

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Banking, Commerce and Insurance Committee
February 19, 2014

[CONFIRMATION]

The Committee on Banking, Commerce and Insurance met at 12:00 p.m. on Wednesday, February 19, 2014, in Room 2102 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting gubernatorial appointments. Senators present: Mike Gloor, Chairperson; Mark Christensen, Vice Chairperson; Kathy Campbell; Tom Carlson; Tommy Garrett; Sara Howard; Pete Pirsch; and Paul Schumacher. Senators absent: None.

SENATOR GLOOR: (Recorder malfunction)...Mike Gloor, I'm the Chairman of the Banking, Commerce and Insurance Committee. And if it looks like we're having a problem getting settled, we've never met in this room. This isn't our regular room. Some senators have probably never even been in this room for...to provide testimony. And because of that, trying to figure out where we go and how we get settled in is important to us. I'm going to ask the committee members to introduce themselves to you. We don't...we may end up with name plates before the meeting is over. But, Senator Garrett, would you introduce yourself?

SENATOR GARRETT: Senator Garrett, District 3, which is Sarpy County, a small part of Papillion and Bellevue.

SENATOR CAMPBELL: Kathy Campbell, District 25, east Lincoln and eastern Lancaster County.

SENATOR GLOOR: And I'm going to introduce my committee counsel, Bill Marienau, and the committee clerk, Jan Foster. Senator Carlson.

SENATOR CARLSON: Tom Carlson, District 38.

SENATOR HOWARD: Senator Howard, District 9.

SENATOR GLOOR: We have a couple of other senators that we know will either be here or had another obligation for this meeting. But if they trickle in, we'll try and introduce them as they walk in the door. I would ask that if you have a cell phone, please put it on vibrate or turn it off. Having said that, I know some day I won't. But I'm willing to run that risk, telling everybody that's what we would like you to do, if you would. We're required to visit with you. It's part of the statute that established this exchange committee that you serve on. We're appreciative that you serve on the committee, but we've got to go through a process of giving a thumbs up on you. This isn't a quiz. You can't really fail this unless you sit there and say, I'm sick of it and I don't want to serve on it anymore. And I hope that's not the case. But we'd also like this to be a conversation, and if you have questions of us, don't hesitate to ask us questions also. I would ask each of you to think a little bit about this question. We'll start with your

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chairman. But tell us a little bit about yourself when you sit down and what you think you bring to the committee. And then we'll open it up for questions that the senators may have and questions you may have. So we hope we can turn this into something that's a little more conversational rather than a pass/fail type of course. And again, thank you for taking the time to both serve on the committee and come over here to go through this process. And with that, let me make mention to the senators, we've handed out a fact sheet so that you know, under the statute, the mixture of the board that's supposed to be established. And that's one of the reasons I asked them to tell us a little...the members to tell us a little bit about themselves so that we can try and match them up against the mixture that we're supposed to be looking for. And with that, Mr. Chairman, Mr. Green, would you mind stepping forward and having a seat? And I need you to state your name and spell it out too, please. [CONFIRMATION]

JAMES GREEN: Okay. Technically, it's James R. Green, G-r-e-e-n. I go by the nickname of "J.J." so you'll see that on a lot of the correspondence. I'm from Grand Island, Nebraska. I've been in Grand Island for about 35 years. And my place of employment is a insurance agency. And when I was invited to consider being a member of this commission, I was asked to represent the small business community. So it's kind of like I've taken my insurance hat off and put on my small business hat. But as of this morning, as an example, I passed the gavel and made a few comments about what's going on retailwise with the exchange and the Medicaid eligibility issues, so. The reason I wanted to serve on this commission was, we've been involved in this healthcare reform movement since day one. Probably 80 percent of our revenue is health insurance generated and, therefore, I thought it would be not only good for our shop, if you would, but also I think we can bring a lot to the table. So I've really, really enjoyed to be in it. I did get up to get a cup of coffee at our first meeting and they elected me chairman, so be careful with the coffee. But it's been an experience listening to carriers, what they're going through, what individual agents are going through. Ruth Vineyard did a great job yesterday at one of our continuing education seminars. But as a result of meeting Ruth through this commission, she was able to bring a lot of clarity to some of the Medicaid eligibility issues that we're having on healthcare.gov. And so pretty much, that's why I'm on the commission. And I'm enjoying it quite a bit. And especially bringing some of the information to not only our constituents and clients, but also other agents and people who have a lot to ask about, so. [CONFIRMATION]

SENATOR GLOOR: Since I urged you to take on this role, "J.J.", do I need to ask for forgiveness or have you...it's been an enjoyable enterprise? [CONFIRMATION]

JAMES GREEN: There was one moment I wanted to know where you lived.
[CONFIRMATION]

SENATOR GLOOR: Has this been worth your time, I guess, is the question?
[CONFIRMATION]

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JAMES GREEN: Oh, yes, definitely. And, quite frankly, in the beginning it was a little...not confusion but, you know, a path of clarity. Working with the Department of Insurance has been a real asset. Getting to meet the director and the legal counsel has been very valuable for the commission, especially for the reports that we're required to come up with and the one that we submitted to the Legislature on December 1 of this year. Now that particular report, a little vague only because healthcare.gov, if you remember, wasn't working very well. And so our report didn't have a lot of things that we could really nail down datawise, but the next report will have quite a bit. As a matter of fact, the carriers are also now starting to come up with some pretty good indications and numbers and data of what's going on. [CONFIRMATION]

SENATOR GLOOR: What's been your biggest or what do you think is the biggest challenge, at least short-term challenge, moving forward? [CONFIRMATION]

