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Floor Debate
April 17, 2013

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SENATOR KRIST PRESIDING

SENATOR KRIST: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the sixty-first day of our One Hundred Third Legislature, First Session. Our chaplain for today is Senator Harms. Please rise.

SENATOR HARMS: (Prayer offered.)

SENATOR KRIST: Thank you, Senator Harms. I call to order the sixty-first day of the One Hundred Third Legislature, First Session. Senators, please record your presence. Mr. Clerk, please record.

CLERK: I have a quorum present, Mr. President.

SENATOR KRIST: Thank you, Mr. Clerk. Are there any corrections for the Journal?

CLERK: I have no corrections, Mr. President.

SENATOR KRIST: Thank you. Are there any messages, reports, or announcements?

CLERK: Mr. President, I have neither messages, reports, nor announcements at this time.

SENATOR KRIST: Senator Carlson, for what purpose do you rise?

SENATOR CARLSON: I would like to ask for a point of personal privilege, Mr. President.

SENATOR KRIST: Senator, please continue.

SENATOR CARLSON: Mr. President and members of the Legislature, the Nebraska Legislative League was founded 100 years ago in 1913 as the Ladies Legislative League and today is an organization open to spouses and family members of former and current state legislators, state officers, and the Nebraska Supreme Court justices. The league currently has 100 members and meets once a month during the legislative session. Members regularly enjoy league outings to historic sites and other places of interest. Philanthropic projects by league members include making and donating children's quilts and children's books to various organizations around the state to help children in crisis. Members regularly enjoy league outings to historic sites and other

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places of interest. The first legislative league meeting was held February 4, 1913. The Legislative Ladies League became a permanent organization April 15, 1913. My wife Margo is the president of the league. Other spouses involved on the board are Carol Gale, Jan Wightman, Ann Avery, Julie Adams, Marilyn Hadley, and many of your spouses are members of the league and will be a part of the luncheon today. In the archives, they found the minutes of the first meeting 100 years ago. They're going to read that today at the luncheon. But in the archives there were a couple of other things that I thought might be of interest to the body, and one of their sayings at that time, because women were not yet allowed to vote in 1913: Be careful, boys, don't rock the boat; remember, we women will have the vote. And then toward the end of the session they had a saying: There's perhaps two weeks of waiting till our pet bills will die too, till the time we'll all be explaining about the things we failed to do. And then they had a yell that they would use once in a while: Here's to the health of the ladies, the ladies of the LLL; we don't know where they are going, but think they're going to vote for the censorship bill. So I simply take this time to acknowledge the Legislative League and the good they do and wish them well the next 100 years as well. Thank you, Mr. President.

SENATOR KRIST: Thank you, Senator Carlson. Mr. Clerk, let's proceed to the first item on the agenda.

CLERK: Mr. President, LB577 is a bill originally introduced by Senator Campbell. (Read title.) Senator Campbell presented her bill yesterday, Mr. President. The Legislature debated the issue. Senator Campbell offered and the Legislature adopted AM1028. Senator McCoy then moved to reconsider the vote in the adoption of AM1028. That motion to reconsider is currently pending, Mr. President. [LB577]

SENATOR KRIST: Thank you, Mr. Clerk. Senator Campbell, you are recognized. Could you refresh us, please? [LB577]

SENATOR CAMPBELL: Thank you, Mr. President, and good morning, colleagues. I want to again thank the body for their thoughtful deliberation on the bill. I thought that everyone was very keyed in and attentive to each other's comments, and I appreciate that very much. This bill is not...Medicaid is not an easy subject. It is complicated. And therefore, your questions and your considerations are very helpful. LB577 would expand our current state Medicaid plan by adding a group. And if you remember, in Medicaid you are determined eligible by income standards and by a population group. So in addition to children, pregnant women, the elderly, blind, and disabled, we would add a group of adults, childless adults age 19 to 64, and that group would then fall under our state Medicaid plan. We have distributed today a graphic on your desk illustrating the group that would become eligible with LB577. And, Mr. President, I will come back at a later time to go through that graph, but that summarizes that the first part of the amendment that we are discussing on a reconsideration motion, which we had adopted

