMS, I applaud what this change will mean to our profession, both paid and volunteer. To a greater extent, I'm excited for what this cleanup to the statute might mean for the citizens of Nebraska. As you know, the current Nebraska statute defines an emergency medical service as an organization that responds to an immediate need. While this definition fits what most rescue squads, volunteer and paid fire departments, and private ambulance companies do on a daily basis, there is much more that actually goes on in the EMS field across the communities of Nebraska. Every day in Nebraska private ambulance companies respond to nonemergency calls. They do nursing home transfers, hospital-to-hospital transfers, transport patients for dialysis, and a whole myriad of other transport services. In addition, EMTs and paramedics provide standby services for sporting events, concerts, community events, fairs and, yes, even Nebraska football games on Saturdays. From a 911 perspective, a large percentage of the calls we respond to turn out to be nonemergent. Statistics from across the country substantiate this. You could simply Google "percentage of EMS 911 calls that are not an emergency" and see that anywhere between 20 and 50 percent of all calls are really nonemergent or don't require immediate attention. All over Nebraska, volunteer EMS departments are struggling to recruit, train, and retain volunteers. If you would query many of those departments, one main reason you might hear is that there's simply nothing for people to do unless they are responding to an emergency run. So younger people migrate to more urban areas for jobs and activity, while the older members start to lose interest or are unable to keep up their licenses. Imagine a community that has limited access to any other form of healthcare or where healthcare is more than an hour away. If paramedics or EMTs could have the ability to respond to calls in their community for nonemergency situations, some of the benefits might include a quicker assessment of potential 911 patients. If EMTs or paramedics in a community were allowed to schedule periodic visits and do a quick assessment of a patient, time, lives, and money could be saved. During these sorts of visits, a determination could also be made that the person might need more long-term care, need home healthcare or VNA services. If that determination were made, the appropriate referrals to other agencies could be made for follow-up. If EMTs and paramedics were covered under statute and allowed to schedule periodic visits, there's a potential to lower long-term healthcare costs by possibly recognizing injuries and other medical conditions earlier or before they become an emergency. Imagine paying a nonemergency visit to a home, recognizing that a person with respiratory problems is suddenly gaining weight. One call to their physician could

result in a medication dose change and possibly prevent a trip to the ER for that patient. Allowing an EMT or a paramedic to schedule visits as opposed to responding to a 911 call might also create a service and jobs for people in those underserved communities who are looking for opportunities. The benefit here is twofold: create jobs and keep trained people close to home to help with real emergencies. The purpose of this proposed statute change is to close the existing loophole that technically prohibits EMTs and paramedics from performing the skills and offering the services they are trained to do unless responding to a 911 call. This change will still require that they only act within their scope of practice. They can only provide the skills that they are trained to provide and they will still be under the supervision of a physician medical director, as defined in the rules and regs, and they will still be under the supervision of the EMS Board. They will simply be allowed to respond to those cases that are not considered immediate. I would encourage the committee to pass this change on as soon as possible. Thank you. And I'd be happy to try and answer any questions. [LB646]

SENATOR CAMPBELL: Thank you, Mr. Townsend. Questions from the senators? Senator Gloor. [LB646]

SENATOR GLOOR: Thank you, Senator Campbell. Thanks for your testimony, Mr. Townsend. How is this going to be paid for? I mean is this seen as an allowable charge by an EMS organization, by an ambulance? [LB646]

TOM TOWNSEND: Yeah. Yeah, at the current time it is not. It would be private pay. There are things within the Legislature in the federal and other states that are surrounding us. They're trying to advance the possibility of getting some of these services covered under Medicare and Medicaid, but at this point it would be private pay. [LB646]

SENATOR GLOOR: Private pay or charity care, I mean how would a city- or county-supported EMS program differentiate between people who could pay and people who got used to calling EMS for routine blood pressure checks and made those calls every other day and expected somebody to stop by? I'm trying to deal with the reality... [LB646]

TOM TOWNSEND: Yeah. [LB646]

SENATOR GLOOR: ...of people's expectations versus what the intent might be to make,... [LB646]

TOM TOWNSEND: Sure. [LB646]

SENATOR GLOOR: ...you know, be very discriminating. You may be; people who get used to the service may not be very discriminating. [LB646]

TOM TOWNSEND: Right. This change does not allow or require EMS departments all over the state to do anything more than they do today. We respond, as a volunteer, we respond to nonemergent calls all the time. Once we...if we go to a situation where we are going to somebody's house, you know, three times this week and three times next week and three times the week before, we start to recognize that there's another issue going on here and we often refer them or try to get referral to social services and to the other agencies. So this does not require...what we think it will do is immediately, if there were services that would be private pay in some of the communities, it would get people a different option to call if they didn't feel that they were, you know, in an emergency situation. We don't want to suggest that they don't call 911 and, as calling 911, we respond whenever we're called so it doesn't...I don't think it changes things there. [LB646]

SENATOR GLOOR: Would there be a different number that people would call? [LB646]

TOM TOWNSEND: No. Well, yes, if there were, for instance, if there were a community that had a group of people who were trying to set up and could do these sorts of things, they could market that they have...here's somebody you can call if you don't really have a 911 type of call, yeah. [LB646]

SENATOR GLOOR: Okay. [LB646]

TOM TOWNSEND: But we're not suggesting that they change 911 or anything. [LB646]

SENATOR GLOOR: Have other states done this sort of thing? [LB646]

TOM TOWNSEND: Yeah, actually Iowa passed a law six years ago allowing this and there's not a service doing it yet. Minnesota is very active in doing things along this sort of line. Colorado has had some pilots going. New Mexico had some things and a few other states around the Union as well. [LB646]

SENATOR GLOOR: Okay. Thank you. [LB646]

TOM TOWNSEND: You bet. You're welcome. [LB646]

SENATOR CAMPBELL: Other questions? Senator Cook. [LB646]

SENATOR COOK: Thank you, Madam Chair. Mr. Townsend, are you a firefighter as well or an EMT? [LB646]

TOM TOWNSEND: Yes, volunteer firefighter/paramedic, uh-huh. [LB646]

SENATOR COOK: Okay. Well, the Irvington Volunteer Fire Department put our house out. It was on fire in October of 1981. (Laugh) [LB646]

TOM TOWNSEND: I hope we did a good job. [LB646]

SENATOR COOK: Well, you did. (Laugh) There was no damage to the structure. We rebuilt and moved back in, so thank you. [LB646]

TOM TOWNSEND: You're welcome. Oh, that wasn't a question. That was...thank you for that. [LB646]

SENATOR COOK: That was a shout-out to the Irvington Volunteer Fire Department. [LB646]

SENATOR CAMPBELL: Mr. Townsend, one of my questions, I mean, I understand that you all are a pretty contained unit in your community. I mean you all know each other. In larger communities where you may not be the same people that would always be on call, do you think the system would still work in a Grand Island or Norfolk or Kearney, Columbus, Lincoln, Omaha? [LB646]

TOM TOWNSEND: We think...our opinion is that it will work very well because smaller communities I think will especially take advantage because people...a lot of times people delay calling 911 because they don't think they have a problem or they don't want, you know, a fire truck showing up in their front yard. But if they have somebody that they know they can call or a service they can call, I think it will help in those situations. In the communities where we don't know everybody, and Irvington is one of those, we have a small community but we're very, you know, we're a bigger metropolitan area, so I just think it offers another option for people when it comes to those situations. [LB646]

SENATOR CAMPBELL: Thank you. Any other questions? Senator Wallman. [LB646]

SENATOR WALLMAN: Thank you. Thank you, Chairman Campbell. And your funding is...do you have any trouble with funding for your vehicles or... [LB646]

TOM TOWNSEND: In our current volunteer fire department? [LB646]

SENATOR WALLMAN: Yeah. [LB646]

TOM TOWNSEND: No, we do not. We are supported by a taxing authority in the district right now. So there's no issues there. [LB646]

SENATOR WALLMAN: Thank you. [LB646]

SENATOR CAMPBELL: Thank you, Mr. Townsend, for coming today. [LB646]

TOM TOWNSEND: Thank you. Thank you for your time. [LB646]

SENATOR CAMPBELL: Next proponent? Welcome. [LB646]

JOSEPH STOTHERT: Hello there. My name is Dr. Joseph Stothert, S-t-o-t-h-e-r-t. In going along with what we've just been talking about, I am one of those physician medical directors that run one of these EMS services. I happen to be in charge of the Omaha Fire Department, which is the largest EMS service in the state of Nebraska. We have EMTs, approximately 650 of them, and over 200 paramedics that provide emergency medical care in the streets to the citizens of Omaha. It's interesting, before I was approached about this bill, I had assumed that the medics could go to nonemergency calls because that's approximately 80 to 90 percent of the calls that we go on. We classify calls based on codes, Code 1, 2, and 3, 3 being the most critical, the ones that actually need help, and that's a very small number of the percent of the calls that we go on. Similarly, I'm sure that all of the EMTs and paramedics in this room would agree that frequently they are at health fairs, they're taking blood pressures, they're telling people they ought to go see their doctor on a regular basis because they've been trained to do that sort of thing. What this bill is actually doing is just corroborating what EMS and EMTs and EMT-Ps are actually doing in the state of Nebraska. You're absolutely right, there is no code to charge for these services at this point in time, but the hope would be in the future this huge manpower source that currently is being underutilized could be utilized in home healthcare and home visits in the future. This is especially and will be especially helpful for the small communities in the state of Nebraska. There's a very big problem with all of the EMS volunteer services in the state of Nebraska, in rural Nebraska drying up and blowing away, and it's because we can't support the infrastructure. It's difficult for them to get a job doing this. And the Department of Health and Human Services, as you well know, has been actively working towards helping out in those areas, tiered response, allowing paramedics to work in hospitals. That was passed several years ago. This is just an extension of that, allowing other services to be performed by these vital healthcare personnel that are out there, which hopefully will allow them to stay in the small communities and the larger communities to better the health of our citizens. I'd like to thank you very much for the honor of being able to talk to you, and I'm happy to answer any medical questions that you might ask. [LB646]

SENATOR CAMPBELL: Any questions from the senators? Senator Krist. [LB646]

SENATOR KRIST: Thank you, Dr. Stothert. Give me a real-live example of what this would do in the Omaha area with some of our EMSs that are maybe on duty or off duty? Where do you see this going? [LB646]

JOSEPH STOTHERT: Well, what I actually foresee for the future, not only in Omaha but other communities, is that this can become a community resource where people can get healthcare information and be checked out in a relatively inexpensive fashion and then prevent some of these really expensive calls from occurring. It's been estimated that every time an ambulance rolls in Nebraska, it's costing somebody $200 to $500, and if it's an emergency, a real emergency, it's a lot more than that. So this is not an inexpensive proposition to have people going on routine calls and ending up with these fairly large bills. So I think this can actually charge the citizens less if the resource is utilized and it's something, you're right, that's absolutely going to have to be publicized, maybe go to another 11 number. Other states have done that. If you have a medical that's not such an emergency but you feel you need to be seen, call 511 and we'll have somebody come and see you or you can come and see somebody. That sort of thing can be very helpful to a community and it's already going on, as I said, in some of our smaller communities and I'm hopeful someday we can do that sort of system in Omaha and the larger cities in Nebraska. [LB646]

SENATOR KRIST: Do you see a potential for, I don't know, firefighters, EMS going to some of the public schools or the school system and potentially doing flu shots or things like that? [LB646]

JOSEPH STOTHERT: Well, we already do. We help out with the shots. We teach CPR. We do a lot of the things that are most helpful to the citizens and this helps allow that to happen, I guess legally, even though it's already ongoing. [LB646]

SENATOR KRIST: I guess that was my point because I'm aware that it's happening in Omaha and I'm aware that our own fire department is doing that, but we're actually talking about legalizing... [LB646]

JOSEPH STOTHERT: Yeah. (Laugh) [LB646]

SENATOR KRIST: ...their efforts. Isn't that true? [LB646]

JOSEPH STOTHERT: Absolutely. Yes. [LB646]

SENATOR KRIST: Okay. Thank you very much. [LB646]

SENATOR CAMPBELL: Any other questions? [LB646]

JOSEPH STOTHERT: And they're doing that under my license, I might add so... [LB646]

SENATOR KRIST: God love you. [LB646]

JOSEPH STOTHERT: ...I'd prefer that they did what was legal. (Laughter) [LB646]

SENATOR CAMPBELL: Dr. Stothert, it's almost like you're a mobile clinic. I mean with that...we are...in the Omaha area I know we've done some real essentially good work in behavioral health with a mobile unit that goes, but you're almost describing a medical mobile unit, that clinic like that's going to help people where they need it,... [LB646]

JOSEPH STOTHERT: Yes. [LB646]

SENATOR CAMPBELL: ...not just in an emergency. [LB646]

JOSEPH STOTHERT: And again the fire stations that are strategically placed around all our major metropolitan areas, we get walk-in people all the time that want to be checked for their blood pressure and want to see what their blood sugar is, you know. They never get charged for any of that stuff. The interesting thing is this is being brought up by EMTs to help the community and they haven't even worried about the charges. That maybe can be something we'll work on in the future, but right now we're doing this to better the communities across the state of Nebraska. [LB646]

SENATOR CAMPBELL: It's perhaps because the senators are so preoccupied with money these days that... (Laughter) [LB646]

JOSEPH STOTHERT: Well, everybody is I think. [LB646]

SENATOR CAMPBELL: ...with our budget. Any other questions or comments? Thank you, Doctor, for coming to visit with us today. [LB646]

JOSEPH STOTHERT: Okay. Thank you. [LB646]

SENATOR CAMPBELL: Other proponents? Good afternoon. [LB646]