JAMES GREEN: Well, on behalf of a consumer, the difficulty of the healthcare federal facilitated marketplace web site is still not really functional to its best. We admitted and a lot of folks admitted today and the navigator program admitted today that it's getting better. It's certainly not where it could be, let's say. And so our clients and Kyle Kollmorgen, he's on our...he's our vice chair, he'll also make a comment, probably, about the difficulty of the consumer being caught in the middle of the healthcare.gov not working at its best versus the Medicaid eligibility issue. That's our number one thing right now. Some mechanical things with the carriers about making sure the premiums have been paid so they don't get disenrolled. You'll hear that story a lot now. That's going to become an issue. A lot of it's because data never made it to the carrier. You know, what they call the flat files were lost or not...and quite frankly, we're not being able to communicate, especially with the Nebraska Department of Health and Human Services. And nationally and federally there's some...a lot of issues. So our biggest issue, then, is when that client comes to us and says, well, what about our children who have just been disenrolled from the policy and trying to get them coverage in one way or another. [CONFIRMATION]

SENATOR GLOOR: Yeah. Senator Campbell. [CONFIRMATION]

SENATOR CAMPBELL: Thank you, Senator Gloor. Mr. Green, I have to give you real credit here that, in spite of your number one reference...his number one reference is Senator Gloor... [CONFIRMATION]

JAMES GREEN: Yes. [CONFIRMATION]

SENATOR CAMPBELL: ...that's why I made the comment. Mr. Green, you have an extensive background in, certainly, in the insurance field and in the healthcare insurance field. And I am assuming from our list here from our legal counsel that you

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are the health insurance agent representative? [CONFIRMATION]

JAMES GREEN: No. [CONFIRMATION]

SENATOR CAMPBELL: You are not? [CONFIRMATION]

JAMES GREEN: I am the small business representative. [CONFIRMATION]

SENATOR CAMPBELL: You are the small business. [CONFIRMATION]

JAMES GREEN: Yes. [CONFIRMATION]

SENATOR CAMPBELL: Okay. I just wanted to make sure. And you've been doing, apparently, lunch and learns on all of this. [CONFIRMATION]

JAMES GREEN: Uh-huh. [CONFIRMATION]

SENATOR CAMPBELL: And primarily with small businesses... [CONFIRMATION]

JAMES GREEN: Uh-huh, yes. [CONFIRMATION]

SENATOR CAMPBELL: ...or groups in the community? [CONFIRMATION]

JAMES GREEN: Groups in the community. Anybody, basically, was invited to come. It was a open forum. But we invited current clients, group clients, and prospects, quite frankly. Or it was open to anybody that wanted to come and learn and so we invited it to everybody. We had over 60 businesses come through our shop. And it was more of an education process. So when we said lunch and learn, box lunch...and by the time I was...it was about an hour and half presentation. And by the time we were done, they were...they wished they hadn't have come because we were telling them the truth. We were telling them what's happening and what's about to happen. Now since then, of course, there is a lot about the law that has changed. As you know, there's been a lot of changes to the law, both from the administration, the IRS, HHS, CMS, it's just...I had to change my PowerPoint slides several times as we kept going. [CONFIRMATION]

SENATOR CAMPBELL: ...as you went through. I really appreciate you doing those lunch and learns in the community because for many...and our family owns a small family business. For us, we've had a long relationship with our insurance agents across...and we certainly trust the advice that they have given us. So that kind of education, we still very much rely on the insurance agents. [CONFIRMATION]

JAMES GREEN: Well, appreciate that, Kathy, because one of the things that even though I'm representing small business, I am a small business owner. And so it's kind of

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a dual-hat situation. But we feel our background in insurance has really lent to the process. And several agents have been able to do the same thing. We feel, through health underwriters and NAIFA and life underwriters, Independent Agents Association, and everything that agents have been a key part of the communication process. We really feel like that because a lot of people have nowhere to turn, don't know where to go. So they've been using their agent and that's been very rewarding.

[CONFIRMATION]

SENATOR CAMPBELL: Sure. Sure. Well, thank you for your service. We appreciate it.

[CONFIRMATION]

JAMES GREEN: Uh-huh. You bet. Uh-huh. [CONFIRMATION]

SENATOR GLOOR: Senator Carlson. [CONFIRMATION]

SENATOR CARLSON: Thank you, Senator Gloor. And "J.J.", obviously, you're well qualified to be on the commission and to be chair of the commission. You're a CLU, certified life underwriter. You're a ChFC, a chartered financial counselor. And you were president of NAIFA in 1992. You don't look old enough to be that. But tell the committee a little bit about NAIFA and your responsibilities for that. [CONFIRMATION]

JAMES GREEN: NAIFA, National Association of Insurance and Financial Advisors, and it's a volunteer association of insurance professionals. And we have a wide range of, for lack of a better, duties, if you would, life insurance and estate planning and so on and so forth. But included in part of our division of NAIFA is health insurance. And so it's been very valuable to be able to contribute to the life agents and financial planners through that division of health insurance as it is through...I'm also a member of the National Association of Health Underwriters. And we have quite a few agents in that as well. NAIFA and NAHU, both have been on the forefront of this nationally. As a matter of fact, Sunday I'm on an airplane to Washington, D.C. to lobby on behalf of our industry, meeting with Senators, both Johanns and Fischer, and plus our three representatives in the House. [CONFIRMATION]

SENATOR CARLSON: Okay. Thank you. [CONFIRMATION]

SENATOR GLOOR: Seeing no further questions, thank you. [CONFIRMATION]

JAMES GREEN: Okay, thank you. [CONFIRMATION]

SENATOR GLOOR: Mr. Booth. [CONFIRMATION]