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yesterday, would provide a trigger that if the federal funds fell below 90 percent, it would bring into action by this body. Thank you, Mr. President. [LB577]

SENATOR KRIST: Thank you, Senator Campbell. As the introducer of the motion, Senator McCoy, you are recognized, and this will count as your first time. [LB577]

SENATOR McCOY: Thank you, Mr. President and members. Good morning. We're back this morning to discuss what I said yesterday I believed to be maybe the most or one of the most important issues that I know I certainly have contemplated voting for or against in my four and a half years here in the Legislature, and I would say a lot of us agree. I felt that we didn't spend enough time yesterday at the issue...on the issue before us and that was Senator Campbell's original amendment, which now has been divided into two amendments. This segment of it that a vote was taken after a little more than an hour of debate and now we've been debating for an additional few hours, which I believe is appropriate, I think that the federal match...again, we need to remember that match is you and I and our constituents' tax dollars. That money didn't grow on trees. It didn't just magically appear. It's our tax dollars. And as we explained yesterday and you may hear a little bit more this morning, I believe that there are viable other options that are different from LB577. There are different ways to tackle this difficult issue. Whether it's a pathway like the state of Arkansas is pursuing or others, we don't know until we don't try. And as I talked about yesterday, I feel like I have personal experience along the lines of a tough issue that maybe there's a different pathway because of LB405 and LB406 from earlier this session. We've all had the opportunity to vote on LB613, which is going to create a Tax Modernization task force comprised of our Revenue Committee, among other leaders in the Legislature. I think a similar structure could be put together under the LR22 study that's a joint study between the Banking, Commerce and Insurance Committee, and the Health and Human Services Committee. The two Chairs of those two committees are two of the most knowledgeable senators along these lines in the body, in Senator Gloor and Senator Campbell. I have enormous respect for both of them. Both of them care deeply about this issue, as we all do. And I believe very much that if more time was taken to explore this issue and its long-term budget implications for our state, its long-term economic implications for our state, along with the long-term healthcare implications for our state, if more time was taken to investigate options like what Arkansas is putting together, among others, our state would benefit long term. And I believe in the Legislature that we must look long range. We can't just see what's best in the short term. We don't do that along the lines of our budget. We don't do that along the lines of our own family budgets or business budgets. We have survived and thrived as a state because we've been willing to make tough decisions and think for the long term. I think we have to do that on this issue no different than we've done for any other. We can't take lightly this decision. There's 1.8 million Nebraskans that are counting on us to do the right thing with... [LB577 LB405 LB406 LB613 LR22]

SENATOR KRIST: One minute. [LB577]

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SENATOR McCOY: ...LB577. That may be a different pathway and a longer time to study this issue. Thank you, Mr. President. [LB577]

SENATOR KRIST: Thank you, Senator McCoy. Senator Nordquist, you are recognized. [LB577]