WILLIAM RAYNOVICH: (Exhibit 3) Good afternoon. Senator Campbell, thank you. Thank Senator Christensen, too, for introducing this legislation. My name is William Raynovich, R-a-y-n-o-v-i-c-h. I'm a paramedic with 44 years experience. Been a resident in Nebraska for 6.5 years and I'm an associate professor of EMS education at Creighton University. I'm here just representing myself, uncompensated, in support of this legislative bill, LB646, to remove the word "immediate" from the legislation describing EMS. My written testimony is going to just repeat a lot of what has been described so accurately by Senator Christensen, in his opening statement, and Tom Townsend and Dr. Stothert. So let's just say that the practice of EMS as it is today is not accurately described by the legislation and informally, and has been described without strict oversight, regulations, or guidelines, is being practiced on a routine basis. By

removing this word, you allow for refined regulation, description, scope of practice, better description of what all of EMS is really about. Now my background comes from 15 years, in my 44 years of EMS, but 15 years of involvement in these types of expansion projects in other areas. Scholarly research in this area is still going on, federally funded right now. Working as a curriculum chair for this with a national committee with partners in the Mayo Clinic in Minnesota, the state of Colorado, the state of New Mexico, with an international group that's taking place with numerous countries around the world, all doing very similar pilot projects with this, the results are very consistent. And what this is all about is to make patient care safer; to make access to care more readily accessible to underserved areas, whether urban, rural, frontier; to reduce the cost of care; to improve education. And while all that sounds very idealistic, that's very real because that word in the Nebraska regulation puts a barrier to actually making that happen formally. And as the others said, it is happening every day and in my 44 years of EMS, have been practicing that way for 44 years. But every time we do something that is to take that patient's blood pressure, not even a patient, it's just somebody who says can you take my blood pressure, can you answer a question, can you tell me what the best decision might be, and I can tell you that I'm outside the operating zone of my license and putting my career at risk just by doing that. So this will make it possible to help improve emergency medical services and do all the other good things that the others have said. I thank you for considering this legislation and the honor of giving me the chance to come here and speak to you. I'll answer any questions you might have or try to answer any questions you might have. [LB646]

SENATOR CAMPBELL: Senator Gloor. [LB646]

SENATOR GLOOR: Thank you, Senator Campbell. Mr. Raynovich, you pointed out a number of other states are looking at this,... [LB646]

WILLIAM RAYNOVICH: Yes, sir. [LB646]

SENATOR GLOOR: ...as did Mr. Townsend, but those are all pilots. We're talking about making a change in statute and jumping in with both feet. [LB646]

WILLIAM RAYNOVICH: Yes, sir. [LB646]

SENATOR GLOOR: Why are we comfortable making a leap that other states seem to be putting their toes in and testing the water first? [LB646]

WILLIAM RAYNOVICH: Yes. You're doing so concurrently. Minnesota has already introduced that legislation and taken a step to do that and has reimbursement. Colorado has that legislation introduced and is doing that currently. New Mexico had taken that step before, as has the state of Oregon, and these pilots have taken place elsewhere. But it is just a concurrent trend that has come and what has taken place before this

were all demonstration pilot projects, almost all federally funded, some funded by third-party payers, the insurance HMOs and so forth looking for ways to decrease costs and improve enhanced care and so forth. We all know where healthcare is going and increased costs are going. This is just keeping up with the tempo of what is happening nationally if not internationally. [LB646]

SENATOR GLOOR: Here's my concern,... [LB646]

WILLIAM RAYNOVICH: Yes, sir. [LB646]

SENATOR GLOOR: ...and it comes from a lifetime of being in the provider community... [LB646]

WILLIAM RAYNOVICH: Yes, sir. [LB646]

SENATOR GLOOR: ...and that is there are and have been a lot of efforts to increase the number of providers because with another level of providers it will lower the cost. But what unfortunately ends up happening is everybody takes a piece of a shrinking pie. [LB646]

WILLIAM RAYNOVICH: Yes. [LB646]

SENATOR GLOOR: The scenario being that somebody has their blood pressure checked on a regular basis, good thing, community service thing at some point in time, but clearly it would be the best arrangement if Medicare, Medicaid, private insurers paid for that service. Then what happens is not only do they see somebody for their blood pressure checks, ultimately, because of the blood pressure being a little high, they get referred in to see a physician... [LB646]

WILLIAM RAYNOVICH: Yes. [LB646]

SENATOR GLOOR: ...and more frequently than they normally do. Now sometimes that's a good thing; sometimes it ends up being a redundant thing. And it seems like with all of these efforts to have PAs, nurse practitioners, physicians, and subspecialities within physician networks, we all seem to get more healthcare but not less costly healthcare. And so I understand the access piece and that's an admirable thing. I sometimes worry though that all we're doing is adding one more layer of cost as opposed to a focus on nipping what otherwise could be a stroke patient or a heart (inaudible). Do you understand where I'm coming from, that... [LB646]

WILLIAM RAYNOVICH: I understand your statement and if you would like me to assume the question, I'll be happy to correct your statement. [LB646]

SENATOR GLOOR: Sure. Good. [LB646]

WILLIAM RAYNOVICH: Okay. [LB646]

SENATOR GLOOR: You can help me. [LB646]

WILLIAM RAYNOVICH: Yes. You are absolutely right, if all we were talking about was introducing another level of provider, then that would not be a cost-effective way to go. It wouldn't solve an existing problem. I think that Dr. Stothert and Tom really describe it well by saying you have people that are there, that are already responding to houses and homes in communities, that already know these communities, that already know the healthcare system, and by law now are very restricted by what they can do, which is only deliver somebody to a 24/7 community access hospital at the minimum, and that's the only acceptable outcome, on an immediate basis. What this would do, if we do put this system in place--and it has been demonstrated, I would encourage you to take a look at the evidence that really is out there--that this provider that is already there, already involved in the community in places where there are gaps is then able to help fill that gap with an access to service, providing clinical services and a certain amount of education. They are not practicing independently. This is not intended to be a hang a shingle and go out as an independent practitioner. They're still very much working under that license of a physician, as Dr. Stothert's people are working under his license. And they then consult with the physician, have very strict guidelines, have very strict regulatory oversight, and in what they can do is very clearly defined. But what has happened is they have actually, without any doubt whatsoever, absolutely clearly been shown to reduce unnecessary visits to emergency departments and emergency clinics, where the unnecessary trips are reduced and people are able to get better consultative services and more efficient referrals and even palliative care, we say care just to make people feel better at home. And we've been doing that. For my 44 years we've been doing it. We've just been doing it under the radar of legality and we're just asking for the removal of that word. [LB646]

SENATOR GLOOR: Okay. [LB646]

WILLIAM RAYNOVICH: It will not change the actual practice. [LB646]

SENATOR CAMPBELL: Other questions? Sir, this question is probably quick on my mind because we had a briefing last week on the LB407 process in which we look at scope of practice, and I'm sure you're very aware of that. [LB646]

WILLIAM RAYNOVICH: Yes. [LB646]

SENATOR CAMPBELL: Is this a situation that would benefit from going through a LB407 process? [LB646]

WILLIAM RAYNOVICH: I believe there is a LB407 process already underway addressing scope of practice issues, and I maybe sound like I'm hedging there. It's more than just guessing. There is a LB407 scope of practice issue underway and that dialogue and the concerns you have with that are very, very much worthy of your consideration. From that statement, as I said, I would readdress your statement, I think that has to be considered. It's just with this particular legislative change the law simply does not correctly describe EMS and what it does, and you have every emergency responder and every agency, every agency in the state operating, at one time or another if not most of the time, outside the letter and spirit of the law. This will correct that and, in fact, that then LB407 can move forward rationally with the dialogue that should be there on...with the dialogue that should actually be there on the table to discuss whether that's a good or bad thing and how that should be. Then the issues become one, if I may, of appropriate regulatory oversight, appropriate levels of education, and does that change in scope of practice actually make sense, and I join you in that concern. I'd join you to say we'll be back to have that conversation and I think that's a very, very significant conversation that would have to take place. [LB646]

SENATOR CAMPBELL: And in some occasions where we've looked at the LB407 process or utilized it, we have gone through that process to advise the committee and then clearly to revise the statutes,... [LB646]

WILLIAM RAYNOVICH: Yes. [LB646]

SENATOR CAMPBELL: ...so it put legislation in. So sometimes the process is the opposite of what you've described here... [LB646]

WILLIAM RAYNOVICH: Correct. [LB646]

SENATOR CAMPBELL: ...where we've gone through that and then written the legislation. [LB646]

WILLIAM RAYNOVICH: As I would quote, and I do this...I've presented at three national and international conferences this year, this year, and I always end it with the same quote. One of the pioneers of modern-day EMS that has paramedics here today, the real inventor, if you would try to find a root person, said they went out and in Nebraska we did that. We...I wasn't here at the time. Nebraska did this. They trained paramedics in the first paramedic training programs, hundreds before it ever became enacted by law and was allowed to happen. And what this pioneer said back in those days were you have to go out and do it and let the law catch up with you. So you're right, that is the way it often happens. In this case, Nebraska is really doing it the right way and that regulatory LB407 process is underway. This change is one that I would just please implore you do consider making this change because right now it is a change that would

better describe EMS as it's actually being practiced. And, Senator Krist, I'm sorry, I saw you had something (inaudible). [LB646]

SENATOR KRIST: No. I need to be recognized by her before I talk to you. [LB646]

WILLIAM RAYNOVICH: Oh, okay. I apologize. [LB646]

SENATOR CAMPBELL: He's trying to get my attention. [LB646]

WILLIAM RAYNOVICH: He can take the gavel back (inaudible), Senator Campbell. [LB646]

SENATOR CAMPBELL: He's trying to get my... [LB646]

SENATOR KRIST: But you can tell her I've got my hand up for me, if you would. (Laughter) [LB646]

SENATOR CAMPBELL: Senator Krist. [LB646]

WILLIAM RAYNOVICH: I'm an educator. It's hard for me to be in the room and not be the... [LB646]

SENATOR CAMPBELL: Not a problem. Not a problem, absolutely. [LB646]

SENATOR KRIST: Just as I kind of asked Dr. Stothert a question to make sure that we all understood that we were doing this and we needed to catch up, I will ask you. If you could draw a line in the sand in your 40 years, when did we stop being a guy on a truck with a tourniquet and start becoming a healthcare provider? When was that? [LB646]

WILLIAM RAYNOVICH: Right. There isn't an absolutely clear line. So when I tell you about my 44 years, my 44 years began over the line, because I was a Navy hospital corpsman and a Marine Corps field medic back in those days of the '60s. So let's not talk about that too much. So I came into it from the other end and stepped into EMS simply because I wanted to go to college and knew that EMS people could sleep at night and study when they weren't on calls. So I came the other way around to it. There isn't...if you...the honest answer to your question is the EMS Act of 1973 really codified modern-day EMS as we know it today. Now that's a misnamed act, too, because it was 1973, Nixon vetoed it and Jerry Ford then President Ford went ahead and passed it, so a Nebraska native. [LB646]

SENATOR KRIST: Thanks for your service. I flew rescue helicopters for several years with guys called PJs. [LB646]

WILLIAM RAYNOVICH: Ah, yes. [LB646]

SENATOR KRIST: And they were able to keep life sustained on a 1-to-4 ratio, 1-to-5 ratio. [LB646]

WILLIAM RAYNOVICH: Yes. [LB646]

SENATOR KRIST: Thanks for your service. [LB646]

WILLIAM RAYNOVICH: Well, thank you very much. And if you were with the PJs then God bless you for what you did too. [LB646]

SENATOR KRIST: (Laugh) Keeping them straight you mean? (Laughter) [LB646]

WILLIAM RAYNOVICH: (Laugh) Yeah, you tried. [LB646]

SENATOR CAMPBELL: Any other questions? Thank you, sir, for coming today. [LB646]

WILLIAM RAYNOVICH: Thank you, ma'am. Thank all you, Senators. Appreciate that. [LB646]

SENATOR CAMPBELL: Next proponent. [LB646]

BRUCE BEINS: Good afternoon, Senators. [LB646]

SENATOR CAMPBELL: Good afternoon. [LB646]

BRUCE BEINS: My name is Bruce Beins, that's B-r-u-c-e B-e-i-n-s, and I'm here representing the Nebraska Emergency Medical Services Association, which represents the EMTs, paramedics, first responders in Nebraska. I've got a lot of other experience. I served ten years on the state Board of EMS, including four years as its chair. I've also served about 13 years now on a hospital board, a board of trustees for Harlan County Health System, the last several as its chair, and I want to talk to you from the opposite end of what Dr. Stothert talked to you. I want to talk to you from the frontier. I used to think we were rural, but then I find out that there's towns that are within ten miles of, you know, 250,000 population that consider themselves rural, so we're frontier. It's 60 miles to the closest Walmart, if that kind of gives you an idea. So my small volunteer rescue service is Republican City rescue service and, of course, Harlan County Health System is a critical access hospital. We have a terrible time, number one, keeping a primary care physician in our county let alone in our hospital. We have a hard time recruiting PAs. We always have our ad out to hire nurses because in these medically underserved, frontier areas, it is very difficult for us to recruit those professionals. That probably won't change in my lifetime. I mean looking at statistics and the shortage in

these providers, it's going to be an issue for a lot of years to come. As a EMT paramedic on a small volunteer service, I can tell you that a of the people that we bring in don't need to be in an emergency room. I mean they called 911 because they had nowhere else to call so they don't need to be in an emergency room. If they get called into the emergency room--I'm just going to throw some rough numbers out--it's going to cost $1,000 for that emergency room call. It's going to cost $200 to $400 for that ambulance call. Seventy to eighty percent of our patients are Medicare, Medicaid patients, so somebody--taxpayers--are picking up that bill somewhere, where a huge percentage of them don't need to be there. So I see a huge savings, you know, on our healthcare system. Senator Gloor knows, as a hospital board chairman my big concerns for the survival of my little critical access hospital right now center around charity care and bad debt. I mean charity care and bad debt could kill our little hospitals because where people don't have access to healthcare or they don't have access to healthcare insurance, the hospitals, the portion of that is getting greater and greater and greater. And when you're already operating on 80 percent Medicare reimbursement, which just gives us 101 percent of our cost, that means only 20 percent of our hospital patients are paying the bill to keep those doors open. So this bill really looks to me like it has some amazing potential, very exciting potential to not only take away some of the burden from overburdened ERs to help save some money on people on fixed incomes and taxpayers and so forth paying for a lot of services that people don't really need, and then allowing EMTs like me to get back to being the reason I got into the business. I'll give you an example. I got a call the other day from the county sheriff and he wanted me to come help him pick a lady up off the floor. This was an elderly lady and she slipped and fell on the floor. The county sheriff is a friend of mine so I went and helped him and we got her up. Well, the EMT in me is, why did you fall, how did you fall, did you hurt yourself anywhere, you know, do we need an ambulance? I mean I was there kind of in the gray area of the law helping out my friend the county sheriff, but all of a sudden as a healthcare provider I've got concerns for one of the little old ladies in my town that I'm very concerned with. This law would allow EMS services to make that assessment of that patient to determine whether she had a dizzy spell or her blood sugar was off or something when she fell down, whether she had hurt herself as part of a trauma, and then to go ahead and contact our medical director, which we must have, and make a determination on whether we really needed to spend the money transporting her by ambulance and taking her to the emergency room or whether we could treat her there or maybe take her to the clinic instead. The way it is now, we don't have that opportunity. So the EMS people in the state of Nebraska are very highly trained. We're already operating in hospitals and health clinics now by law, so it's no scope of practice change, which is one thing I wanted to kind of make sure you understood. There may be a LB407 review going on now. I'm not...I don't know personally about that. I've served on a LB407 review committee. But this would not require a LB407 because there is no scope of practice change. The scope does not change. The only thing that changes is where we can practice that scope. So with that, I see the red light. Thank you very much and I would answer any questions. [LB646]