PATRICK BOOTH: Good afternoon. So my name is Patrick Booth. And married, three adult children, grew up in Omaha, went to school back East. Worked in Virginia and

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North Carolina and South Carolina for 25 years or so and returned to Nebraska 10 years ago. And I've been president and CEO of the Fremont Area Medical Center now for six years. It's a 90-bed hospital with a nursing home and a number of clinics. It's the largest county-owned hospital in the state. I think there are 25 county-owned hospitals and the other 24 are critical access. I worked with Senator Campbell and Senator Heidemann on revising our state statute for county hospitals to level the playing field because we were restricted from doing some of the things that the private hospitals were allowed to do over the years. So, you know, I'm privileged to serve on the committee. It's been really interesting. And I'd be happy to answer any questions. [CONFIRMATION]

SENATOR GLOOR: Do you think...have you found that your role and responsibilities as a provider has been...has brought an interesting component to this discussion or dialogue? I mean, do you feel like you're on the outside watching or do you feel like you're part of the dialogue and discussion about how this is going to roll out because, obviously, this has a pretty significant impact on providers of healthcare? [CONFIRMATION]

PATRICK BOOTH: Yeah. You know, I've been at this 35 years now. And I think for some of the discussion, I know too much, you know, almost. [CONFIRMATION]

SENATOR GLOOR: That's been said to me on a number of bills. [CONFIRMATION]

PATRICK BOOTH: Yeah, I mean, you just...things don't always play out as intended, you know. In legislation we're dealing with here, you know, 20-some...2,200 pages, whatever, I happen to think it's a terrible piece of legislation. There are a few good nuggets in there, but I think if it was enacted to reduce the number of uninsured and to reduce costs, I don't think it's going to play out that way across the country. And it'll take two or three years, maybe, as it's been delayed, for that to come true and then we'll know. But typically...in a typically Nebraska way, I've been really impressed with the state staff. We made sure to put that in our report on the...both the insurance staff, Mr. Ramage's staff, and the Medicaid staff. The folks at Community Action, the federally qualified health centers, their coalition, the navigators, their efforts, our state licensed insurance companies have been very...you know, we're all trying to make the best of this situation for Nebraskans. And it's confusing and I don't know that we've come up with any recommendations to make it any better. That's...I don't think that that's our purview but, hopefully, we're asking good questions and helping to educate, you know, consumers and providers and insurance brokers about the best, you know, the way to make the best of the situation. So I feel like that's been my role. [CONFIRMATION]

SENATOR GLOOR: Other questions from the other senators? Senator Campbell. [CONFIRMATION]

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SENATOR CAMPBELL: Thank you, Senator Gloor. Mr. Booth, I want to tell you it's good to see you again after our work together. And if I had only known that you graduated from Purdue University, I would have even been more excited about it. [CONFIRMATION]

PATRICK BOOTH: There you go. [CONFIRMATION]

SENATOR CAMPBELL: I have two children who graduated from Purdue. [CONFIRMATION]

PATRICK BOOTH: Oh, good. [CONFIRMATION]

SENATOR CAMPBELL: So the Boilers unite, after all. [CONFIRMATION]

PATRICK BOOTH: Yeah. [CONFIRMATION]

SENATOR CAMPBELL: Did we help county hospitals? And how are they fairing in this? [CONFIRMATION]

PATRICK BOOTH: Well, you know, we allowed them to begin operating outside of their counties which was especially important in rural Nebraska where they wanted to go across county lines and establish primary care clinics in underserved populations. And they were prohibited from doing so in the past. There were other things that were loosened up in terms of purchasing and borrowing. And so I think, yeah, it was a meaningful change. It's helped us a little bit, but given our size and our proximity to Omaha, it was mostly about the smaller hospitals and making sure that they would survive in this environment. They are still propped up by Medicare's special reimbursement for critical access hospitals where they get cost plus 1 percent. But every year, you know, they're on a short list of possible cuts in Washington. And if that goes away and we get underwater where they get less than cost, I think you'll start to see some of those critical access hospitals close. Or if they reimpose the radius rule, we have a number of critical access hospitals in Nebraska...there are 65 in all. A number of them are within 15 miles or 20 miles of one another. And if they lost that special status, that would really hurt. So it's a little off the track of the ACA, but I'm happy to answer your question. [CONFIRMATION]

SENATOR CAMPBELL: But it does fit in eventually in terms of how they're, you know, able to stabilize themselves. [CONFIRMATION]

PATRICK BOOTH: Yes. [CONFIRMATION]

SENATOR CAMPBELL: Much appreciate your service. [CONFIRMATION]

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PATRICK BOOTH: Yeah. [CONFIRMATION]

SENATOR GLOOR: Any other questions? Senator Carlson. [CONFIRMATION]

SENATOR CARLSON: Thank you, Senator Gloor. Indicating here, I think you said you have 35 years' experience. [CONFIRMATION]

PATRICK BOOTH: Uh-huh. [CONFIRMATION]

SENATOR CARLSON: And you've been in Fremont since 2008. Where were you before then, just the last few years? [CONFIRMATION]

PATRICK BOOTH: I did...from 2004 to 2008, I was a consultant and I went around the country helping hospitals that were in financial dilemmas and quality dilemmas to...sort of like a turnaround hospital consultant guy. So I worked in Omaha and Chicago and Florida and North Carolina and Texas and so like that. [CONFIRMATION]

SENATOR CARLSON: Not in rural Nebraska? [CONFIRMATION]

PATRICK BOOTH: No. [CONFIRMATION]

SENATOR CARLSON: Okay. Thank you. [CONFIRMATION]

SENATOR GLOOR: Any other questions? Thank you, Patrick. [CONFIRMATION]