SENATOR NORDQUIST: Thank you, Mr. President and members. A lot of discussion yesterday about the federal government living up to its obligation on this bill. And just to be clear, I mentioned and I'll reiterate that President Obama and his advisors have clearly said as long as he is President this money will be here. So we can definitely count on it for the next three years. He would veto, he would not sign any bill that changed federal law. It would take an act of Congress to change the funding flow. And there's always the joke, if you think that's hard, try to get an act of Congress through. That's probably not going to happen anytime soon. So I think it's very much something that we can count on. Also, when we talk about the deficit and the federal debt, folks, there are taxes in this bill to pay for it. And I think we heard a lot of, you know, discussion yesterday, just a couple folks hopping up on the Affordable Care Act and, you know, saying that this is a way to stop it. Well, I just want to reiterate what is still going to be in place if we don't pass LB577. First, the list of "pay fors" for these federal funds. There's a 40 percent excise tax on high-cost plans, which will generate \$32 billion; annual fee on health insurance providers which will generate \$60 billion; annual fee on drug manufacturers and importers of branded drugs, \$27 billion; annual fee, excess tax on manufacturers and importers of medical devices, \$20 billion; 10 percent tax on indoor tanning, \$2.7 billion; eliminate deductions for expenses under Medicare Part D, \$4.5 billion; a Medicare payroll tax on high income earners, \$8.6 billion; Medicare contribution on investment income, \$1.2 billion. They passed this bill to pay for it. And guess what? If we don't pass LB577, all of those taxes and more that I didn't get to are going to be in place. Also, if we don't pass LB577, we're going to have employer penalties still in place. And here's something that didn't come up in the debate yesterday. There is a shared responsibility provision in the Affordable Care Act. If Nebraska fails to draw down federal dollars to increase coverage through Medicaid, our low-income workers are going to get premium subsidies. Those between 100 and 135 percent of poverty are going to get premium subsidies on the exchange. Nebraska employers, who those people work for, will then be subject to an employment penalty. That's why groups like the Restaurant Association, the Retail Federation have come out in support of LB577, because they know their low-income workers are going to go to the exchange, get a subsidy, and those businesses are going to be dinged with a penalty. That's going to remain in place, one way or the other, whether we pass LB577. But the penalties will be in place, specifically for these low-income workers, if we don't pass LB577. So I know some people are trying to sell this as a get rid of Obamacare yesterday, and it just couldn't be any further from the truth. The fact of the matter is, what we are doing is we are putting our state at a competitive disadvantage if we don't

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do this. Our employers are going to be seeing higher premiums because of the cost shift that we talked about at length yesterday. We are going to have a higher uninsured rate in our state than states that do cover their population through this expanded option. And Senator Campbell did a nice...in these charts she handed out, did a nice job highlighting the gaps in coverage. The people between zero and 100 percent of poverty, about \$12,000 a year I think,... [LB577]

SENATOR KRIST: One minute. [LB577]

SENATOR NORDQUIST: ...those people are going to be left with no support at all. Those people are going to be left with no subsidy in the federal exchange, no support through Medicaid. They're going to continue to go to the emergency room, continue to misuse our system, continue to experience healthcare at the costly deep end of care, rather than getting them in to a primary care doctor where they can have preventative care, where they can have colonoscopies and mammograms to catch cancer at early stages. But if you vote against LB577, you're continuing to vote for a broken healthcare system where our low-income workers, the people who serve us every day as our waitress, in construction, people who are making low wages, we are continuing to leave them to fend for themselves and to pray that they don't come down with a serious medical condition. [LB577]

SENATOR KRIST: Time, Senator. [LB577]

SENATOR NORDQUIST: Thank you. [LB577]

SENATOR KRIST: Thank you, Senator Nordquist. Senator Lathrop, you are recognized. [LB577]

SENATOR LATHROP: Thank you and good morning, colleagues. I listened closely yesterday to some of the arguments. They had mostly to do with Medicaid. This is Medicaid. And the fact that this is Medicaid expansion may be the elephant in the room. It's certainly the one that gets poked by the opponents. So let me be clear about a couple of things about Medicaid. First, when we think of Medicaid, we oftentimes think of the person who is also on ADC, some form of welfare, and so Medicaid denotes some form of people who are lying around, not working, deliberately unemployed with their hand out. And so we call it Medicaid and we say we're not expanding that kind of a program. But understand something, colleagues. This is not for the person who doesn't work. This is for working Nebraskans who can't afford health coverage. They cannot afford health coverage. And to confuse this with those who don't work and then call it an expansion of some program that suggests that people are going to get on it and lose incentive to work misses the point of what we're trying to accomplish. I also heard people yesterday talk about the tax, that somebody has got to pay for this. Yes, we're all going to pay for it. The question is whether or not we want to take advantage of it.