SENATOR CAMPBELL: Thank you for watching. Senator Cook. [LB646]

SENATOR COOK: Thank you, Madam Chair. Mr. Beins, has your association here locally or the national affiliation pondered liability on the part of you as...I'll use the word practitioner, not necessarily knowing what that means statutorily in Nebraska,... [LB646]

BRUCE BEINS: Uh-huh. [LB646]

SENATOR COOK: ...have you talked about that at the meetings and what did they say? [LB646]

BRUCE BEINS: That's always an issue at the meetings and it's always the foremost on our mind, especially when we're helping the county sheriff pick somebody up off the floor. My service wasn't called out so I'm not covered under workmen's compensation if I should hurt my back. I'm being a good citizen and a good neighbor, member of my community helping out, you know. So that's always been talked about. Making this change then would allow those services to be covered under their workmen's compensation and their errors and omissions policies that they have for their services while they're providing such services. So, yeah, liability is always a question. [LB646]

SENATOR COOK: All right. Thank you. [LB646]

SENATOR CAMPBELL: Any other questions? [LB646]

SENATOR BLOOMFIELD: Senator Campbell. [LB646]

SENATOR CAMPBELL: Senator Bloomfield. [LB646]

SENATOR BLOOMFIELD: I came in late so I may have missed this very question, but my little town has 140 people in it. We have one rescue unit and fire truck. If that rescue unit is out taking care of Mabel Jones's sore toe and a real emergency comes up, what do we do? [LB646]

BRUCE BEINS: You know, it's a good question. My town is 200 people. We all have mutual aid agreements. That's part of the rules and regulations that every service must have a backup response plan. Now I'm going to assume if this law was to be enacted that those protocols would be changed to address the fact that if there was an emergency call we're probably going to leave EMT one there with Mrs. Jones's sore toe while everybody else goes to the emergency. We're already there, we've got the ambulance, away we go. Keep in mind there's also a lot of services in Nebraska that don't have ambulances. They're nontransporting services, more of a first responder type service. So I don't see that being an issue with response to the community because I

know that it could be addressed with policies and rules and regulations. [LB646]

SENATOR BLOOMFIELD: Okay. Thank you. [LB646]

SENATOR CAMPBELL: Thank you, sir. I don't see any other questions. Oh, sorry, Senator Wallman. [LB646]

SENATOR WALLMAN: Thank you, Chairman Campbell. Yeah, thanks for coming. Appreciate what you guys do. So do you have interlocal agreements then for transferring things like this to a major hospital to... [LB646]

BRUCE BEINS: Well, all of our transport, in my particular instances, go to the critical access hospital. I'm halfway between Harlan County Hospital and Franklin County Hospital, so depending on where we actually pick the patient up, we take them to the closest hospital. Those hospitals do have transport agreements with Good Samaritan Hospital, Phelps Community Hospital for transfers. If they need to go on to Kearney or need to go on to Lincoln or Omaha, those are in place. But we take them to the nearest facility for the patient to be evaluated and stabilized first. [LB646]

SENATOR WALLMAN: Okay. Thanks. [LB646]

SENATOR CAMPBELL: Okay. One more time, thank you very much for your testimony today. [LB646]

BRUCE BEINS: Thank you. [LB646]

SENATOR CAMPBELL: Other proponents? Welcome. [LB646]

LINDA LEE JENSEN: (Exhibit 4) Good afternoon, Senator Campbell and other senators. My name is Linda Jensen, J-e-n-s-e-n, and I'm here to testify in favor of LB646. I'm a registered nurse working at Alegent Health Immanuel Medical Center in Omaha, Douglas County, Nebraska. I work in the emergency department as nursing manager and EMS coordinator. I have been a nurse for 40 years. I have worked in the emergency department for 35 years and have served as EMS coordinator for the past 30 years working with four different volunteer rescue units in Douglas and southern Washington County in Nebraska. I completed the didactic portion of paramedic training in the mid-1980s at Creighton University because I wanted to learn more about EMS. I am a member of the Emergency Nurses Association, Nebraska Nurses Association, and I'm currently serving on the state EMS Board. Please let it be known I come to testify today on my own behalf as an individual nurse and a private citizen of the state of Nebraska and representing no one other than myself. I am here to support the LB646 and ask you to consider voting in favor of that bill. It's my opinion that striking "immediate" from this would be more accurately describing what is currently occurring in

the state of Nebraska. I would like to reference LB1033. It was passed in 2002. It was a statute change that provided for paramedics and EMT intermediates to work in hospitals and clinics, and this was...they were able to perform activities within their own scope of practice and they were under the supervision of registered nurse, a physician assistant, or a physician. As a result of this change, many hospitals and medical clinics across the state of Nebraska have benefited from being able to use paramedics and EMT intermediates as part of their staffing complement for their day-to-day operations and their patient care in those facilities. And each community has determined their own needs and the degree in which they utilize them, all staying within the law and within their current scope of practice. And I'm certain that everyone here today can identify and be familiar with the fact that all of us as community members, at some time we seek healthcare in emergency departments and clinics for a wide array of complaints, illnesses, injuries. Many of these visits truly are not for immediate need, but they are still deserving of medical time and attention. An example might be a child with a sore throat, upper respiratory, low-grade fever. The mother takes the child into a clinic. At that clinic, under the law as it currently describes, there may be a paramedic working there and assisting with the care of that child. Additionally, there might be a teenager who has a skateboarding accident, fall, bumps the knees, taken into the emergency department, is seen by a paramedic who helps with their care at that time. Now all of the actions of that paramedic in the clinic or emergency department must be under supervision, as provided by law, and the actions that I described to you truly are not all immediate need for those patients. Other examples of nonimmediate services have already been mentioned, like the standby at the football games but also they do blood pressure checks and installing and checking carbon monoxide detectors. They provide education on early warning signs of heart attack and stroke, install and educate on child safety seats, additionally transporting to and from for nonimmediate type appointments or admissions to hospitals. So many of the examples that I've tried to provide to you would not fit into the category of immediate need and yet clearly they're being done every day and they're within the scope of practice of the EMS provider. I think that the word "immediate" should be deleted to reflect what is currently being practiced in the state. I would ask you to consider that, please. I know there are some opponents who have voiced concerns about the future implications of LB646. If the change is made and perhaps some doors are opened to begin discussing how we can work together on bridging the gaps in healthcare for Nebraska, personally I would welcome and I would encourage those discussions, and I would encourage that opportunity to discover new ways to work collaboratively with other disciplines and for the common goal of improving safety, health, and healthcare delivery system for every person in this great state of Nebraska. And I thank you very much for your attention. I thank you for the privilege of talking to you. [LB646]

SENATOR CAMPBELL: Thank you. Questions for Ms. Jensen? Seeing none, thank you for coming today. [LB646]

LINDA LEE JENSEN: You're welcome. [LB646]

SENATOR CAMPBELL: Other proponents? Good afternoon. [LB646]

ALLEN VanDRIEL: (Exhibits 5 and 6) Good afternoon, Senator Campbell. My name is Allen VanDriel, A-l-l-e-n V-a-n-D-r-i-e-l. I'm currently the chief operating officer at Chadron Community Hospital in Chadron, Nebraska. So when you talk about rural, I think I can qualify for that as well as one of the previous speakers. I'm here today on behalf of the board of directors of the Nebraska Rural Health Association in support of LB646. We believe that the passage of LB646, the intent of which is to remove one word from the current statute regarding emergency medical services, would increase access to care in the rural areas in particular. And for that reason, we support the passage of LB646. It would make a seemingly insignificant but very important step in improving the utilization of resources that are already present in many rural communities, and Mr. Beins and some of the others have already addressed how that would be beneficial and how it would work. These are...the services that would be provided by EMS professionals under the revision to the current statute would not represent a change in the scope of practice of the providers that are already in those communities, from first responders to paramedics. They already have within their scope of practice the ability to assess and report on findings. All this language would do is make sure that they're in compliance with the law which currently, and I quote, defines an emergency medical service as an organization responding to the perceived individual need for immediate medical care in order to prevent loss of life or aggravation of physiological or psychological illness or injury. So these...the professionals are in the communities. You've heard testimony from other presenters today discussing various sizes of communities within Nebraska, the fact that those people are already there, whether they're paid or volunteer, the fact that they have the skill sets that they can act as extenders of the health system that is already in place, utilize those skills and provide better access to care for people particularly in the underserved areas, which is where my particular area of concern is. I thank you very much for the opportunity to address you today. I'd be happy to answer any questions if there are any. [LB646]

SENATOR CAMPBELL: Any questions from the senators? Thank you very much, sir. [LB646]

ALLEN VanDRIEL: Thank you. [LB646]

SENATOR CAMPBELL: Other proponents? Hello. [LB646]

JULIE SMITH: (Exhibit 7) Good afternoon. Hi, my name is Julie Smith, should be easy, J-u-l-i-e S-m-i-t-h. I am the network director for the Rural Nebraska Regional Ambulance Network. I'm also a registered nurse. I lived very rural in the suburbs of a community of 150 people, Wilsonville, Nebraska, and I served on that local EMS service there. I am

here to speak on behalf of the Rural Nebraska Ambulance Network who would like to voice our support for LB646. We were formed through a Health Resources and Services Administration Grant in 2007. We represent the 50 western and central counties. There were 18 original partners and we have grown to 35 partners. Those members are critical access hospitals, tertiary hospitals, paid and volunteer EMS services in those regions. The mission of the network is to provide better coordination of ground and air ambulance transportation to the citizens of central and western Nebraska. The network has several objectives, but one we think that LB646 will help us address is to concentrate on the area of recruitment and retention of the EMS services personnel, which is of a significant concern in rural and frontier. The backbone of Nebraska's rural EMS system is volunteers and LB646 may afford Nebraska an opportunity to utilize the existing EMS personnel in the most rural and frontier counties to a greater degree, encourage retention of those individuals, and keeping citizens healthier by providing earlier healthcare. When they're not responding to emergencies, LB646 will allow emergency personnel, in many cases located in those most rural and remote areas, to help people manage their chronic diseases, reduce the rehospitalizations and unnecessary emergency room visits. Additionally, EMS personnel in many instances, such as interfacility transfers, as that's already been addressed by several other people, are not responding to an immediate need, so deletion of that word makes the remaining language describe more accurately what actually our EMS personnel are currently doing. Rural America is a vital component of American society and it represents nearly 25 percent of the population. Rural communities like our urban landscapes are rich in cultural diversity. However, the smaller, poorer, and more isolated that rural community, it is more difficult to ensure the availability of high-quality health services. EMS personnel are already dedicated and they're already out there doing that for their neighbors, and so this change would allow that to happen I think in a better situation, allowing them to actually do the care they're giving. I would like to encourage the committee to pass this bill, and thank you for your time. And I'll address any questions. [LB646]

SENATOR CAMPBELL: Thank you, Ms. Smith. Questions from the senators? Thank you for coming today. [LB646]

JULIE SMITH: Thank you. [LB646]

SENATOR CAMPBELL: Other proponents? Those who wish to testify in opposition to the bill? (See also Exhibits 8 and 10.) Those who wish to testify in a neutral position? (See also Exhibit 9.) Okay. Senator Christensen, do you wish to close? Senator Christensen waives closing. Okay, with that... [LB646]

SENATOR CHRISTENSEN: If you have questions, I'll come up. [LB646]

SENATOR CAMPBELL: Okay. Senators, do you have any questions you want to ask

Senator Christensen? [LB646]

SENATOR KRIST: Not right now. [LB646]

SENATOR CAMPBELL: We'll think upon them. We will close the hearing for LB646. Senator Howard, I'm going to ask that you take over and we'll let them clear the room. [LB646]

BREAK

SENATOR HOWARD: Senator Campbell, welcome to the Health Committee. It's so good to see you here. [LB600]

SENATOR CAMPBELL: Thank you. [LB600]

SENATOR HOWARD: You're bringing us LB600. [LB600]

SENATOR CAMPBELL: Yes, I am. My name for the record is Kathy Campbell, and Campbell is C-a-m-p-b-e-l-l. LB600 is intended to generate additional federal funding for payment of Medicaid rates to Nebraska nursing facilities to partially offset significant projected financial losses resulting from expected Medicaid provider rate reductions for FY years '11 through '13 biennium. Nursing facilities across Nebraska anticipate that this revenue will help to ensure adequate funding to maintain quality long-term care services and access to Medicaid financed care. Under federal regulations, a state may collect an assessment from a class of healthcare providers, in this case, nursing facilities. Once collected, the state pays 100 percent of these assessments back to nursing facilities, which under federal law is a state payment to Medicaid providers which qualifies for federal matching funds of 58.44 percent. Thus, for every $1 of assessment returned to nursing facilities, the state receives approximately $1.50 from the federal government for rate enhancements. In aggregate, nursing facilities are reimbursed $2.50 for every $1 invested in the program. Under LB600, an assessment is made at a rate of $3.50 for all days of service to Medicaid residents and private pay residents. Medicare days are exempt, as permitted under federal regulations. At this assessment rate, approximately $14 million in assessments will be deposited into the Nursing Facility Quality Assurance Trust and reimbursed as required under federal regulations in proportion to a facility's Medicaid days of service. These reimbursements would qualify for approximately $20 million in new federal funding, which would help restore approximately 4 percent of the anticipated 5 percent cut in rates. According to the National Council of State Legislators, 46 states have provider assessment programs, including Nebraska. And I think that's important to note that we already have a program which currently administers the provider assessment for ICF/MRs. Thirty-nine states specifically have nursing facility provider assessments in place. And, Senator Howard, we have a number of people here who wish to testify on this bill, and

so I certainly will go to any questions in closing, but I think you want to hear in this case from the experts who are going to give you some information of how this would work. [LB600]

SENATOR HOWARD: I appreciate that. Do we have any questions that can't wait? They've chosen to wait. All right. [LB600]

SENATOR CAMPBELL: Okay. Thank you, Senator Howard. [LB600]

SENATOR HOWARD: You're welcome. First proponent. Welcome, and we know you'll have the answers. [LB600]