PATRICK BOOTH: Thank you all. [CONFIRMATION]

SENATOR GLOOR: Craig Buescher. If I'm pronouncing that incorrectly, I know you'll straighten us out. [CONFIRMATION]

CRAIG BUESCHER: That's pretty close. That's fine, yep. Craig Buescher, B-u-e-s-c-h-e-r, I'm from South Bend, Nebraska. My wife and I, we have four grown children that are married and supplied us with eight grandchildren that we try to spoil. And I've graduated from the University of Nebraska with an agricultural degree. I spent 33 years of my life raising the children and living in Senator Carlson's district back at Deweese in Clay County. And had an opportunity to move back here to be closer to the kids and have our farm custom farmed and I manage it. But not to the day-to-day so I can be on committees such as this. So I was asked to be representative for the citizens here on this insurance committee...insurance exchange committee. And that was done last summer and have tried to be a representative for them to ask...and try to give some input for the citizens of Nebraska. [CONFIRMATION]

SENATOR GLOOR: Did you...have you found you've needed a dictionary of terms and

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acronyms since you've served? [CONFIRMATION]

CRAIG BUESCHER: Yeah. I, unlike "J.J." who makes his livelihood in that, I felt that the learning curve was pretty steep. And tried to make my way through our little...I shouldn't say little, large booklet there a little bit. And made for some great night reading and put me to sleep a few times, so. But you're right. We have all, I think on the committee, had to get ourselves educated to the various acronyms and the various ins and outs of insurance. And having been self-employed in farming, I was...we were self-insured many years. And then during the '80s, we had to make some changes. My wife had to find work so that she could get insurance so that would help us out there to kind of get us through the downturn of agriculture. But...and my wife has continued to work since then at various jobs. So we've been the beneficiary of insurance and so we kind of know how it works and definitely was interested in this and on how it's going to work. I was not necessarily a big proponent of the insurance program, but was asked to be on this commission and was to, hopefully, add some input to that. [CONFIRMATION]

SENATOR GLOOR: What's been your biggest surprise so far, either good or bad? Just curious. [CONFIRMATION]

CRAIG BUESCHER: The biggest surprise, probably, to me is, initially, we had some questions back in our September meeting as far as if everything was going to get done on time and getting the navigators in place. And actually, at our September meeting, the navigators weren't even there to give us a report on how things were looking. And then it ended up, the first of October came and, as you all know, it didn't happen as was structured. But the biggest thing, I think, is the complexity of the program. And I'm not convinced it's really going to work. And so that was some things that I had questions about. Right now...we've had our meeting here today and even just the education and how the deadlines have been changed to the point of people not knowing, well, okay, this is a deadline now. And now they're going to extend it. And at least the people I've talked to, are just a little confused. And quite honestly, they figure, well, it's going to get changed anyway, I'm not going to worry about it. And if I'm a young male and I'm supposed to get done during the early enrollment period, if I don't get it done, it's not a big deal. If I slip on the ice and crack my head open, I'll still be able to get insurance without having to pay the hospital bill. And so I think the indecisiveness of how this program was supposed to be run and how it was carried out was a little bit unnerving to me, I guess. [CONFIRMATION]

SENATOR GLOOR: Any other questions? Senator Carlson. [CONFIRMATION]

SENATOR CARLSON: Thank you, Senator Gloor. Craig, this is health related. Tell the committee what you told me the morning after we voted on the bill to provide prenatal care to unborn babies. [CONFIRMATION]

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CRAIG BUESCHER: Well, Senator, I could tell...I was at a breakfast that you were at early one morning. And I've been involved in a very commodity organization. And I could tell that Senator Carlson was a little disturbed. And I went up to him and told him that I appreciated his service here and realized that everybody that served in the Legislature has to do it because they want to do it. It isn't an end to a means of getting rich over this position. But anyway, I thanked him for his service. And I've always appreciated visiting with him and having him tell me how he stands. Well...and I told him, I said, you had a hard vote yesterday with the prenatal care for illegal immigrants and I'll just tell you one thing. I said, if it helps you ease your mind on your vote being the right vote is that I had asked my son-in-law, who is a doctor and I says, help me get my hands around this. And he says, well, I'll tell you one thing. He's a doctor in Nebraska and he proceeded to tell me that he had a client that came in and she was in her last trimester. And he did some tests and she had some complications. And he was very good about not expressing her name or even any of the symptoms because of HIPAA. But he explained to me that he went back to her when they had their consultation and said, where were you at? How come you weren't here the first trimester? And after a little discussion, she ended up telling him that she was illegal and she was afraid to come back in. And he said, you realize we've got some complications here now we've got to address. But if you'd a came in about, you know, six months ago, we could have helped you out a little bit. Well, anyway, long story short, she had a baby early. It was premature. The preemie had to be flown to Methodist in Omaha. And the baby spent a large time in the hospital along with the mother, of course. And he said, well, he said, just...if I could have...I truly believe I could have treated that child and the mother in the womb for less than \$1,000. And I guarantee the state of Nebraska spent over \$1 million on that one incident. And so I proceeded to tell Senator Carlson, who voted for that--which did...it did have the override...they overrode the Governor's veto--and I says, you can be assured that even if you're just a fiscal conservative, you can actually be a...have a mind to say you did the right thing for Nebraska, let alone your social views because that one baby more than paid for the whole program which, at that time, was considered to be about \$660,000. So I proceeded to tell him that. And I told him...to thank him for his service, of which I've done many times with various other senators because I realize sometimes they make a very hard decision that isn't necessarily appreciated by the executive branch. And they take some heat and I appreciate that because he was looking at what he felt was the right decision for him and for many of us. [CONFIRMATION]