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Because regardless of whether we pass LB577, we are going to contribute to the cost of expanding Medicaid. We will contribute to the cost of expanding Medicaid and they will have it in Florida and they will have it in Arizona and they will have it in Ohio and they will have it in all the other states, and we'll stand here without covering the working poor--55,000 people we're turning our back on. I also heard yesterday that the problem is with capacity. We don't have the capacity for these people. When 55,000 people hit the doors of the doctors' offices, we won't have capacity. Let me suggest to you that's the best argument for passing LB577. That tells us why it is so critical. It explains the number of people who are sitting at home with cataracts, with a back problem, with all kinds of health problems that won't get care now because they can't. They cannot get in the door. They cannot get in the door. They can't access healthcare in this country. And what will we accomplish if we vote down LB577? For some, you might get a thank you from the corner office. For others, you might go back to your district and talk about how you didn't expand that one program that all those freebie loafers are on. And you will have turned your back on 55,000 people who apparently need the care and might create a capacity issue. Look, the other argument was, well, there's problems with our healthcare system. There's problems with our healthcare system and no one is going to deny that. So we do nothing? All these people that would create the capacity problem if they had access to healthcare we're going to turn our back on, because the system that they get their care from doesn't function well? [LB577]

SENATOR KRIST: One minute. [LB577]

SENATOR LATHROP: Guess what? Why wouldn't we pull the funding from all of defense, because they're paying \$400 for a hammer and buying jets they don't need? We cannot wait to provide coverage for the working poor in this state until the system is perfect. And you will hear stories, you will anecdotes forever about problems, about fraud, mostly from the providers. That shouldn't stop us from doing the right thing today. It should not stop us from doing the right thing today. The capacity issue illustrates how acute the problem is. We are going to pay for this expansion whether we take advantage of it or not. And it is silly, it is silly for us to pay for every other state's expansion of this program and turn our back on the 55,000 Nebraskans who would be covered, working Nebraskans. They work in pizza joints in Omaha. They work in restaurants. They work in manufacturing concerns where they're not insured and they don't make enough to buy plans. These people, what kind of a society are we? [LB577]

SENATOR KRIST: Time, Senator. [LB577]

SENATOR LATHROP: Where are our priorities? Did you say time? [LB577]

SENATOR KRIST: Yes, sir, time. [LB577]

SENATOR LATHROP: Thank you. [LB577]

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SENATOR KRIST: Thank you, Senator Lathrop. Senator Ashford, you are recognized.
[LB577]

SENATOR ASHFORD: Thank you, Mr. President. I just want to reflect a little bit on this issue, if I might. When I listened to the debate, part of it reminds me of sort of the view that maybe we ought to go back to the 1960s, before Medicaid started. And I think about that a bit and I reflect on the 1960s. And I think in the 1960s Senator Carlson, Senator Carlson could hit the cover off a baseball in the 1960s, and he probably still can, and I could actually dunk a basketball in the 1960s, and I can't even get off my feet now to try to even jump to shoot a jump shot. So times change. We aren't in the 1960s. I remember my years working in the Nixon administration and one of the major initiatives of the Nixon administration was single-payor health insurance. The President, President Nixon, knew at that time that we had a gap in coverage in Medicaid. You know, President Reagan talked about catastrophic healthcare coverage and that was in the 1980s. President Clinton tried a more expansive government focus program that didn't work. President Bush had an unfunded program for Medicare drug coverage, was not funded, and that's in place and that's in the law. Now Senator...or President Obama has come up with a plan that pays for healthcare coverage for all Americans. This is not a new issue. And I respect Senator McCoy very much, but this does not need to be studied a whole lot more. We know where the gap in coverage is. The gap in coverage has been there since the 1960s. Presidents on both sides of the aisle, from President Nixon to President Bush, President Clinton, President Reagan, have all tried to tackle the issue of the uninsured. In the 1980s, when I was in the Legislature, we had an expansive Medicaid budget that was growing at 10, 12, 15 percent a year in those days. It's now growing at a much lesser amount. It's much more predictable than it was in those times. You know, there's been some discussion about roads funding in here and about somehow we did roads funding so we need to do this. I know the two don't go together at all. I mean I supported the roads bill and I had supported the roads bill...would have supported it in the 1980s when we knew in the 1980s that our roads were not going to be adequate and funding was not going to be adequate. My rural colleagues convinced me that I should support the roads bill. That's a separate issue. That's a separate issue. Rural Nebraska needs to get to population centers. They need to get their products to population centers. I supported that bill. It was not an urban bill. That was a rural bill. This is a pretty good deal, members. A hundred percent of the cost of this gap, which is a real gap, it's not a pretend gap, it's not a dreamt up gap, it's a real gap, a gap that has been there, for as long as I've been in public life it has been there, we now have a way to close that gap. A hundred percent of it for three years can be closed. Another issue that I reflect upon when I think about this debate is four or five years ago I know there was a study done by UNMC and Creighton on how to contain healthcare costs and it was a good study. And we waited. We could have implemented some of those cost-containment measures then but we didn't. We waited. We waited. We waited. We do need to do cost containment. The cost of hospital