BRENDON POLT: (Exhibit 11) I'll try but some of the people behind me may have even better answers, the providers themselves. Good afternoon. For the record, my name is Brendon Polt, that's B-r-e-n-d-o-n P-o-l-t. Now today I'm actually here testifying on behalf of two organizations, the Nebraska Health Care Association, but also I'm testifying on behalf of LeadingAge Nebraska. Between these two trade associations of nursing facilities, I dare to say that we likely represent every single facility in the state of Nebraska. I'm going to do my best to not duplicate Senator Campbell's testimony because I noticed that it was very similar to mine, and so I've provided copies of my testimony so any of the amounts that she referenced or any of the statistics is in that testimony. I do want to say that the Nursing Facility Quality Assurance Assessment Act is of tremendous...and I would characterize this as unprecedented importance to the nursing facility profession in the state of Nebraska. It's certainly the most important issue that's come in the...at least the last five or six years, if not a decade or before. As Senator Campbell noted, LB600 is intended to augment federal funding. And also very important that I would like to reiterate, Senator Campbell, is this is a program that Nebraska has been participating in since 2004. In 2010, last year, the Nebraska Legislature in LB701 updated and reaffirmed the commitment to the program. So this is new. It's not something the Legislature did long in the past and it's now something that this Legislature would say, well, you know, we never did that. All we're doing is asking you to allow us to front the state's 40 percent so we can draw down a new 60 percent to enhance rates. We do want to make it very clear on the record what the dilemma is in this program. It's that we...the program, and this is a federal requirement, requires that you pay an assessment on private pay and Medicaid days, Medicare may be exempt. It is only paid back in proportion to a facility's Medicaid services. So what does that mean? What it means is that if you're a facility that provides no Medicaid or very little Medicaid, you're not going to have a vehicle to get that money back. There are exemptions allowed under federal law that have allowed us and as we designed our model, to minimize to a very, very small degree any facilities that would pay more than they gain. In fact, our proposal as I've looked and researched statutes is, if not...it's the...I would say it's one of the most if not the very most conservative program with the fewest losses in dollars in facilities in the country. And so we have in our modeling

about 4 or 5 that would not directly benefit or indirectly benefit through participation in a corporation, and that's out of 225 facilities in our model. So this is the greatest good for the greatest number. This is a utilitarian concept. Not every single person in the state draws a direct benefit but, clearly, the overwhelming majority do. Another thing I'd like to point out as background is that in 2008 the department's Division of Medicaid and Long-Term Care provided...hired a consultant to take a look at nursing facility rates, our payment system, and make recommendations on how we could improve. In their final report, one of the recommendations to us was to implement a provider assessment program. Now that was several years ago. By the time the final report came out in 2009, at that time we were still getting rate increases and the provider community said, this isn't where we want to go. But they made a collective agreement and it was vocalized amongst providers, this may be something we're going to have to revisit in the event the bottom drops out of funding. Two years later that's where we are, facing cuts. So this is a situation we feel that we must do. I'd just close with the Nebraska facilities were some of the lowest cost in the country, and we ranked the best if you look at federal rankings of providing top quality care. We're asking that you allow us to continue our successes. Any questions, please? [LB600]

SENATOR HOWARD: No, that's my line. Are there any questions? (Laughter) Thank you for your presentation. Do we have any questions for Mr. Polt? Senator Cook. [LB600]

SENATOR COOK: Yes. I'm still trying to track the calculus but I'll go just get...go directly to the question. With potential changes coming down to healthcare and how the funding, how it comes to the state, what would happen if that were to change? [LB600]

BRENDON POLT: Are you saying if the federal government changed the way they... [LB600]

SENATOR COOK: Right. [LB600]

BRENDON POLT: Well, there are proposals that have surfaced recently. In fact, the President has a proposal to begin phaseout of provider assessment programs throughout the country. And as background, there is a maximum amount you can have as an assessment when you create a provider assessment program. Most states are at the maximum, which is 5.5 percent of nursing facility revenues. So in total aggregate, what you assess out cannot exceed 5.5 percent of revenues. That amount increases actually by a law that has already been adopted to 6 percent in October of 2011. Now that may change. One of the more aggressive proposals is the President is to begin phasing out the program and bring that total of the maximum down. So what we've seen is the most recent proposal says by 2015, you can only assess at 4.5 percent of revenues; the next year in 2016 the maximum goes down to 4; then to 3 percent. We feel that those proposals in the foreseeable future would not affect LB600 because

we're at 1.9 percent. And the reason we are, like I said in my testimony, we've tried to create a conservative program. The higher the assessment, the more you have in terms of facilities that will be gouged that don't have a high Medicaid population. So the reason we...basically, we think that the proposals to end the provider assessment don't affect us in the short run. There may be two, three, four years where we can get $20 million to $25 million a year. Those funds are there. Why wouldn't we do that when we're facing a crisis? Does that answer your question? [LB600]

SENATOR COOK: Yes. [LB600]

BRENDON POLT: Okay. [LB600]

SENATOR COOK: Thank you. [LB600]

SENATOR HOWARD: Do we have any other questions? I see you're up to our quiz today. So thank you so much for presenting that information. [LB600]

BRENDON POLT: Thank you. [LB600]

SENATOR HOWARD: Other proponents. Welcome to the Health Committee. [LB600]

ROGER THOMPSON: (Exhibit 12) Thank you. It's my first time. [LB600]

SENATOR HOWARD: Oh, well, we'll see how it goes. [LB600]

ROGER THOMPSON: Thank you. Well, good afternoon. My name is Roger Thompson, that's R-o-g-e-r T-h-o-m-p-s-o-n. I am a partner with the accounting and consulting firm of Seim Johnson in Omaha, Nebraska. In addition to being a CPA, I am also a fellow in Healthcare Financial Management Association. The good news is that I've lived in Nebraska my entire life. Over half of the resources of the company I work with, Seim Johnson, are utilized in serving the healthcare industry throughout Nebraska and the Midwest. In fact, over my 30-year career I focused almost entirely on serving the healthcare industry and I prepared nearly 2,000 or reviewed 2,000 Medicare and Medicaid cost reports. These costs reports are required to be filed by healthcare providers to make sure they're receiving adequate reimbursement or used to set future rates. Some might find the number to be or to prepare cost reports to be exciting; most probably figure that to be kind of boring. But unfortunately, that's been my career. In the long-term care industry, Seim Johnson, we do serve about 50 nursing facilities throughout Nebraska. Those facilities include public, not-for-profit. They also include proprietary facilities. In addition to those type of facilities, we also serve hospital-based nursing facilities. I'm here today to support adequate funding to ensure appropriate Medicaid rates to these Nebraska long-term care facilities. Annually, we receive, Seim Johnson, receives an Excel file of data elements that are from nursing home filed and

Nebraska DHHS reviewed long-term care Medicaid cost reports. Based on this 2009 data, the total Medicaid utilization for 217 nursing facilities in these Excel files was 56 percent. So again, more than one out of every two residents in a nursing facility is a Medicaid beneficiary. Approximately 20 facilities in that database in 2009 actually experienced Medicaid utilization in excess of 75 percent. Again based on this data between 2005 and 2009, nursing facilities in aggregate in the state of Nebraska experienced an average annual decline in resident days, an average annual increase in resident case weight. And case weight, if you will, is a severity of the type of resident the homes are caring for. And they've also incurred an average annual increase in estimated allowable Medicaid cost per resident day. And again that's, if you will, the base for setting rates in the future. For the year we're in right now, the year that's going to be ending June 30, 2011, nursing facilities in Nebraska were required to accept a Medicaid rate based on allowable and a limited, important to note limited, Medicaid cost per resident day based on the June 30, 2009, year end. And that was reduced by a factor of 1.54 percent. What does that mean? Current Medicaid rates that are being paid to Nebraska nursing facilities are based on these allowable and limited costs from two years ago, reduced by 1.54 percent. Furthermore, what's important, though, you hear me mention this term "limited cost," over 70 percent of the facilities in a 217-facility database actually were required to use limited cost as their base for setting their rates in the future. Historically, Medicaid reimbursement to nursing homes has indeed lagged below cost to provide care to residents due to this computation of using allowable and limited costs from prior years and applying this adjustment factor. And again, last year's adjustment factor was a negative 1.54. The difference has grown this year because of that. Under the proposed appropriations we think the difference will even grow greater to unprecedented levels. I think it's going to put tremendous burden not only on the employers, nursing home employers, but their staff and, quite frankly, the private pay residents. Many nursing facilities, many of the employees make less than $15 an hour. Labor costs represents 70 percent of those costs to care for nursing home residents. Regulations, resident needs, labor market, facility layout, they all contribute to the cost of providing care to residents in nursing facility. Given the high percentage of Medicaid utilization in these facilities, coupled with the above described underfunding, it's our opinion that Nebraska nursing facilities are going to be experiencing some financial struggles that cannot be corrected by continuing to raise rates to private pay individuals, by cutting staff hours, reducing benefits, and other cost-cutting measures. It seems to me that Nebraska as well as all states have a responsibility to fairly compensate nursing facilities for the service that they provide to Medicaid beneficiaries. In conclusion, proper funding to the budget, the appropriate adjustment factors to historical costs or creating other sources of revenue, which LB600 would do, to adequately reimburse nursing facilities for caring for Medicaid beneficiaries seems to be the appropriate thing to do. With that, thank you for allowing me to be here. [LB600]

SENATOR HOWARD: Very good. I saw you watch the light. [LB600]

ROGER THOMPSON: It kind of scared me. [LB600]

SENATOR HOWARD: It scared you. (Laughter) I really appreciate that you paid attention to that. Thank you very much. Do we have some questions? You did so well. Thank you. [LB600]

ROGER THOMPSON: Thank you. [LB600]

SENATOR HOWARD: Other proponents. Welcome, sir. [LB600]

KEITH FICKENSCHER: Thank you, Senator. I'm Keith Fickenscher, K-e-i-t-h F-i-c-k-e-n-s-c-h-e-r. I would piggyback on what Brendon said about the importance of LB600. I...from my perspective, it is the most significant nursing home legislation to come before the Legislature in the 15 years that I'm aware of. I'm the administrator of Lancaster Manor here in Lincoln, which at 293 beds is Nebraska's largest nursing home. I'm also president of the Nebraska Health Care Association which represents 220 long-term care facilities in our state. You know, anyone watching the news these days could easily conclude that many people in our country believe government is the root of our problems. Protesters say it is too big, too expensive, too intrusive. I take a different view. Government at all levels was established to help people. Any failures of government are the result of specific problems and circumstances, but they do not make government, in general, a bad thing. And so it is we're here today, not to ask our state government to solve a problem for us, but rather to ask that you allow us to solve a problem our state government does not have the resources to solve, but which will have far reaching and profound effects on our citizenry if it is not addressed. Fifteen years ago I was director of Veterans Affairs, first for Governor Nelson, then for Governor Johanns. Governor Nelson asked...well, he didn't really ask, he sent me to Grand Island to be the interim administrator of what was a very troubled veterans home. At that time, in 1997, I recall the gap between Medicaid reimbursement and the cost of care in Nebraska averaged about $7 per patient per day. Fifteen years later, that gap has tripled to about $20 per patient per day, and if LB600 is not enacted, that $20 gap will more than double in one year. One of the fundamental principles of our society is that we accept the obligation of being our brothers keeper. So when the elderly, the frail, the disabled, can no longer care for themselves, we collectively provide for them regardless of their ability to pay for that care. This morning, 75 percent of the 226 residents in Lancaster Manor are Medicaid residents. Caring for them is a big part of the mission of Nebraska's nursing homes, and I am extremely proud to say they do an outstanding job. But I really believe many of them will either go out of business or reduce the number of Medicaid residents they serve without the passage of LB600. For a profession which operates on a negative to very small net margin, those will be the only two options because controlling expenses and cutting costs have been the way nursing homes have managed to stay afloat for the last 15 years. I want to close by sharing with you that the long-term care profession is the tenth largest employer in the United States. In

Nebraska, the nursing home is the largest employer in many rural communities. Many states, Nebraska included, are looking at Medicaid cuts to balance their budgets. I think that is unwise. Medicaid cuts will dramatically impact the long-term care profession and erode our ability to serve elders, who are either poor or without private insurance. With the aging of baby boomers, the long-term care profession has great potential for job growth. And jobs in this economy should be a priority for government at every level. So we respectfully ask that you support LB600. Thank you. [LB600]

SENATOR HOWARD: Thank you, sir. Do we have questions for this presenter? Yes, Senator Wallman. [LB600]

SENATOR WALLMAN: Thank you, Chairman Howard. Yeah, thanks for being here, Keith. I've known you for quite a while myself. [LB600]

KEITH FICKENSCHER: Thank you, Senator. Thank you. [LB600]

SENATOR WALLMAN: So you have lots of rules and regulations with the federal government coming down? [LB600]

KEITH FICKENSCHER: We are heavily regulated, yes. [LB600]

SENATOR WALLMAN: So, yeah, we ought to get reimbursed for that, don't you think? [LB600]

KEITH FICKENSCHER: It would be nice. (Laughter) Well, you know, we can't cut cost by turning off the heater or cutting the food out. You know, we got to do certain things. [LB600]

SENATOR WALLMAN: Sure. Thanks. [LB600]

KEITH FICKENSCHER: Thank you, Senator. [LB600]

SENATOR HOWARD: Any other questions? No. I just want to say, my grandpa was in the Grand Island Veterans Home. So, thank you. [LB600]

KEITH FICKENSCHER: What was his name? [LB600]

SENATOR HOWARD: Middaugh, Guy Middaugh. [LB600]

KEITH FICKENSCHER: He's there now or was? [LB600]

SENATOR HOWARD: No, that was years ago. Thank you. [LB600]

KEITH FICKENSCHER: Okay. Thank you. It was one of the proudest parts of my entire career was being there. [LB600]

JACK VETTER: Senators. [LB600]

SENATOR HOWARD: Welcome. [LB600]

JACK VETTER: Thank you. I am Jack Vetter, V-e-t-t-e-r, an owner and a proprietor here in the state of Nebraska. Little bit different talk economics just a minute. You know, if we had a better economic picture in Nebraska, I would rather not be here. I'd rather not talk about this. I wish funding was where it should be, but it's not. And so I've wavered a lot with being very active in the Health Care Association of how to support this. From our own company, I see a little different picture in the fact that we...I started as a provider in 1975 with one facility and over the years we're now in 26 locations. We've had the opportunity for growth. We have built eight new facilities, one of them is going to be here in Lincoln this summer on Highway 2 and 91. We have put capital expenditures in Nebraska of over $200 million. And we have added probably a thousand or two positions for employees. Our payroll in Nebraska is $70 million. So it's an economic boost to the state of Nebraska. And when we're not covered with our costs for Medicaid, it weakens that financial stability. What do you do to do additions, to remodel old facilities? A lot of the nursing homes were built in the '60s, early '70s, so they're 40 years old or better. And they need rebuilt, they need new ones to be built, and we've been a participant in that. Also I really believe strongly in high-quality care. A high-quality of life for our residents, and as was spoken earlier, we lead the nation in that. And I like to think that we helped set the standard for that. So I do support the bill, but I wished I didn't have to. And maybe the day will come when economics will turn around and we don't have to work with federal government except for their share. Now, something that might interest you, is that if we receive $150 a day for a Medicaid resident, and they put their Social Security against that payment, and the federal government pays 60 percent, the state of Nebraska isn't paying a whole lot. And if you break it out on a per hour basis, we get about $2 to $2.25 an hour for taking care of our residents that costs the state of Nebraska. And so it's just interesting numbers that we're not necessarily asking for something all the time, it's a level of payment that is fair and equitable. And I don't know of any provider that's...overextends himself with too much labor. When somebody said, well, you can cut costs. I've been in this business too long, and you can't cut costs and keep care. So I thank you for the opportunity to be with you and just to shed a little different light on the bill. [LB600]