SENATOR GLOOR: Well, he shared that story with me, anyway. Now I've seen the person who shared it with him, I guess. It's a story that some of us heard a number of times before and after so I appreciate hearing the story. I think we're going to need to keep moving along so thank you, Mr. Buescher. Buescher? Did I get it right that time? [CONFIRMATION]

CRAIG BUESCHER: We pronounce it Bisher (phonetic), but just don't call me late for

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lunch. [CONFIRMATION]

SENATOR GLOOR: Yep, my staff will help me. Thank you. Shari Flowers, I believe, is up next. [CONFIRMATION]

SHARI FLOWERS: Good afternoon. I'm Shari Flowers, it's S-h-a-r-i F-l-o-w-e-r-s. I currently work at Blue Cross Blue Shield of Nebraska, vice president of the compliance and ethics department. So our department handles a lot of different areas of responsibility, including government affairs. So I know Michaela Valentin had originally been on the commission. She left Blue Cross so I was asked to fill the position. I have worked at Blue Cross for about seven and a half years now. Started out in the legal department so was very involved from the beginning in the Affordable Care Act and implementation. So I've seen a lot of the good, bad, and ugly in between, so have done that. Have worked for Mutual of Omaha and also Principal Financial Group as well. So in representing the interest of the insurer, have worked for various insurance companies throughout the years. Like I said, I've seen a lot of the struggles that we've had as an insurer with the Affordable Care Act and so have been able to, hopefully, bring some insight into that, but also, you know, just as a member of the commission, seeing that we're not alone. I think everybody is struggling with the same issues that we're struggling with and really trying to work through that, so. Any questions you might have, I'm open to them. [CONFIRMATION]

SENATOR GLOOR: Thank you. And I should point out, Senator Schumacher has entered since we started the meeting. And our Vice Chair, Senator Christensen, has come with guest. Questions? Actually, let me start off with a question which is, so you come here uniquely with a background as a compliance officer which sometimes has people quite concerned when they meet compliance officers. But realistically, is there anything from your unique perspective that we ought to be talking about or aware of as relates to the commission? [CONFIRMATION]

SHARI FLOWERS: You know, I think the biggest struggle with compliance is all of the unknowns right now and what the role of the federal government is going to be on regulating and on auditing insurers. You know, you've heard it from many people. Constantly there are changes, every day, almost every week there are changes. Some things we're getting officially, some things unofficially. And so trying to keep ahead of all of that and really trying to make sure that we're doing the right thing. We feel like we're doing the right thing. And I think all insurers will say that they're doing the right thing. But we really don't know what the federal government is going to come back on us and ask us, you know, why did you make this decision? Or why did you handle this process in this manner? So I think that's the biggest struggle that all insurers are facing right now is, just the amount and the constant change that is going on right now because what we think we're doing right today, two days from now we'll be told you have to do it differently. So it is a constant struggle just to keep ahead of that. [CONFIRMATION]

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SENATOR GLOOR: And what's the role of the Exchange Commission, do you think, in any of those issues that the insurers struggle with? I mean, is there a role or is it yet to appear as relates to those issues? [CONFIRMATION]

SHARI FLOWERS: I think it's yet to appear, from my standpoint. You know, it was a struggle, I think, for all of us to put together the report in December because it was so soon after that. But I hope what we can do, as a commission, is to bring some of those issues forward. And if nothing less, to make you aware of what those issues are so that you can advocate for changes or work for some of those...and some of those pieces that we're struggling with as well. I think that's where we'll see the benefit of the commission in just bringing that awareness from all different aspects. Not just...you're not just hearing from insurers or just from agents or business owners. You see a wide range of interests represented on the commission and so I think that will definitely be advantageous to the process and to this commission. [CONFIRMATION]

SENATOR GLOOR: Okay, thank you. [CONFIRMATION]

SHARI FLOWERS: Uh-huh. [CONFIRMATION]

SENATOR GLOOR: Other questions from the members? [CONFIRMATION]

SHARI FLOWERS: All right. Thank you very much. [CONFIRMATION]

SENATOR GLOOR: Seeing none, thank you very much. [CONFIRMATION]

MICHAEL GROENE: Senator Gloor. [CONFIRMATION]

SENATOR GLOOR: Michael. [CONFIRMATION]

MICHAEL GROENE: Senators, Mike Groene, G-r-o-e-n-e, from North Platte, Nebraska. I was born and raised in northeast Nebraska. Been a rural resident all my life except the four years I was forced to live here to get a degree at UNL. Made sure I got out in eight semesters while I was working my way through. But I'm one of the consumer representatives for consumer representatives. I'm not sure if I'm considered the rural one, but I live in a rural area, North Platte, outside the city. Been in agriculture all my life. Managed fertilizer plants, small businesses, then went to work for a company that sells specialized equipment to the fertilizer and ag chemical industry. Lived ten years in Colorado. I've moved four or five times to follow a career, took my family with me. I'm back in Nebraska for the last 15 to 17 years. [CONFIRMATION]

SENATOR GLOOR: You've got a pretty good track record of attending different legislative or political events, but this is your first appointment. How is this working out

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for you? [CONFIRMATION]

MICHAEL GROENE: It's a different situation. [CONFIRMATION]

SENATOR GLOOR: I'll bet. [CONFIRMATION]

MICHAEL GROENE: You get to ask the questions. The rest of the committee members pretty much have designated me as the one who asks the dumb question. And once in a while, I get a jewel, I ask the right one, exposes some information. But yes, I've been involved in politics. Not politics, citizenship. Actually had a good sixth grade nun that convinced me that an individual is supposed to take part in their government. I believed her. [CONFIRMATION]

SENATOR GLOOR: Good answer. [CONFIRMATION]