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administration in Omaha is outrageous. What we pay for high-level management at hospitals is outrageous. [LB577]

SENATOR KRIST: One minute. [LB577]

SENATOR ASHFORD: It's outrageous. When I see hospitals advertising like they were Ford Motor Company, I question why we're doing that. When healthcare costs, when doctors and nurses are being reimbursed at a level that existed ten years ago and hospital administrators are making hundreds of thousands of dollars a year, that's something we need to tackle. And that's a separate issue. That's something we need to tackle, because those hospitals are no more nonprofit institutions than I could eat this microphone, in the urban area especially. I don't think it's so true in the rural areas. And I think Senator Gloor has made a very good case on capacity in the rural areas. I agree with Senator Gloor's argument. I don't agree with his conclusion. We need to do this bill. We do not need to go back to the 1960s. That train has left the station. I can no longer dunk a basketball. [LB577]

SENATOR KRIST: Time, Senator. [LB577]

SENATOR ASHFORD: Thank you. [LB577]

SENATOR KRIST: Thank you, Senator Ashford. Senator Campbell, you are recognized. [LB577]

SENATOR CAMPBELL: Thank you, Mr. President and, again, members of the Legislature. I want to go back to some points that we talked about yesterday and why we should support LB577. Over the next ten years, in addition to the regular federal taxes paid by all citizens across Nebraska are the fees and taxes in the ACA. And yesterday I had a chance to look at what those fees would be. And over the course of ten years, those fees would come to \$263 million that providers, companies inside the state of Nebraska will pay. Unless we act, as I said yesterday, we would lose in the first year, because there's only...it's only available for three years, \$423 million from the federal government. We are seeing those dollars, not only our own federal taxes that we pay but the fees and taxes that come from the ACA, flowing out of the state of Nebraska. I would ask, how do we begin to build capacity? How do we begin to tackle some of the issues? It isn't enough to say, well, we'll come together and we'll talk about what solutions might be. Solutions and a plan take money. While I was first in the Legislature we took federal stimulus money, our ARRA funds, and there was great debate on the floor of the Legislature: Should we do this? Should we take those federal dollars? We took those federal dollars not only to help the Medicaid Program at that point but a number of other programs, with a large amount also to help TEEOSA, even though on this floor it was discussed over and over that if we took those funds we'd be looking at a fiscal cliff. We knew well ahead what might face when those funds went

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away. But enough people in the Legislature at that point said let's take that money, let's keep our programs going, let's use it as a bridge and hope that the times get better that then we can address it. That's exactly what we did. And every year we have a budget discussion and we address whatever problems have come up. But those funds did serve as a bridge and they did help us maintain our programs. We have talked about that we won't have the staff and we won't have the medical services, so should we proceed? There is not one person in the Legislature that can assure you, that can assure you with 100 percent certainty, that we're ready everywhere, but I can tell you that we... [LB577]