SENATOR HOWARD: Thank you, sir. Thanks for coming in and giving us your time and your expertise. Do we have any questions? No. [LB600]

JACK VETTER: Thank you. [LB600]

SENATOR HOWARD: Thank you. Welcome to the Health Committee. [LB600]

MIKE HARRIS: (Exhibit 13) Thank you. Good afternoon, Senators. My name is Mike Harris. I'm here on behalf of Ron Ross, who is the president of Rural Health Development to support LB600. I forgot to spell my name. Harris, H-a-r-r-i-s. Mike, M-i-k-e. Ron was the director of Health and Human Services for five years under Governor Johanns. Rural Health Development is a consulting and management company that currently manages 18 nonprofit nursing homes in Nebraska, 2 in Iowa, and 1 in Wyoming. The facilities in Nebraska are in the following communities: Beaver City, Beemer, Benkelman, Campbell, Crawford, David City, Genoa, Hemingford, Humboldt, Imperial, Kearney, Laurel, Mitchell, Omaha, Stromsburg, Stuart, Sutton, and Wilber. Medicaid continues to be one of our state's largest expense and this fact is not going to change. What can change is the amount of money that the federal government puts towards taking care of elderly people on Medicaid here in Nebraska without adding additional state General Funds. Federal regulations have allowed facilities to pay a quality assessment fee for years. With these fees, states have been able to draw additional federal dollars into their Medicaid programs. This reduces the amount of cost shift that is put on to private pay residents and it comes closer for the Medicaid program to pay its fair share. The Iowa Legislature passed a similar bill last year. Wyoming and Connecticut are in the process of passing this kind of legislation this year. Rural Health Development was successful several years ago in helping Nebraska pass legislation to participate in the federal Medicaid program known as IGT, which is Intergovernmental Transfer. The IGT legislation has brought in over $2 million into Nebraska. We have a similar opportunity to have the federal government help our elderly and disabled now. We ask that you please send this very important legislation to the floor and then be a champion for its passage. Thank you. [LB600]

SENATOR HOWARD: Thank you. Are there questions? No. Thank you. [LB600]

MIKE HARRIS: Thank you. [LB600]

SENATOR HOWARD: Well, welcome. [LB600]

CLARE DUDA: Thank you. [LB600]

SENATOR HOWARD: You're a bit far from home. (Laughter) [LB600]

CLARE DUDA: Good afternoon, Senator Howard and distinguished members of the committee. My name is Clare Duda, C-l-a-r-e D-u-d-a. I am the vice chair of the Douglas County Board of Commissioners and the chairman of the Douglas County Health Center Board of Trustees. I am here on behalf of the board of trustees. Our facility, the Douglas County Health Center, is 98 percent Medicaid. We take very seriously our charge as a county as the caregiver of last resort. We are currently supplementing our

long-term care at our facility to the tune of $3.5-$4 million of property taxes every year. Quite frankly when we look at Lancaster County deciding to get out of the business when it was becoming too costly, it has us shaking a little bit. We didn't know that was an option, and it's kind of scary to find out that maybe it is. We don't want to go that way. Our residents require heavier care than most residents and would not necessarily all be able to be placed in private facilities, who also would not want to underwrite the cost of the care because Medicaid comes up so short of being able to meet the cost of caring for this population. We want to continue being the caregiver of last resort and fulfilling what we feel is a very important mission of the county, but we need help. We know we aren't...I mean, we're losing state aid and all that, we get that. We know we're all broke. I'm not interested in pointing fingers. What I'm interested in doing is trying to work together for the common good of our constituents, and this is an opportunity to do so. We all have the same constituents, particularly Senator Cook and I because she's my Senator. We all have the same priorities. We want the least of our society to have their needs met and that's what we are trying to do and we need your help and this is an opportunity to do it. You've heard from many good and varied perspectives on this. This is more the government, the local government perspective that we cannot continue to keep pouring more and more into it. I mean, we are committed to it. I formed the foundation ten years ago. We raised over $1 million last year to put in a solarium without tax dollars. We are very committed to trying to meet the needs of this population but we plead here for your help. This is an important bill. I certainly thank Senator Campbell for introducing and championing this. And I would ask the committee to please advance this to the floor and help us keep meeting the needs. Thank you. [LB600]

SENATOR HOWARD: Questions? Well, I can ask you one. Oh, I'm sorry, Senator Cook. Go ahead. [LB600]

SENATOR COOK: I was going to ask a question just for the record. [LB600]

SENATOR HOWARD: Absolutely. [LB600]

SENATOR COOK: Thank you, Madam Chair, or Madam Acting Chair. Thank you, Mr. Commissioner for coming today. Just for the record and for our own edification, would you describe an example of a guest of last resort that the county would take care of, and what her or his needs might be that are so much more expensive than if a private facility were to be able to take her? [LB600]

CLARE DUDA: Thank you for a great question. What exacerbates the needs of our population typically are behavioral problems. We have much higher use of psychotropic medications. That's one of our cost drivers. They are largely behavioral driven. I mean, and many of our residents have been rejected by other facilities that don't want them. And if there's anyway possible for us to meet their needs, we always do. [LB600]

SENATOR COOK: Okay. Thank you very much. [LB600]

CLARE DUDA: And thank you, Senator. [LB600]

SENATOR HOWARD: My question involves property tax and if we were to go down this road and use this idea, would you see the possibility of any reduction in the property tax bill that we in Douglas County have? You've opened that door, so I'm going to ask. [LB600]

CLARE DUDA: Yes, I have. But while the state is withdrawing $3 million of aid to the county this year, the city of Omaha withdrew $2 million of keno funding that we have split for 20 years, that goes away next month. The possibility of lowering property taxes right now is slim to none. Our challenge...we are sending out a call letter that again this year we are asking every department in the county to lower by 4 percent their budget just as most of them were able to last year. We still had to raise the tax rate last year even with those cuts. We're trying to make those cuts again this year, but particularly things like the health center and the jail can't always survive a 4 percent cut. We're seeing how far we can cut and still meet our needs. The reality is, the challenge before us is trying to keep the tax rate steady and I don't know that we're going to be able to meet that challenge. [LB600]

SENATOR HOWARD: Well, I appreciate that not only that looking at cutting back on wherever it's possible to cut back, but also looking at other opportunities for funding. But our city, as a homeowner, we can't continue to put the burden on the back of the people that want to own homes. [LB600]

CLARE DUDA: I could not agree more, Senator. [LB600]

SENATOR HOWARD: Thank you. [LB600]

CLARE DUDA: Thank you. Thank you all. Appreciate your time. [LB600]

SENATOR HOWARD: I see another proponent. Welcome, Mark. [LB600]

MARK INTERMILL: (Exhibit 14) Thank you. Thank you, Senator Howard and members of the committee. My name is Mark Intermill, M-a-r-k I-n-t-e-r-m-i-l-l, and I'm appearing in support of LB600 on behalf of AARP. We actually struggled with this bill quite a bit. There are a lot of different circumstances though that are leading us to offer our support with some reservations. Without this bill, and if there is a 4 percent cut as has been referenced before, we're probably looking at some cost shifting, either to private pay residents or as was just mentioned, to property taxpayers. That is something that has consequences. As we increase private pay rates, we accelerate spend down. We

increase the likelihood that nursing home resident who wants private pay will convert to Medicaid quicker and longer. So that's not a good option. What this bill does is it makes that accelerated spend down a little bit slower. It's 40 cents instead of a dollar. It's just, basically, the state's share instead of the state and the federal share. So still not a good option, I don't think, but a better option. But what we would see as even a better option is if we didn't have to look at 4 percent cuts at all. And I think there are some options that have been floated or bills that have been introduced that would avoid that circumstance from having to take place. So that, I think, is something that we're interested in, in looking at, to see if those things might be an option. We do...we have supported bed taxes. AARP has supported bed taxes in a number of states. But usually the proceeds of those taxes have been, where we have supported them, have been used for quality enhancement. And I would agree with the previous testifiers that we have a lot of good nursing homes in the state of Nebraska. In the five-star rating that Medicare has, we have more five-stars by far than one-stars. And I think those facilities that do provide high-quality care should be rewarded. So that's the type of use that I would like to see. Some sort of a quality assurance assessment be used for rather than have to make up the state's shortfall, which in turn will probably add ultimately to the state's budget by increasing or accelerating spend down and leading to more people being Medicaid eligible. So we do have some ambivalence about this bill. It would be better for private pay rates than simply cutting provider rates, which is not a good option. But a better option would be to avoid the provider rate cuts and use the quality assurance assessment to promote quality of care in Nebraska nursing homes. And with that, I'd be happy to try to answer questions. [LB600]

SENATOR HOWARD: Thank you, sir. Do we have questions for this testifier? No, we don't. Thank you. [LB600]

MARK INTERMILL: Thank you. [LB600]

SENATOR HOWARD: Any other proponents? Any opponents? Welcome to the Health Committee. You've been here before. [LB600]

VIVIANNE CHAUMONT: Thanks, it's been so long since I last chatted with you all. [LB600]

SENATOR HOWARD: I probably don't have to explain the light system. (Laughter) [LB600]

VIVIANNE CHAUMONT: I love coming to see folks, you know that. [LB600]

SENATOR HOWARD: We appreciate that. Thank you. [LB600]

SENATOR KRIST: You're not helping your credibility on that. (Laughter) [LB600]

VIVIANNE CHAUMONT: (Exhibit 15) An excellent point. (Laughter) Okay. Are we ready? I'm...my name is Vivianne Chaumont, V-i-v-i-a-n-n-e. I'm the director of the Division of Medicaid and Long-Term Care at the Department of Health and Human Services. The Department of Health and Human Services, Division of Medicaid and Long-Term Care, opposes this bill because it establishes a nursing facility provider tax. The $3.50 per day tax is charged to all nursing facility patient days whether or not the patient is a Medicaid client. There are several exceptions, including one for Medicare patient days. The funds from the tax are matched with federal funds and used to increase nursing facility rates. The Governor has stated that he opposes tax increases of any kind. Although current federal law allows the provider tax, that could change. President Obama's proposed budget includes limitations to the provider tax. The National Commission on Fiscal Responsibility and Reform, commonly known as the deficit commission in Washington, D.C., referred to these taxes as a gimmick, and also recommended eliminating the practice. If LB600 becomes law, it does raise the concern of creating the same type of cliff effect we are experiencing with the end of stimulus funding. The federal funds have to be replaced with General Funds. In this case, the enhanced federal funding goes away, but our payment rates would have continued to increase, so scaling back on them will be either extremely painful or the Legislature would have to find additional General Funds to make up the difference. I'd like to address one comment that was made by Brendon Polt during his presentation. The department did hire a contractor two years ago, I think by now, to review any and all nursing facility rate reimbursement methodology. That contractor gave options. That contractor did not make recommendations. We specifically said we were not making recommendations. One of the options that was discussed was a provider tax. The work group was a work group of providers from all across the state, the associations, and some folks from accounting companies that do the cost reports for providers. The providers unanimously voted against this option, and one of the grounds was due to fear that the federal government would take away the tax. For these reasons, I encourage the committee to indefinitely postpone LB600. I would be happy to answer questions. [LB600]

SENATOR HOWARD: Senator Krist. [LB600]

SENATOR KRIST: So as I understand LB600, the nursing homes across the state, whether they have Medicaid qualified payments or not, are all going to pay in a certain portion which the state would present as the state's obligation for matching funds from the federal government, and that program, as I understand it, is not going to go away for the next two years. [LB600]

VIVIANNE CHAUMONT: That is generally correct and...that's correct. [LB600]

SENATOR KRIST: Okay. So... [LB600]

VIVIANNE CHAUMONT: That we know of today, that program isn't going to go away. [LB600]

SENATOR KRIST: So I am generally opposed to gimmicks. However, I'm generally aware that if I were able to give my dad 40 cents and he would give me a buck back, I think I'd be an idiot not to give my dad 40 cents when I was a kid, and I'd get a buck back, if we know that that program is going to go on for two years. So my question is, why would we not entertain doing this with a sunset on LB600 so that we don't fall into a cliff effect? [LB600]

VIVIANNE CHAUMONT: Ah, because if your dad gave you 40...if you gave your dad 40 cents and he gave you back a dollar, and there were no strings attached to it, that would be a really good deal. But the federal government never gives anybody any money without strings. So let us say that we put a two-year sunset clause on it, what this means is I just gave, according to the fiscal estimate, I believe both sides agree, about a 7.6 rate increase. So now nursing homes can spend up to that amount, and up to the next year get another rate increase. That's the whole purpose of this is to get rate increases. And then in two years, the rates are going to be up here and we're not going to have General Fund and we just fell off the cliff. [LB600]

SENATOR KRIST: Okay. [LB600]

VIVIANNE CHAUMONT: Unless you want to come up millions to make up the General Fund with change. [LB600]

SENATOR KRIST: What's our alternative? [LB600]

VIVIANNE CHAUMONT: Well, our alternative is to continue what we're doing and let the free market take place in the state of Nebraska as far as nursing home beds are concerned. [LB600]

SENATOR KRIST: Okay. Thanks. [LB600]

SENATOR HOWARD: Senator Cook. [LB600]

SENATOR COOK: Thank you, Chairman, Madam Acting Chairperson, colleague. [LB600]

SENATOR HOWARD: I got it. (Laughter) [LB600]

SENATOR COOK: Senator Howard, good afternoon, and Director. I'm thinking about the free market. Yea, for the free market. (Laughter) But I'm also thinking about what my

commissioner just told me about the folks who, for whom the free market is not currently operating in benefit of. Seeing, recognizing that you would consider that what you describe as the cliff effect after two years as a string attached, can you name another requirement that the federal government would have that might be okay or kind of help our friends who we're taking care of at county? [LB600]