MICHAEL GROENE: A lot of people told me I'm wrong since I have been involved. [CONFIRMATION]

SENATOR GLOOR: Well, if people have told you you're wrong, I'm sure there's been some people who have told you you're right... [CONFIRMATION]

MICHAEL GROENE: Right. [CONFIRMATION]

SENATOR GLOOR: ...which means you're talking about things. And most people don't so... [CONFIRMATION]

MICHAEL GROENE: I get a lot of pats on the back from people who don't want to stick their heads up because they're afraid it will get chopped off. But I've always been bullheaded. [CONFIRMATION]

SENATOR GLOOR: Any other questions from any other committee members? Seeing none, thank you. And we hope you get back before the snow starts to fly. [CONFIRMATION]

MICHAEL GROENE: I was going to spend the night and increase your economic activity in Lincoln, but I don't think I will. I will head west. [CONFIRMATION]

SENATOR GLOOR: Well, stop off in Grand Island. Laura Gyhra. [CONFIRMATION]

LAURA GYHRA: Good job. [CONFIRMATION]

SENATOR GLOOR: Welcome. [CONFIRMATION]

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LAURA GYHRA: Thank you, Senator. Laura Gyhra, L-a-u-r-a G-y-h-r-a. I live near Raymond, near Branched Oak Lake right outside Lincoln with my husband and my three perfect children. And I just won a bet right there. I will be able to tell them I did say that. We farm 300 acres in Seward and Lancaster Counties; just purchased it about five years ago. But our day job is a mechanical contracting firm that we own here in Lincoln. We work on a lot of the commercial construction projects. And as recent as a couple of years ago, we had over 50 on our staff. Now we're down to lower 30s in numbers, just due to economic reasons. But I am our benefit administrator for our staff whom I consider friends, groomsmen, relatives that we employ. So I am making the decisions for them on what healthcare they will have for the next year, which plans and policies, and since they're in construction, health insurance is not their forte. I field a lot of questions that then I, in turn, take to the folks behind you, our insurance agent, to help me help them interpret. So I could be here with a small business hat, but I'm here with a consumer interest, basically being a filter back and forth from people like myself and our staff. [CONFIRMATION]

SENATOR GLOOR: How do the responsibilities of this commission match up with what you expected when you agreed to serve? And, again, we all understand it's early on, but I'm really curious about what people's experience has been based upon what they expected, surprises, and so on and so forth. [CONFIRMATION]

LAURA GYHRA: The description beforehand was vague. I thought that we would, perhaps, be more of a filter back and forth, as I said, for people for information, either people coming to us to ask what's happening in the state or for us to be bringing, one direction or the other, more information. For me, I'm listening to a lot. And I have a lot of years of marketing experience so I know there are a lot of statistics and things that can be painted in any which direction you prefer or is helpful to your cause. So for example, if I were one of the navigators in the exchange in the Affordable Care Act and I wanted to present a picture of something working very well, perhaps a web site or what have you, I can paint that in any way I want to the commissioners, to those of us. So I come to some of the information with some skepticism just as I would if I were you. You're taking me at my word and everything that we all say, but without a lot of stats and facts, maybe, to back it up, from time to time. So if you're asking me what the expectations were or how that matches up, I'm taking in information, but I don't have an outlet, necessarily, for it. Does that make sense? [CONFIRMATION]

SENATOR GLOOR: Yeah, it does. [CONFIRMATION]

LAURA GYHRA: Okay. [CONFIRMATION]

SENATOR GLOOR: It sounds like you could be a state senator. [CONFIRMATION]

LAURA GYHRA: You said that, not me. [CONFIRMATION]

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SENATOR GLOOR: Are there any other questions from committee members? Seeing none, thank you very much. [CONFIRMATION]

LAURA GYHRA: Thank you. And thank you for your service. [CONFIRMATION]

SENATOR GLOOR: Thank you. Kyle Kollmorgen. Kyle. [CONFIRMATION]

KYLE KOLLMORGEN: Kyle Kollmorgen with Kollmorgen and Associates, here in Lincoln, Nebraska. Represent the broker/agent community. Born and raised here in Lincoln and wife, two children. Went into insurance right out of school when I was 21 and called on my good friends about life insurance and found out real quick they didn't want any. So gravitated into the health insurance and benefit market. And today, we work with about 200 businesses ranging from mom and dad plumbing shop to TMCO Manufacturing right down the road with 250 employees. So our spectrum is large in what we deal with as far as budget and concerns and compliance. We also manage about 150 individual...well, probably 200 individual policies from on exchange, off exchange, pre-Obamacare plans, post...bronze, metallic plans. So that's the experience I bring to the table. I'm glad I didn't have to follow "J.J." with all his designations. I can just stay way up here, so. But go ahead. [CONFIRMATION]

SENATOR GLOOR: Well, given your involvement in the industry, what has been your impression so far of the commission? Are we...is this one more of those cases where it's a little early to tell yet or are you... [CONFIRMATION]

KYLE KOLLMORGEN: Well, I think as far as the commission goes, I think it's early to tell what we can provide to the community and to the state senators. As far as if you're asking about what I think of the law, I think Senator Johanns said it real well. With every law there's winners and losers, and we see that daily with our client base. There's some that do very well with the new age rating and maternity and the three to one and no underwriting. But, conversely, we lose the younger demographic who say I'll pay that \$95 penalty. And I think that's the long-term concern of this piece of legislation is...Senator Campbell, I'm familiar with your business. And there's a lot of that population who probably say, I'll just go without it and I have no money to pay for it and I have nothing to lose if I use it. [CONFIRMATION]