SENATOR KRIST: One minute. [LB577]

SENATOR CAMPBELL: ...are serving that population now. And a former pediatrician from Hastings wrote a lengthy e-mail to me and said we are ready, we've been ready, we've served this population, we know this population. Colleagues, please keep some of these ideas in mind as we proceed with our discussions this morning. Thank you, Mr. President. [LB577]

SENATOR KRIST: Thank you, Senator Campbell. Senator Carlson, you are recognized. [LB577]

SENATOR CARLSON: Thank you, Mr. President and members of the Legislature. Yesterday Senator Chambers talked about that he is his brother's keeper and his sister's keeper. Now, he knows this, he became that way by a gift from Almighty God. It's not because of his intelligence, because his intelligence is a gift from above and he's the recipient of that gift. This morning earlier several of us read something from the Good Book out of Deuteronomy and there's two parts to this verse. I'd ask you to listen carefully to both parts, because the first part says, "for the poor will never cease to be in the land." So some of us could say, okay, we can't do anything about it. But the second part says this, "Therefore, I command you, saying you shall freely open your hand to your brother, to your needy and poor in your land." And that exactly fits what we're trying to do here in debating LB577 and this very, very serious and important issue. I've asked myself a question: What's wrong with Medicaid? Well, reimbursement does not cover the cost to the providers and it kind of puzzles me why the Nebraska Hospital Association is really supportive of LB577 when the reimbursements won't cover their costs. I don't know why they're for it. Now private insurance covers more of the cost of services provided than either Medicaid or Medicare. You know, Medicaid and Medicare, they give reimbursements, and I don't know how those reimbursements are calculated but they don't cover the cost. Private health plans pay usual and customary benefits for services that are provided, much closer to covering the costs that providers have. So it pays much more than Medicaid or Medicare, it's better for the providers, it's better for the insured, it's better for the economy. Now yesterday, and we've had this figure come up, that in the first year of this plan, if LB577 goes forward, we in Nebraska will receive

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\$263 million of federal money. And then I heard about the Arkansas plan yesterday and that really intrigued me and apparently that passed the Arkansas Legislature, the house, last night. It passed. It was defeated the day before; it passed last night with 75 percent majority vote. But if there's \$263 million, I've done some calculating. If we need to cover 50,000 additional people, that's \$438 a month per insured. If we need to cover up to 94,000, because I'm hearing both figures as a possibility, \$263 million provides \$233 a month per insured, 94,000 people. And I looked into a private health policy yesterday for an individual, trying to pick something in the middle that would tend to cover things, a 42-year-old couple... [LB577]

SENATOR KRIST: One minute. [LB577]

SENATOR CARLSON: ...with two children, \$500 deductible, out-of-pocket maximum, family, of \$5,000. The monthly premium for the family is \$952. That makes \$11,424 annual premium for a family of four. We could cover 23,000 families' usual and customary expenses. Put the money into the economy, directly attack the problem, and I think that deserves some thought. And we're going slowly on this because we want to make the right decision. We want to help as many people as we can. We want to put the money in the right direction. And so I think this offers a possibility that we shouldn't shy away from. Thank you, Mr. President. [LB577]

SENATOR KRIST: Thank you, Senator Carlson. Senator McGill, you're recognized. [LB577]