VIVIANNE CHAUMONT: Let me make clear that the cliff effect in Senator Krist's situation wouldn't be a federal issue. That would be what we would create. What you would create if you have the two-year period. The federal strings are simply that they can take the money back at any time. This is...the federal government right now is trying to figure out ways to finance some pretty extensive health reform changes that they're talking about. And so they are looking at their budgets looking to see what can they eliminate in order to shift that money to other things that they want. And one of the things that was in a recent report, I can't remember if it was the National Commission on Fiscal Responsibility or if it was the budget office or all of them, but a report recently said, you know, stop doing the smoke and mirrors with provider taxes. The feds spend a lot of money on this and so that the string is that at anytime, you know, it can go away. That was exactly what the provider work group thought at the time when we all met and this was one of the options that we talked about. That was exactly their fear. The rates would continue to go up counting on this money, just like we didn't make budget adjustments counting on the enhanced federal match that we got, you know, in the last couple of years. Well, now that's gone and your spending is still up here and the feds just took the money away. That's the fear. [LB600]

SENATOR COOK: Okay. Thank you. [LB600]

SENATOR HOWARD: Let me do Senator Krist. He's got a follow-up and then we'll go over to you. [LB600]

SENATOR KRIST: The follow-up has to do with the cliff effect and, I guess, I'm still...sorry, I'm still thinking like a pilot, I guess. I can't imagine what I've seen of the federal budget and talking with Senator Johanns in particular, that the guarantee for...in this particular area. I'm talking about DED spending, I'm not talking about anything else. But the guarantee and the resolve on the federal level is to preserve the money that's coming out of some of these programs. So I can't imagine that, in my own way of thinking, that giving them 40 cents that they're giving us that we're using the for state, that they're going to give us 60 cents back, or if that's the right number, 40-60 whatever, that that's a bad deal to help out the folks who can't help themselves right now. And particularly when we are as a Legislature talking about yanking, LB383 just took $3 million out of one pocket and 1.8 out of another pocket and 1.8 out of another pocket, when we're worried about the federal government stopping something in two years, we're stopping all of our aid today, tomorrow. So I guess I'm still trying to wrestle with why it's a bad deal for us to engage knowing that the cliff effect is there. The Governor

did it with the education budget. I mean, he said, here's the money, use it, but it's going to go away. If these healthcare providers are bridging a gap, I'm still...help me understand it. I'm just not understanding it. [LB600]

VIVIANNE CHAUMONT: Well, I don't know how else to explain it. The industry is going to continue as is. We're going to falsely create an adjustment to the market by continuing to give rate increases. And at some point it is possible that that money will be taken away. The...that has started with the proposals to cut back on the provider tax. You know, that's this year's proposal. Next year's proposal, you know, might be to do away with it altogether. I don't know what Washington is going to do. That's a risk that you'd have to take in order to do this. The other thing is, you know, who are we protecting? Who are the people that you are set on protecting? If we are set on protecting Medicaid clients, there are plenty of Medicaid nursing home beds in the state of Nebraska. Nebraska is overbedded. So I am not concerned that we are going to have a shortage of beds for the folks that we are...that I am in charge of making sure have adequate healthcare. There will be nursing facility beds. [LB600]

SENATOR KRIST: Thanks. [LB600]

SENATOR HOWARD: Senator Wallman. [LB600]

SENATOR WALLMAN: Thank you, Senator Howard. Yeah, you're in the hot seat there today. I agree with Senator Krist, and if I was a nursing home provider, I'd be very reluctant to give the state their money. Are we going to give it back or keep it for this, you know, this thing? And so I get tired of hearing what it cost, you know. If we take care of our people, it's a benefit. I appreciate Mr. Vetter's statement, the salaries they pay, the schools...the children they have in schools. It's a benefit if we take care of our people. And that's what governments are supposed to do. Thank you. [LB600]

SENATOR HOWARD: Senator Bloomfield, and then I'll come back. [LB600]

SENATOR BLOOMFIELD: I have a...probably a little misunderstanding here. It's my understanding that we're on the edge of this cliff now and this could conceivably get us two years down the road. I would rather fall off the cliff in two years than I would this afternoon. (Laughter) [LB600]

VIVIANNE CHAUMONT: As a legislative body, I think it's your choice when to fall off the cliff. I just get to bring you, you know, my perspective on it. (Laugh) [LB600]

SENATOR HOWARD: Well, maybe in two years we'll have that safety net there or something. Senator Gloor. [LB600]

SENATOR GLOOR: Thank you, Senator Howard. Director Chaumont, wasn't that work

group made up of both acute care and long-term care folks? Or was it just long-term care? [LB600]

VIVIANNE CHAUMONT: It was just long-term care folks, although hospital representative, a representative from the hospital association was there because some nursing facilities are hospital-based. [LB600]

SENATOR GLOOR: Attached to acute-care facilities, okay. What percentage of all of our Medicaid dollars go to long-term care, roughly? [LB600]

VIVIANNE CHAUMONT: It's the largest spendable...well, to long-term care altogether or to nursing facilities? [LB600]

SENATOR GLOOR: Nursing facilities. [LB600]

VIVIANNE CHAUMONT: Nursing facilities is the largest line item in the state budget. And, I'm sorry, in my...in the Medicaid budget. And it's over $300 million. [LB600]

SENATOR GLOOR: Is that...what's that, about 25 percent of your budget, roughly? [LB600]

VIVIANNE CHAUMONT: Three hundred million at a 1.6 is about 20 percent. [LB600]

SENATOR GLOOR: Yeah, okay. What level of provider increases have there been for nursing homes over the past five years? What's been our track record with... [LB600]

VIVIANNE CHAUMONT: Last year we gave...last year you gave a .5 percent increase, provider increase. The year before that it was 1.5, I think the year before that was 2.5. I'm sorry... [LB600]

SENATOR GLOOR: I don't think it has been 2.5. [LB600]

VIVIANNE CHAUMONT: Or 2. It's...I can get you that information. It's in that lovely Medicaid reform report that Senator Campbell likes so much. (Laugh) [LB600]

SENATOR GLOOR: Oh, okay. If it's in there, I'll...I know where I can get it. [LB600]

VIVIANNE CHAUMONT: Yeah, but I can get you that info. [LB600]

SENATOR GLOOR: Okay. But we're talking about a 5 percent. Appropriations Committee is talking about a 4 percent reduction now, so it's reasonable to say whatever we have seen as an increase in the past two or three...maybe three or four years is now going away so we'll be back to where we were. [LB600]

VIVIANNE CHAUMONT: Well, we're proposing...we proposed a 5 percent rate decrease and the appropriations is at 4 percent. [LB600]

SENATOR GLOOR: I think just to put it in perspective, it's a little bit easier to understand why the commission might have...that group might have said, we don't want to do this a few years ago in light of increases, even modest. And now looking at what would be a significant decrease, I could see why there would be a change of opinion, a change of direction. [LB600]

VIVIANNE CHAUMONT: There obviously was. [LB600]

SENATOR HOWARD: Senator Cook. [LB600]

SENATOR COOK: Thank you, Madam Chair. And I have another question related to the free market and perhaps it's rhetorical. But you've had so much experience, perhaps you do have an example. What motivation given that the free market is in business to make money, what motivation would the free market have to care for someone without the ability to pay privately or without adequate access to Medicare or Medicaid? [LB600]

VIVIANNE CHAUMONT: I think we might be...you might be misunderstanding my point about the free market. [LB600]

SENATOR COOK: Okay. Please help. [LB600]

VIVIANNE CHAUMONT: I think, let's not talk about providers, let's not...let's talk about restaurants, hotels, okay. So the three of you own a hotel. Senator Wallman's... [LB600]

SENATOR COOK: Together or each one has their own one? [LB600]

VIVIANNE CHAUMONT: Each one. [LB600]

SENATOR COOK: Oh, good. [LB600]

VIVIANNE CHAUMONT: And Senator Wallman's isn't that good, no. (Laughter) I had to wake him up. (Laughter) Make sure he's paying attention. Anyway, you each own a hotel in a small town. Okay. You...there aren't enough guests come in so all three of you are losing money or not making very much money. But if one or both of you or two of you closed, there would be more people on the one, that one would succeed. That's how competition works in the free market out there in the world. [LB600]

SENATOR COOK: Ah, okay. Thank you very much. [LB600]

SENATOR HOWARD: Senator Bloomfield. [LB600]

SENATOR BLOOMFIELD: Yeah. You said we were overbedded? [LB600]

VIVIANNE CHAUMONT: Yes. [LB600]

SENATOR BLOOMFIELD: That we had more beds. What's that number? How much of a surplus is there and with us baby boomers coming along what's the odds of that...? [LB600]

VIVIANNE CHAUMONT: I don't know the numbers but I think that the Health Care Association, we agree that there are sufficient beds in Nebraska to take care of all clients. There are many, many nursing homes that are operating at 50 and 60 percent capacity, which is neither efficient nor economical for the Medicaid program. [LB600]

SENATOR HOWARD: I have one question for you. When you quoted the figure of the $300 million, does that include prescription medication? [LB600]

VIVIANNE CHAUMONT: Prescription drugs are not paid for by the nursing home. Prescription drugs are separately billed in the Medicaid program. I don't know what they do in private pay or anything else. But the Medicaid program pays for prescription drugs separately. So if we have a Medicaid client in the nursing home, they bill the Medicaid program for the drugs. That's not in their rate, right? [LB600]

SENATOR HOWARD: So it's an additional amount. Right. Right. Thank you. Do we have any other parting questions? Thank you. It's always a pleasure. [LB600]

VIVIANNE CHAUMONT: Thank you. Always a pleasure. Even when you're feisty. (Laughter) [LB600]

SENATOR HOWARD: Any other opponents? Anyone who would like to testify in the neutral? All right. Well, that will conclude...oh, where did Senator Campbell go? There you are. We invite you to do the closing. [LB600]

SENATOR CAMPBELL: Colleagues, I really want to thank all the people who came today to testify on this, and I have to say that it was particularly nice to see Commissioner Duda again. We served at about the same time and got to know each other. And I really appreciate the comments from Douglas County. We certainly will make every effort to sit down with the providers to clarify all of the money and how that may work. But when we began to have some idea this past summer that there would be a provider cut, the industry stepped forward and said, we would like to look at a plan since we have used the assessment from the ICF/MRs, is there someway, and so they worked through this. And I appreciate the fact that an industry stepped forward to say, I

would like to try and utilize this. For some of our healthcare industries they may not be as fortunate to be able to come up with a plan to step forward to make those provider rates decline. But at least this industry was willing to do that. And we will spend a little time here trying to get those figures very clear for you so you understand what would happen under this, and what would happen in two years and do that. And if there needs to be any sunset language or if there needs to be language with regard to what would happen if the federal government did something, I think those are items that we can take care of for the committee. And so we will do some work and come back. [LB600]

SENATOR HOWARD: Thank you, Senator Campbell. Would you like me to continue with...? [LB600]

SENATOR CAMPBELL: That's all the remarks I have, Senator. [LB600]

SENATOR HOWARD: All right. Well, would you like to go...would you like to now discuss LB601? [LB601]

SENATOR CAMPBELL: Sure. [LB601]

SENATOR HOWARD: All right. You're bringing us all sorts of good ideas this afternoon. [LB601]

SENATOR CAMPBELL: Thank you. Senators, for the record, my name is Kathy Campbell, and it's C-a-m-p-b-e-l-l. As I used to say, Kathy with a K-a-t-h-y. I became very used to that when I was trying to spell my name at the county level. Today I'm here to introduce LB601 which is intended to infuse a child development standard of accountability into publicly funded childcare. A standard is desirable for many reasons. First, the child-care subsidy program serves a great number of Nebraska children. There are 47,686 children, ages zero to five in the state who are at risk of failure in school, and 27 percent of those children receive the subsidy. Second, high quality childcare is proven to help young children develop and retain the cognitive skills they will need in kindergarten and throughout life. Without high-quality environments, at-risk children enter kindergarten one to two years behind their peers in academics and behavior and never catch up. Third, the subsidy pays only a portion of what the private market charges, so providers who accept the subsidy have to make sacrifices, making it difficult, at times, to maintain high levels of quality. Fourth, as the budget-setting branch of government, the Legislature has a duty to maximize public funds. Publicly funded childcare should be more than a work support for parents. LB601 proposes using public funds for childcare that is likely to remove or reduce the potential for failure for children who are most at risk for failure. The bill would do this by changing the subsidy and by creating an additional level of care. The child-care subsidy is set by the Department of Health and Human Services by conducting a market rate survey of providers in Nebraska. Currently, the rate for all providers who accept the subsidy is not less than

the 60th percentile of the market rate survey. LB601 would designate this rate for care from a qualified licensed child-care provider. For all other providers, the rate would be at the 50th percentile. The bill defines a qualified licensed child-care provider as someone licensed by the department who has a minimum 24 hours of in-service training, at least 12 hours of which are in person. The provider would have to acquire the training within the first 12 months of being licensed or on or before December 31, 2012, whichever is later. I think that LB601 is a reasonable approach to encouraging providers to improve the standard of care that they provide. The amount of training required to qualify for the higher subsidy is not excessive. The bill allows providers up to a year to achieve the training. We're going to have a number of people who are qualified and, again, going to let them testify and then at the end, but I do want to say to my colleagues that we want to introduce this bill and get the testimony in place, and then have a very clear idea of where we think we're going in the future. But clearly, the intent here is whether a child is in private child-care development or whether they're in public, they deserve the best quality that we can give for children as a good start in life. So with that, we'll let the testifiers... [LB601]

SENATOR HOWARD: Thank you, Senator Campbell. I always appreciate that you do...you're caring about those matters. Thank you. [LB601]

SENATOR CAMPBELL: We'll sit and listen. [LB601]

SENATOR HOWARD: Any questions for Senator Campbell before she gives this over to...no. Thank you. Could I see a show of hands of how many people are here to testify in support? Proponents? Okay. How many would be testifying in opposition? Okay. Are there any neutral testifiers? Okay. Thank you. And you're familiar with the light system, so I won't explain that to you. [LB601]

JEN HERNANDEZ: (Exhibits 16, 17, 18, and 19) Good afternoon. Committee, my name is Jen Hernandez, H-e-r-n-a-n-d-e-z, and I am here representing the Nebraska Children and Families Foundation. I did want to let you know, as I get started here, that we have tried to coordinate and tighten our messages, so you don't hear anything duplicative, and although there are a number of people in the room behind me that are very supportive of this bill, only a few of us are going to get up and say something. But I did want to offer, for the record, the names of 37 child-care providers who are here in support. They have all signed this with their name and address, and also a letter of support from Building Bright Futures Early Childhood Services, for the record. [LB601]