SENATOR GLOOR: I'm trying to think of the way to bring this question forward. But I'm going to assume that you get together with your contemporaries from other states. Have you found anybody else who serves on a commission and who's in the industry, producer/broker? [CONFIRMATION]

KYLE KOLLMORGEN: I have not. I don't travel nationally, I don't bring that experience. But I do work with, I guess if you will, partners in other states such as Florida, such as

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Texas, such as Idaho. But no commission like we serve on today. [CONFIRMATION]

SENATOR GLOOR: Yeah, I just wondered if there was an opportunity for a little networking... [CONFIRMATION]

KYLE KOLLMORGEN: Yeah. [CONFIRMATION]

SENATOR GLOOR: ...from state to state and if you'd seen that yet. But, again,... [CONFIRMATION]

KYLE KOLLMORGEN: I don't see that. [CONFIRMATION]

SENATOR GLOOR: ...I think that's a little early. [CONFIRMATION]

KYLE KOLLMORGEN: Yep. [CONFIRMATION]

SENATOR GLOOR: Questions from other committee members? Senator Carlson and then Senator Campbell. [CONFIRMATION]

SENATOR CARLSON: Thank you, Senator Gloor. You've been functioning now...and I didn't look at the rest of it, I assume it's all about the same from...you're in the second half of the first year. What's your biggest frustration so far and, maybe, what's your biggest positive? [CONFIRMATION]

KYLE KOLLMORGEN: Well, I think the positive experience is, other members have mentioned it as well, working with the Department of Insurance, getting information from the carriers as far as data of enrollments and what demographic we're seeing. And I think that tale from the insureds or that story from the insureds of the information of who's enrolling and where they're enrolling and what type of plan they're enrolling into, I think long-term that could be very beneficial for the insurance industry and this law because we can address those concerns. If we're not seeing the young consumer get into the insurance pool, how do we change that? If we're seeing high claimants enroll in this plan costing insurance companies a large number of dollars, how can we address that? So I think there's a lot of good with the data and the information that's being shared through Medicaid, the health insurance companies. The biggest frustration, I think Laura talked to it as well, it was kind of vague as to what we were going to do when we first started, and probably we still don't know what we're supposed to do. So I think that was the biggest concern when this started is, I don't know if any of us had a real clear direction. We made "J.J." the chair, so that's kind of his concern. [CONFIRMATION]

SENATOR CARLSON: Thank you. [CONFIRMATION]

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SENATOR GLOOR: Senator Campbell. [CONFIRMATION]

SENATOR CAMPBELL: Mine is just real quick. I have appreciated Kyle has shared information with me at times. And he may not know all the designations, but he's pretty sharp and very involved in our community, so. [CONFIRMATION]

KYLE KOLLMORGEN: Thank you. [CONFIRMATION]

SENATOR GLOOR: And Senator Pirsch has joined the committee. Good to have you here. Any other questions? Thank you, Kyle. [CONFIRMATION]

KYLE KOLLMORGEN: Thank you. [CONFIRMATION]

SENATOR GLOOR: Dr. Thedinger. Thedinjer (phonetic) or Thedinger?
[CONFIRMATION]

BRITT THEDINGER: Either way. I am Britt, B-r-i-t-t, Thedinger, T-h-e-d-i-n-g-e-r. I'm a physician and surgeon and represent the medical community on the commission. My wife and I and three children moved to Nebraska in the early 1990s. And I established a private practice, Ear Specialists of Omaha, in Bellevue. And I'm joined by 12 wonderful colleagues in my office. And we provide medical and surgical help for people that have various ear, hearing, and balance issues. One of the joys of my practice is that I get to meet people from all over the state of Nebraska, western Iowa, South Dakota. So I come encounter with a lot of interesting characters and wonderful people with great stories. And finally, I'm on the Nebraska Medical Association's board.
[CONFIRMATION]

SENATOR GLOOR: Thank you for your service in that capacity, let alone to Nebraskans. So what are your provider impressions having just come...not just come on this board, but gotten involved in this? [CONFIRMATION]

BRITT THEDINGER: The impressions from my fellow colleagues is just the unknown. It's still...it's very early. Everybody is learning. Things are changing. I think most of us have kind of sat back and said we're just going to...there's not much we can do at a provider level quite yet. Most of our healthcare decisions are really not in our...sit with us. We're dependent upon what you all decide, what insurance companies do, what the federal government does, what the state government does. [CONFIRMATION]

SENATOR GLOOR: You know, the original title of the bill that we approved that set up this commission, had used the term "transparency" as I recall. Do you think is going to help with transparency? [CONFIRMATION]

BRITT THEDINGER: It's very confusing. I hope it's transparent. [CONFIRMATION]

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SENATOR GLOOR: Yeah. I think that's... [CONFIRMATION]

BRITT THEDINGER: Transparency at a lot of levels, but it's still very confusing for most of us. [CONFIRMATION]

SENATOR GLOOR: Okay. Other questions from other committee members? Seeing none, thank you... [CONFIRMATION]

BRITT THEDINGER: You bet. [CONFIRMATION]

SENATOR GLOOR: ...Dr. Thedinger. Sherry Wupper or, of course, Wooper (phonetic) but... [CONFIRMATION]

SHERRY WUPPER: Wupper, yes. [CONFIRMATION]

SENATOR GLOOR: Wupper or Wooper (phonetic)? [CONFIRMATION]

SHERRY WUPPER: Wupper. [CONFIRMATION]

SENATOR GLOOR: Welcome. [CONFIRMATION]