SENATOR MCGILL: Thank you, Mr. President, members of the body. I once again rise in favor of LB577. I want to once again say hello to my mother, who's in Methodist Hospital up in Omaha. We got some not so pleasant news yesterday, so I'd like to ask everyone here and across the state for your thoughts and prayers so that she can have a speedy and good recovery over the next few weeks. Getting back to the bill, one element that we haven't discussed yet is how important I think this expansion is for mental health and substance abuse. We have squeezed funding for substance abuse and mental health to the point of, well, having...providers having to close down over the last few years. Nebraska certainly has cut funding since...during these bad economic times and we are the lowest in the Midwest in terms of per capita spending on mental health services. And yet we're seeing in our schools, we're seeing across our state a desperate need for better mental health services and more mental health services. We do have a provider problem in that area, in part because we weren't funding any of the services; therefore, they all went away. There needs to be some stable funding to allow more families to be able to seek out the services that they need so they can be mentally well. I'm bringing a bill later this session on mental health for kids in particular, but we see so much violence across our country, in our own community, especially up in Omaha, and yet we're not invest...well, we spend a lot of money talking about guns and what kind of restrictions we should have or not, when the real problem is mental

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wellness and making sure that all kids and adults that have a need can get a service so they can get in the right state of mind, so they can get their substance abuse problem dealt with, so they can get the proper therapy or they can get the proper prescription, if that's what they need. Medicaid expansion will mean mental healthcare for 55,000 Americans. It's an important move in the right direction to adding funding to mental health services. And with that, I yield the rest of my time to Senator Nordquist. [LB577]

SENATOR KRIST: Senator Nordquist, you are yielded 2 minutes and 30 seconds. [LB577]

SENATOR NORDQUIST: Thank you, Mr. President and members. I want to thank Senator Carlson for his concern over the coverage of our low-income Nebraskans and his interest in alternatives to cover those people. And I, too, was one who was very interested in the Arkansas plan initially and spent a lot of time on conference calls, webinars, trying to figure out what the federal government was telling us about our options here. And the facts are they are quite limited. And the numbers, while Senator Carlson did diligence trying to find out numbers, we can't take those numbers as he read them and just extrapolate them out. First of all, we're only talking about covering adults here. Children are already covered up to 200 percent of poverty. Secondly, the cost-sharing provisions, we can't have a \$500 deductible. The cost sharing has to be the same as in traditional Medicaid. The benefits have to be the same and there has to be a wide range of wraparound services that we provide to Medicaid beneficiaries. So when you add those provisions together, you can't just take an average Nebraskan's plan with a \$5,000 annual out-of-pocket limit. First of all, for the individuals we're talking about, that's a third of their annual income just in out-of-pocket costs. But the federal government, the rules of Medicaid will not allow us to just offer a plan like that. So when you start looking at what plans we can cover, and we've never done this analysis in Nebraska but there have been actuaries working in Arkansas, and they're saying it's going to cost the federal government about 15 percent more to cover individuals with private coverage. Look, I... [LB577]

SENATOR KRIST: One minute. [LB577]

SENATOR NORDQUIST: ...I share his concerns about Medicaid unfortunately not providing enough. The hospitals, he asked why would the hospitals support it. Well, the hospitals are providing a lot of care right now and getting absolutely nothing for it. They know that if they have...get even 50, 60 cents on the dollar--primary care will get much more than that now under the new provider rates--they are going to do...they are going to be better off, they are going to be able to start, I think partly because of Senator Gloor's work with the medical home, start aligning services, getting people into better coordinated care and get them out of the cycle that we're in where they're coming to the emergency room with chronic condition, to manage chronic conditions and driving up the costs of healthcare for everyone. So I share those concerns. But the Arkansas plan,

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they have been given conditional approval by CMS, which means we're interested, we're willing to work with you on the concept. But there have been no plan, no formal approvals by any means. And they, Arkansas, still has a long ways to go. I'm not willing to delay LB577 and cut off care for people... [LB577]

SENATOR KRIST: Time. [LB577]

SENATOR NORDQUIST: ...while we spin our wheels to come up with an alternative. Thank you. [LB577]

SENATOR KRIST: Thank you, Senator Nordquist. Senator Gloor, you're recognized. [LB577]