SENATOR HOWARD: Thank you. I appreciate your organization. [LB601]

JEN HERNANDEZ: As Senator Campbell mentioned, there are a number of at-risk children birth to five in the state of Nebraska who are at risk of failing in school. And LB601 is all about maximizing existing public funds that we spend on childcare. That

growing population of at-risk children, young children, is growing faster in rural Nebraska than it is in urban Nebraska. We heard the message from you, no new money, so what we did was looked at current birth-to-five funding, and we've come in with a plan for how to spend existing dollars a little bit better, and that plan is LB601. We are not maximizing our child-care investment right now. We pay for childcare, for children at risk in their very early years. Then we pay, again, for remediation in special education when many of these same children arrive at kindergarten one to two years developmentally behind. Childcare is not acknowledged as a learning environment. It is currently just a work support. But LB601 introduces a child-care child development standard into publicly funded childcare by incentivizing more training for providers who take public funds. A Nebraska-specific research study done by the university in 2002 found that 24 hours of training was the critical indicator of the kind of care that is found to reduce the achievement gap in children, birth to five. You have a map in front of you, and I'm sorry that you're not able to read the counties very well, but this is a point-in-time picture as of yesterday of the training opportunities available across the state, so that any child-care provider who wants to meet this higher standard of 24 clock hours in a year would have ample opportunity to do so. They would also have, as Senator Campbell mentioned, about a year and a half to get there before this policy would go into place. It would be the responsibility of the provider to document adequately those 24 hours and submit that to the department just as they do for the 12 hours that they're required to do every year currently. Senator Howard and the other members of the Education Committee have already prioritized early childhood and recognized the importance of investing in the first five years. This issue of the next generation is bigger than all of us. It takes us stepping outside of siloed state agency programs to see it. Parents are a child's first and most important teacher, but we know there is an alarming rate of children, increasing numbers of children, birth to five, who are starting school unprepared. The other sheet you have in front of you shows you how many children in your legislative district, birth to five, are at risk of failing in school, and how many of them we can reduce the achievement gap for with no new money with LB601. It's going to take a strong partnership to turn this around, and, fortunately, we have foundational pieces already in place in state government, both in Health and Human Services, and the Department of Education, also at the university. And we are excited that Nebraska has very strong private partners who are willing to help relieve some of the pressure facing state government. They're willing to challenge the system and willing to put their own time and money on the table, but this issue is bigger than our individual efforts, and what we have in place needs to be accountable and measurable. This legislation is one important piece of that puzzle, so I urge your advancement of LB601 and would be happy to take any questions you may have. [LB601]

SENATOR HOWARD: Thank you, Jen. Senator Krist. [LB601]

SENATOR KRIST: Yeah, I'm going to apologize to my committee members and

compliment you on the number of testifiers in support. That's very nice and courteous of you and of the proponents. But I have...the staff and I were able to put together some questions that I'd like to...I don't mean to be a rapid fire, but how many birth-to-five kids are there? Are they increasing, and where are they around the state predominately? [LB601]

JEN HERNANDEZ: Right now, the estimate is about 47,689 children birth to five across the state. They're located in every county of the state. That number has been increasing by about 5,000 children statewide over the last five years, and of that increase, the children are increasing...the rate of that increase is happening faster in rural Nebraska than it is in urban Nebraska. If you look at raw numbers and compare, we certainly have a high number of at-risk children in urban areas as well, but in terms of increase, that rate is increasing faster in rural Nebraska than it is in urban. [LB601]

SENATOR KRIST: Can I continue? [LB601]

SENATOR HOWARD: Yes. [LB601]

SENATOR KRIST: How many of the parents, and I'm not judging, I'm just saying, how many parents do we have that work, you know, in terms of that need? And how many of these children are out-of-the-home care? [LB601]

JEN HERNANDEZ: Well, Nebraska consistently ranks in the top five states for all available parents in the work force, so approximately about 80 percent of all of these children have all of their available parents in the work force in the state of Nebraska. [LB601]

SENATOR KRIST: Okay. And then, finally, you know, I really do applaud what you're doing, and particularly (inaudible) in the private sector. How much money are we talking about being out there? [LB601]

JEN HERNANDEZ: In terms of the private dollars coming in? [LB601]

SENATOR KRIST: Right. [LB601]

JEN HERNANDEZ: You know, I don't have that number off the top of my head. I'm happy to get that for you. We have significant dollars recently going to the university for early childhood efforts, both in policy and research and in practice. I don't have a dollar amount for that figure, but that will be going statewide. I mean, there are discussions. We have, fortunately, a lot of private money that's gone into Omaha already in terms of Educare. We have two facilities there, and so they, I believe, are looking at expanding efforts outstate now to make sure that Educare-like quality environments are available to all kids across the state who are at risk of failing in school. [LB601]

SENATOR KRIST: And just...I'm sorry, one final one. What's the big difference between this bill and LB464? [LB601]

JEN HERNANDEZ: So LB464 is another child-care bill that is in front of the Appropriations Committee, as you know. And I don't know if you want the very technical answer or the little bit higher above answer. I'll start with the... [LB601]

SENATOR KRIST: I'd love to have the technical answer for us to review in Exec, but if you'd like to just give us a quick overview, that would be great. [LB601]

JEN HERNANDEZ: Okay. The quick overview is that it will likely inadvertently make it more difficult for licensed child-care providers to serve children at risk... [LB601]

SENATOR KRIST: LB464? [LB601]

JEN HERNANDEZ: Correct. Because it will probably significantly reduce the provider rate that subsidy providers receive for caring for those at-risk children which may make it difficult for providers to continue accepting the subsidy. And if they are in a position where they're not able to take that as payment any longer, then those families may have a difficult time finding someone to be able to take that as payment. [LB601]

SENATOR KRIST: Thanks, Jen. [LB601]

JEN HERNANDEZ: Um-hum. [LB601]

SENATOR HOWARD: Yes, Senator Bloomfield. [LB601]

SENATOR BLOOMFIELD: Thank you. You have here that 47,000 children, age zero to five, are at risk of failing in school. [LB601]

JEN HERNANDEZ: Um-hum. [LB601]

SENATOR BLOOMFIELD: What's the total number of children in the state, age zero to five? [LB601]

JEN HERNANDEZ: That is about 38 percent of all children, birth to five, in the state of Nebraska. [LB601]

SENATOR BLOOMFIELD: About one-third? Wow. Okay, thank you. [LB601]

JEN HERNANDEZ: Um-hum, a little over a third. [LB601]

SENATOR HOWARD: Further questions? Senator Cook. [LB601]

SENATOR COOK: That's me. Thank you, Madam Chair. [LB601]

SENATOR HOWARD: A modest little wave at me there (laugh). [LB601]

SENATOR COOK: Sure. (Inaudible) something. Thank you, Ms. Hernandez, for coming and for getting all the support organized. I'm harkening back to a proposal a number of years ago, which brought out criticism among child-care providers on the near north side, part of which is represented in my district, District 13, that it was...I'll go ahead and say it. I was told that it was a grand conspiracy to shut down the in-home child-care providers. [LB601]

JEN HERNANDEZ: Um-hum. [LB601]

SENATOR COOK: Can you speak to that? [LB601]

JEN HERNANDEZ: We can, and actually, we had some great conversations as a part of that bill. [LB601]

SENATOR COOK: This bill or LB464? [LB601]

JEN HERNANDEZ: No, the bill that you are referencing... [LB601]

SENATOR COOK: Back in the... [LB601]

JEN HERNANDEZ: ...from a couple of years ago that was... [LB601]

SENATOR COOK: Okay. Well, this might have been even ten years ago... [LB601]

JEN HERNANDEZ: Oh, okay. [LB601]

SENATOR COOK: ...when we were first doing work that came out of Omaha 2000 and improving the quality of childcare across the state, and then when the Educares first emerged in Omaha and across the country. [LB601]

JEN HERNANDEZ: Um-hum. Well, as we continue to try to improve services for children at risk, it's very important to us that we coordinate with the providers, and so we have...as we were developing what might be the right number. In this case, it ended up being in LB601, 24 hours of training, but it went through a lot of different drafts, and we were checking in with child-care providers and asking them, is this a reasonable bar? How long would it take you to get to this level, and would this be a cumbersome process for you? So we went back and forth in collaboration with providers to arrive at what is

included right now in LB601 which is that 24 hours of training in the last 12 months and feel that it is something that providers not only can handle, but are very welcoming of. Many providers are already meeting that mark, and I think I'll probably let the child-care provider who is here to testify help tell you a little bit about that. But does that answer your question? [LB601]

SENATOR COOK: It does. I'll just wait to ask some more questions, and I think the Chair might allow me to bring you back up if we don't get the answer, if I don't... [LB601]

JEN HERNANDEZ: Okay. [LB601]

SENATOR COOK: Thank you. [LB601]

SENATOR HOWARD: Possibly (laugh). [LB601]

JEN HERNANDEZ: Absolutely. [LB601]

SENATOR COOK: Possibly, if I'm nice. [LB601]

SENATOR HOWARD: Jen, I think it might be helpful if you could explain...not everyone understands what at risk...what our interpretation of at risk would be, and I think that would be just good, general information. [LB601]

JEN HERNANDEZ: Um-hum. Well, when we try to count the numbers of at-risk children, birth to five across the state, we are using a definition that the Department of Education has used for a number of years, and there are four criteria there. It is a measure of poverty, so the income status of the family is; low birthweight; English as a second language; and having a parent who has not completed high school; or a teen parent. Those are the risk categories that the Department of Education uses to be able to identify children who really struggle in school. [LB601]

SENATOR HOWARD: And these are the young children prior to entering school? [LB601]

JEN HERNANDEZ: Correct. [LB601]

SENATOR HOWARD: Without the free and reduced lunch factor entering in? [LB601]

JEN HERNANDEZ: Correct. [LB601]

SENATOR HOWARD: Okay. Thank you. Do we have any other questions on record? All right. We'll keep you in reserve in case we need you. Thank you. [LB601]

JEN HERNANDEZ: Okay. Thank you. [LB601]

SENATOR HOWARD: Other proponents. Did anyone else want to speak in support? [LB601]

GALE HENDERSON: Yes. [LB601]

SENATOR HOWARD: Welcome to the Health Committee. [LB601]

GALE HENDERSON: Good afternoon, Committee. My name is Gale Henderson. Last name is H-e-n-d-e-r-s-o-n. I am a wife, a mother, and a grandmother, and I'm also the owner of Wise Kids, Inc., child development center; Kids Ark Learning Center; and the co-owner of Lifechangers Academy II, all of which are located in Omaha, Nebraska, in the lower-income communities. I currently employ 42 employees, and I currently serve 239 children, ages 6 weeks to 13 years in our infant, toddler, pre-K, and after-school programs. I reluctantly started a home day care in 1991, because I wanted to raise the bar of quality in early childhood development in north Omaha. I wanted to make a difference in the north Omaha community. I use the word "reluctantly" because at the time, I was torn between my corporate position and the perks that come with it, and the reality of changing diapers and wiping noses (laughter) along with all the negative connotations that are associated with early childhood. Needless to say, I did not get a lot of support from my family and friends, but my goal from the inception was to be a symbol of excellence, and I wanted to dispel the myth that the early childhood providers in north Omaha were just minimally educated babysitters. But I could not be dissuaded. My heart began to beat for the underprivileged, disenfranchised child. My purpose, I believe, is to bridge the educational gap. I realize the magnitude of this challenge, and I'm very familiar with professional development. You see, I too, was a single mom who had the assistance of my mom, and I was able to complete college with a bachelor's degree on the Dean's list. I went from welfare to the work force, and broke the chains of poverty in my life. Most of today's young moms, they don't have that same advantage, because they don't have a strong mom or a strong family support system that they can turn to in their efforts to improve their life circumstances. And in the 20 years that I have been in childcare, I have witnessed the massive erosion of the family structure. And today, we have one generation after another that has fallen prey to the demise of alcohol, drugs, and mental illness, and that has left our families broken and dysfunctional. More increasingly, my clients are single moms, older grandmothers, and foster care children, all of which have been disenfranchised for various reasons. These families present a greater challenge to our educators, because they have special needs. Therefore, we as educators need special skills to meet those needs. Administrators and teachers are expected to wear multiple hats--that of comforter, counselor, encourager, therapist, surrogate mom, and in some instances, a life coach. Statistics show the critical years of a child's development is from birth to age five. The need for quality childcare is greater now than ever before in history, because parents are younger; they

lack parenting skills and higher education. Now, we must set a standard of care necessary for the complete development of our at-risk children that will give them the educational foundation for success to compete at any level of society, and this should be the right of every child. Just as a child could not choose their parents or what class of society they are born into, professional development should not be a choice but a mandate. Our families should not have to travel outside of their communities to obtain quality early childcare. I'm here today as a proponent for LB601. I speak for children--my children, my parents, and the early childhood providers in low-income communities. And because we are in low-income areas, it does not mean that we have low expectations for our children, our families, and our staff. Our facilities were founded and have always operated on the principle of soaring to excellence. We believe an increase of in-service hours from 12 hours to 24 hours is a realistic expectation as a quality indicator. Our children come with greater needs; most need social emotional development before they can even become active learners. Parents need outside support, and educators need to be better equipped. Our challenge, I believe, is twofold. First, we must raise the bar for professional development; and second, we must raise the income levels of the early childhood providers to attract a higher caliber of professionals. I speak from my life experience, coming from poverty and raised by a single mom, who put us first. I can unequivocally state that love and knowledge is the equalizer that levels life's playing field for underprivileged and at-risk children. I'm passionate about my children, my parents, and staff. I want our children to not only have equal playing time in the game of life, but I want them to win. Early childhood development gives our children the equal opportunity to compete and finish strong. Thanks to Building Bright Futures training and the TEACH program, we are committed to exceeding the 24-hour proposal--in-service proposal. [LB601]

SENATOR HOWARD: Thank you. [LB601]

GALE HENDERSON: Um-hum. [LB601]

SENATOR HOWARD: Questions for this testifier? Yes, Senator Bloomfield. [LB601]

SENATOR BLOOMFIELD: Thank you for what you do over there, and I assume you have made a difference in north Omaha. How long ago did you start this? [LB601]

GALE HENDERSON: Twenty years ago, in 1991. [LB601]

SENATOR BLOOMFIELD: How much assistance did you get, if any, from the state at that time, or the government when you started this? [LB601]

GALE HENDERSON: About 90 percent. [LB601]

SENATOR BLOOMFIELD: Is that right? Okay. Well, again, thanks for what you do.