SHERRY WUPPER: Thank you. Good afternoon. My name is Sherry Wupper, S-h-e-r-r-y, my last name is Wupper, W-u-p-p-e-r. I'm here on the committee as a consumer representative. I'd also like to state, I'm a 60-year-old female. And the reason I'm telling you that is because I am a consumer. I am also a 20-year breast cancer survivor. And because of some of the complications, I was uninsurable. I retired from Central States Health and Life Company in 2003 due to some of the complications that I suffered. I thought I was done with insurance and all of that stuff, and then I was contacted by the CHIP organization, Nebraska CHIP after I went through my COBRA. I became a CHIP member in 2004, and then I was contacted by their board president who asked if I'd be interested in being on the board. So I've actually been on the CHIP board, I think, it's been since 2007. Then now, CHIP has pretty much dissolved itself and I recently became part of the A...you know, the Obamacare network. And so I think what I bring to this committee is, I'm a retired insurance agent for the state of Nebraska. I actually had my license for 26 years. And I feel like...well, just as an example, when I was covered by the CHIP program, which was my only choice, as a 60-year-old female I was paying \$1,100 a month for a \$3,000 deductible. When I moved over to the Obamacare--and granted I'm older and I'm female which I used to be charged for, and I'm uninsurable--my premiums now are \$550 a month so it's literally half. And I have a \$1,500 deductible instead of a \$3,000 deductible. As Kyle said, there's winners and losers. And I happen to be one of the winners. Most of the people on the CHIP program that have moved over are seeing that they're paying less in premiums than they were on

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CHIP. So that's... [CONFIRMATION]

SENATOR GLOOR: Well, you're a two-time winner. [CONFIRMATION]

SHERRY WUPPER: Yes. [CONFIRMATION]

SENATOR GLOOR: Not just your premium, but also your breast cancer survivability. So congratulations. [CONFIRMATION]

SHERRY WUPPER: Yes. Thank you very much. Yeah, early detection. [CONFIRMATION]

SENATOR GLOOR: Question. Let me ask you if you've had any surprises in the role that you bring to it. And you obviously have enough background to ask some questions that might be a little more pointed than your average consumer representative. But any surprises for you? [CONFIRMATION]

SHERRY WUPPER: Yeah. Yes. The...I actually started on October 1. I woke up at 2:00 in the morning, I got on my computer and I got nowhere. And then I continued to try every single day. One day a couple of weeks into it, I decided I am not leaving here until I get through. And I spent three hours on the computer and then they finally said they couldn't verify who I was. It was very frustrating. So I went through that whole nightmare personally. I did feedback to the CHIP board and to, I think Eric I was contacting, kind of letting them know my frustration. What I ultimately ended up doing since I wasn't going to be getting any sort of subsidy anyway, is that I just picked the insurance company I wanted to go to. I went to them directly. That process was very smooth. I had a great agent that I was working with. She actually was up in the bank in Blair, Nebraska, which is where I live. My policy, I got all of the information, the packet on time. I got my insurance card. Since then, this year, I've been to the doctor probably four or five times. I have had no problems and I've received a couple of EOBs already or explanation of benefits from the company. So in my point, you know, I'm very happy with it. I understand there are 25-year-old males who have their own issues because now they're paying for me, but...and people like me. So, yeah, I guess that's my perspective from things. I've enjoyed being on the committee. I especially like hearing from the different insurance companies. And the work that the navigators are doing and the clinics are doing is just wonderful. I also was a personal producing agent for three years before I went to work at Central States, and I worked at Central States for about 12 years. Prior to all of that, in my very past life, I was a single mom with three kids. So, you know, I would have qualified, at one point, for the subsidy. I have since remarried and...but one of the things, you know, there's just so many things that we're learning. As an agent, one of the things that always bothered me and a lot of my consumers who were other single moms, people that needed insurance, whether it was life insurance, health, disability, and so, you know, the thing that I worry about the most being on the

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committee, are the people that are out there who are falling through the cracks. We're hearing stories today from the Medicaid people that there's just like a big loop. They start in it...and I know the nightmare they went through just to even get in the marketplace. And then they're shuffled here and then they're backed up now. And then they're sent to the, you know, back to the federal. Federal is sending them back down to Medicaid. So I worry about those people. We also heard about children who right now are being dropped because they don't quite fit in. We even heard, at one point, about the twins and that the government isn't recognizing because there is two people with the same birthday in the same family. They haven't figured out that that's not one person, that it's two. So those are the people that I worry about, but I have, personally, been very blessed and very fortunate, so. Any questions? [CONFIRMATION]

SENATOR GLOOR: Interesting information. Are there any other questions from committee members? I don't see any. Thank you very much. [CONFIRMATION]

SHERRY WUPPER: Okay. Thank you. [CONFIRMATION]

SENATOR GLOOR: I want to thank you all again for coming in. Let me give you an explanation of where we go from here. We put together a report that we, then, take to the full Legislature to get approval. So the Legislature votes on you collectively, not individually, as I understand the process. Doesn't mean that there won't be individual questions, but the senators will back me when I say this, usually what happens is, you'll have one of the senators who, since you are their constituent, may make some sort of comment that speaks to your overall character. And that's always a very positive comment about a constituent. And so there may be a few comments, but rarely do we find any questions or quizzing. But it does require a full vote of the Legislature. I can't tell you when you'll be on the agenda, but you don't have to be there. It's a report that I give, and that finalizes the confirmation process in terms of our role and then we pass that along. Anything else that I need to share as relates to that? Any other comments anybody wants to make? Any questions that any of you have of us at this point in time? Any questions? Well, getting nine appointments in, in an hour's period of time may be the most efficient committee meeting I have operated over the past two years. So thank you to you and the audience and the other senators for getting us through it in an hour. And have safe trips home. Thank you for taking the time to come in and visit with us. Committee members, stick around for just a second, if you can. [CONFIRMATION]