[LB601]

SENATOR HOWARD: Senator Cook. [LB601]

SENATOR COOK: Thank you, Senator Howard. Can you tell me whether or not there is a charge to the child-care provider for those additional 12 hours of training, and if so, does the child-care provider have to pay for that herself, or is there a scholarship available if she wants to improve her skills? [LB601]

GALE HENDERSON: There are scholarships available through various programs, TEACH being one of them, and also Building Bright Futures has offered scholarship opportunities. They've made the payments for the classes. There is occasion, though, when the provider does have to pay for some of the coursework themselves. [LB601]

SENATOR COOK: Um-hum. And how much is that? How much would that be out-of-pocket without Building Bright Futures or TEACH? Do you know? [LB601]

GALE HENDERSON: Through the early childhood consortium, Jennifer (inaudible)...they normally offer courses for like $35. [LB601]

SENATOR COOK: Okay, and how many hours...credit hours or training hours would that offer you, that $30? [LB601]

GALE HENDERSON: Normally, three hours. [LB601]

SENATOR COOK: Okay. Do some...thank you. [LB601]

GALE HENDERSON: Um-hum. [LB601]

SENATOR KRIST: Yeah, uh... [LB601]

SENATOR HOWARD: Senator Krist. [LB601]

SENATOR KRIST: Thank you, Senator Howard. Thanks, Gale, for coming. We talked before about that other bill that's in front of Appropriations... [LB601]

GALE HENDERSON: Yes. [LB601]

SENATOR KRIST: ...LB464. Do you have an opinion on that? How would that...what would that be compared to what we're talking about here? [LB601]

GALE HENDERSON: I oppose that bill, because I think it would be a detriment to north Omaha, because the factors are unpredictable; it's an unknown rate. And I believe that

we would be the area that would be discriminated against, because of being in a low-income area, and most of our providers rely totally on Title XX subsidies, and so I think it would really be hurtful for that to happen. [LB601]

SENATOR KRIST: Thank you very much. [LB601]

GALE HENDERSON: Um-hum. [LB601]

SENATOR HOWARD: Other questions? I have a couple of quick ones for you, and I know you'll know the answer. I worked for Health and Human Services as a case manager for 34 years, so you and I may have even worked together at some point. What hours are you open at your three facilities? [LB601]

GALE HENDERSON: From 6 a.m. until 7 p.m. [LB601]

SENATOR HOWARD: 7 p.m. So, sometimes you even feed dinner to the children. [LB601]

GALE HENDERSON: We always feed dinner. [LB601]

SENATOR HOWARD: You always feed dinner. [LB601]

GALE HENDERSON: Well, for the children that have that schedule, that are there for dinner. [LB601]

SENATOR HOWARD: Okay. Do you provide transportation? [LB601]

GALE HENDERSON: Yes, we do. [LB601]

SENATOR HOWARD: Okay. And what percentage have you...you said you had right now 239 children. What percentage of those are Title XX children? [LB601]

GALE HENDERSON: I would say 95 percent. [LB601]

SENATOR HOWARD: Ninety-five percent. And you might want to just take a minute to explain briefly the Title XX, because I don't think everybody quite knows what that is. [LB601]

GALE HENDERSON: Title XX is a state-subsidized program that provides reimbursement for the providers, for parents that fall within their income guidelines, so the state actually subsidizes the child-care tuition for those families that meet their... [LB601]

SENATOR HOWARD: And it's your billing document for the reimbursement,... [LB601]

GALE HENDERSON: Yes. [LB601]

SENATOR HOWARD: ...where you keep your hours, and you submit that. [LB601]

GALE HENDERSON: Yes. [LB601]

SENATOR HOWARD: Okay, all right, thank you. [LB601]

GALE HENDERSON: Um-hum. [LB601]

SENATOR HOWARD: I think we've covered it. Thank you for coming down today. [LB601]

GALE HENDERSON: Thank you. [LB601]

SENATOR HOWARD: Welcome to the Health Committee. [LB601]

DAN ENDORF: (Exhibit 20) Thank you. My name is Dr. Dan Endorf. I'm the superintendent of schools with North Bend Public Schools. First name D-a-n, last name E-n-d-o-r-f. Thank you for allowing me to be here today. I'm testifying in support of LB601. A little background, first of all, spent 14 years as a teacher, coach, assistant principal and principal in the Class A and Class B setting. In that time, the vast majority of that time was spent in grades 10, 11, and 12 especially. And as an educator, there would be times where I would find it a great, great challenge to work either in the classroom myself or with other teachers, as we were dealing with a certain group of students that were on their way to four-year college, as well as another group of students that we were really, really working hard to graduate from high school. And so, we saw some major disparities in our classrooms across the state of Nebraska which is, I know, no surprise to you. In the last two years, I've moved into the district office...this year at North Bend Central Schools, and in each case, it has been alarming to me to go down to the elementary school, walk into the kindergarten setting, and see that that disparity, in my opinion, is even greater down there than it is at the high school setting. First week of school, I walked into a kindergarten setting at North Bend Central this year, and right next to the girl with the pretty backpack and notebook, who was sounding out words already, sat some other young people, and you could tell--their hygiene wasn't what it should be; there were other factors that were coming into play that had already impacted their life. And so, it's truly been a challenge and really, quite frankly, rather disheartening to see that we have these little five-year-olds coming into school with so many challenges facing them already. North Bend Central Schools is 15 minutes from Fremont. North Bend Central Public Schools is primarily agricultural, as you can imagine, but the free and reduced rate there has risen by 10 percent in the

course of the last couple of years. So one out of every ten kids that's walking into that school compared to the past three or four years is now on free and reduced lunch. The percentage that you heard before about the 38 percent...that's about where North Bend Central Schools is when it comes to free and reduced lunch. Now, before North Bend Central Schools, I was at York Public Schools, and there was a great Head Start program there, worked well with the school. I know that Fremont, Schuyler, and other towns provide Head Start. For North Bend, being 15 minutes away from one of those Head Start facilities, transportation is a major issue; parents are working; oftentimes it's single-parent homes. And it's very difficult for our people to access the Head Start when it is available to them. So I speak complimentary of the programs that are already in place, but I would also tell you that the numbers you heard before about rural Nebraska and poverty, I see it with my own eyes this year. And it is a stark reminder that socioeconomic status does play a role in our kids' lives. The reason why I'm here today is not just because Ms. Hernandez did a great job of organizing all these day-care providers to come in here. She also combed through regional newspapers and found the North Bend Eagle, and in North Bend, Nebraska, at our public school setting we do not have a formal preschool because there is a private preschool called Miss Martha's B-4 Preschool. Miss Martha does a great job. My son is a member of the preschool, but Martha is going to someday retire, and when she does, we're going to need to have a formal preschool in place. As a nonequalized school in the state of Nebraska, we do not receive a financial incentive for doing that, and so we're looking for well over $100,000 to make this a reality. And through the course of our discussion, as you'll see in the editorial that I passed around, we have found, talking to kindergarten teachers, first grade teachers, and, of course, the expert herself, Miss Martha, that there's only so much that preschools, kindergartens, and so forth can do, that that learning is truly starting well before the child ever walks through the kindergarten doors. So, in summary, I would simply tell you, you know, at grade three is when the NeSA tests start, and that's the accountability factor for the state of Nebraska for public education. In grade three, we've been working with these students now for four years, and our kindergarten teachers at North Bend, and I think all across the state, would tell you, those kids that show up in grade three...yeah, we've had them for four years, but they've been learning; they've had opportunities to learn long before they ever walked into our kindergarten classrooms. Thank you. [LB601]

SENATOR HOWARD: Do we have any questions for this testifier? Looks like you did a good job. Thank you for coming down. [LB601]

DAN ENDORF: All right. Thank you. [LB601]

SENATOR HOWARD: Do we have other proponents? Do we have any opponents? I'm sorry, you missed your chance (laughter). Now, that was fun (laughter). [LB601]

TODD RECKLING: (Exhibit 21) Good afternoon, Senator Howard and members of the

Health and Human Services Committee. My name is Todd Reckling, T-o-d-d R-e-c-k-l-i-n-g. I'm the director for the Division of Children and Family Services within Health and Human Services, and I am here to testify in opposition to LB601. You have my testimony, so I won't read that to you. I would actually just like to say that the department is very aware of the intent of the bill, and the quality aspect is something that we also feel is an important piece to having our young kids grow up healthy and well-served as they mature. Our issue, however, is related to, as you'll see. I'd be happy to...any time that there's a fiscal note and wanted to point that out and make myself available to answer any questions related to the fiscal, and also, if there's any other questions related, as I've heard, maybe on the other additional bill related to childcare around LB464. So, with that, I'd be happy to answer any questions that the membership may have. [LB601]

SENATOR HOWARD: Thank you. Very concise. Do we have questions? [LB601]

SENATOR KRIST: I do. [LB601]

SENATOR HOWARD: Oh, I'm sorry, of course, yes. Senator Krist. [LB601]

SENATOR KRIST: Of course? (Laugh) [LB601]

SENATOR HOWARD: No. Well, I mean, I wasn't looking at...absolutely (laugh). [LB601]

SENATOR KRIST: Talk to me about the disparity in the system. I mean, it's...it appears to me that just...you were talking about explaining the system. It doesn't appear to me that...am I missing something? Is there a fiscal note on this in terms of where we should be? [LB601]

TODD RECKLING: There is a difference between the legislative Fiscal Office note and the Department of Health and Human Services note. The Fiscal Analysts Office used the information that was available to them and what they had to base that on, and, basically, their estimation was based on the way the status quo, the way it is today. Our fiscal note is based on the market rate survey that's required every two years that we've not yet published. It's in draft status, so the legislative Fiscal Office is, again, based on if things were to stay the same, and ours is based on if, as this bill requires, and if LB464 is not changed, it would require us to pay based on the market rate survey and stay within those percentiles that are currently in state statute. The federal government requires us to do a market rate survey every two years, but the federal government doesn't lock us into associating the rates with the market rate survey. State law, however, does associate it with between...staying between the 60th and 70th percentile. [LB601]

SENATOR KRIST: So the absence of the fiscal note on the legislative fiscal note is the

absence of information that you had on your note. [LB601]

TODD RECKLING: Again, the market rate survey...yeah, we have not yet published it. Particularly, we tied the market rate survey to our state plan submission, and we can issue the market rate survey. We're just finishing some stuff up for the legislative office, and did not have that information. [LB601]

SENATOR KRIST: I'd love to see the product to come out of the legislative fiscal note when they have the same information. Can we get that done, do you think? Can we get that information to them and have them update their fiscal note based upon your information, your survey? [LB601]

TODD RECKLING: We'd be happy to have those conversations. [LB601]

SENATOR KRIST: Okay. And then is there any metrics associated with this program in terms of how the dollars are being spent? And what the...in the existing program, because what I'm hearing is, the proposal in LB601 takes existing dollars and does it better. And is there a metrics or a measurement system in terms of the outcome of the dollars that we're spending in the given program today? [LB601]

TODD RECKLING: There's some quality indicators as you suggest. They're not necessarily associated with a dollar amount, however. [LB601]

SENATOR KRIST: Okay. Can we get that as well? Can we get the...? [LB601]

TODD RECKLING: The current quality indicators? [LB601]

SENATOR KRIST: Yeah, please. Okay, and I guess just...if the money wasn't an issue, do you have...do you think they're going down the right track? Have you read...you've read it, obviously, so do you...if we weren't talking about a money issue, if the money was the same, there wasn't any expenditure. Do you like what you hear in terms of the changes that they would propose? [LB601]

TODD RECKLING: In general, not necessarily on LB601, I certainly respect the work that the child-care providers do. And, again, we're all interested in the quality of care for our kids, but there are issues related to, as you have said here today, with the fiscal note. And then also with that has a meaning related to with LB464 which is part of the larger budget package, as well, that your body will have to make decisions on related to what it wants to do, and how to prioritize those resources. [LB601]

SENATOR KRIST: Okay. Thanks, Todd. [LB601]

SENATOR HOWARD: Thank you. Are there other questions? I do have one for you. I

would be interested in knowing what your definition would be of the...what would be acceptable training? The reason I ask that is because you and I both know that with foster care providers to maintain hours of training, video tapes are acceptable and things. Would that qualify for this or would this be actual coursework training? [LB601]

TODD RECKLING: My understanding of the bill is that at least 12 of those hours would have to be in-person training, so I don't know that it's absolutely mandated what type of training. I think the intent was to allow some flexibility, but also get to what you're describing in some of those actual quality aspects of the training in and of itself. [LB601]

SENATOR HOWARD: Right. And so, you understand it to be 12 of the 24 hours would be actual... [LB601]

TODD RECKLING: I believe 12 of that is in person, yes. [LB601]

SENATOR HOWARD: Okay, because I think that's a critical point. I've always had concerns that accepting things such as videotape training could be questionable so, thank you for coming in to testify. [LB601]

TODD RECKLING: Thank you, Senator. [LB601]

SENATOR HOWARD: Any other opponents? Any neutral testimony? Well, thank you so much, and I want to personally thank the providers for coming down here and being patient and listening. And I know sometimes you hear testimony, and you'd like to get up and...(laugh) (inaudible), but we do consider everything that we're given. Senator Campbell, would you like to do a closing? [LB601]

SENATOR CAMPBELL: Just very briefly, I wanted to add my thanks to what you have said to all of the providers who took time to come down and to sign and show their support for this. I think what we'll all need to do is take a look at what's going to happen with LB464, because it's in the Appropriations Committee, and basically, when LB464...the type of bill, Senator Krist, that was used...has been used when the state has had trouble before. There are only four classifications of provider rates that are suggested to be frozen. One of them is child-care development; one of them is primary care--primary physician care; DD, and I believe there are some provider rates frozen in child welfare. Otherwise, the cuts that are proposed, the five to four, go into place. So as I worked with the people who brought the bill forward, what we want to try to do is get a very solid idea on the fiscal and very solid idea about how these two would mesh, so it may be next session before we've got it altogether. But we will be back. But we decided to go ahead with the hearing, because the whole premise of the bill is really what's important for us to have it and begin working on... (See also Exhibits 22, 23, 24) [LB601]

SENATOR HOWARD: Any questions? [LB601]

SENATOR CAMPBELL: ...so I hope that helped to answer some questions. [LB601]

SENATOR KRIST: Absolutely, thank you. [LB601]

SENATOR CAMPBELL: Okay. [LB601]

SENATOR HOWARD: Well, I appreciate you bringing that in. Thank you. [LB601]

SENATOR CAMPBELL: Thank you. [LB601]

SENATOR HOWARD: All right. That will end our hearings for today. [LB601]