SENATOR GLOOR: Thank you, Mr. President. Good morning, members. Senator Ashford can still dunk; we just have to lower the hoop, which is clearly one of my concerns. That is, we're talking about a system here where I think pumping the kinds of money we're talking to within a system is lowering the hoop. I'm in favor of the reconsideration motion, by the way, before I get too far afield. Here's another way that we're not in the 1960s and it relates to Senator Ashford's comments about the salaries of executives, of whom I was once one and I made a good salary. And the reason that those salaries were paid--I didn't set my own salary, an organization did, corporation did--is because they were competing against businesses, banks, investment firms, large plants and corporations, because healthcare has gone from what it was in the 1960s, which is primarily a not-for-profit organization, corporation, industry to a business, a big business. The nuns don't run hospitals anymore, people. (Laugh) It's a business. And therein is part of the concern I have and what I'm trying to relay to you as my concern, that we are funneling more dollars into a system that is not yet in a position to do the things you wanted to do, which is improve the health status of those people who could get expanded Medicaid services. Let me read some quotes for you. This comes from an organization, a healthcare organization that is bemoaning the fact...this is a newsletter from a healthcare organization bemoaning the fact that President Obama was reelected. It's not all bad news. In fact, there's some silver lining in areas for healthcare providers. Under the Obama health plan, there will be more insured who are able to access our services. They'll have insurance which will pay for procedures in surgery centers and hospitals, and this should over time increase volumes in our facilities. It's a business view. Here's an interview with a manufacturer, the CEO, of a drug company that was in The Wall Street Journal just a few weeks ago: And how will the new healthcare law affect your company? Well, relative to prescription drugs, we see it as a pretty substantial upside. Here's "iStock" newsletter, "President Obama Re-Elected: Positive for Healthcare Stocks." This is a business. We are going into it. And I understand the predicament of people saying I want to be my brother's keeper; I want to provide these services for this segment of our population. And what I'm telling you is that adding these dollars into the healthcare system will not find their way to do the

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things you would like it to do. But I am concerned it will continue to underwrite and subsidize a system that is dysfunctional. That's the point I'm trying to bring up here in part. I introduced a piece of legislation. I have the file here. It's still in committee. It would slap a moratorium on capital construction if LB577 moves forward. I did that to draw attention to my concern that we may have an explosive growth in all kinds of healthcare facilities, from imaging centers to ambulatory surgery centers to hospital beds adding this number of additional patients to the population. And you would say and have said, but I thought Medicaid didn't pay well. Well, let's get into a very in-the-weeds debate about direct expense and indirect expense and how those additional dollars coming in to the system help underwrite some of those direct expenses, and we'll worry about the indirect expense component as we negotiate with insurers. [LB577]

SENATOR KRIST: One minute. [LB577]

SENATOR GLOOR: Medicare continues to offer payment. Thank you, Mr. President. I have a belief that the house always wins. Some of you are in favor of gambling; some of you are opposed. Those of you who are opposed know the house always wins. And my admonition to you is, with the good intentions out there, understand that you are entering into an industry, the point I tried to make in my opening comments yesterday, where the house always wins. And, yes, we are trying to do things that change that, that level the playing field, that make sure that quality is attached and outcomes are attached to where the money goes. But we are not there yet, and I believe LB577 is premature. Thank you. [LB577]

SENATOR KRIST: Thank you, Senator Gloor. Senator Bolz, you are recognized. [LB577]

SENATOR BOLZ: Thank you, Mr. President. I'd like to make two points this morning based on dialogue I have heard on the floor during this debate, and I would like to make a comment regarding planning. First, I would just like to point out that some of the people that I have worked with in my social work career have had insurance in the form of catastrophic coverage. And a concern was raised yesterday that individuals who have insurance might newly move into the Medicaid option. Having catastrophic insurance is actually a responsible choice. If you can't afford healthcare for your basic needs, you may make the choice to protect yourself from an extreme situation. However, this does not translate into access to preventative care. It doesn't translate into cost savings for hospitals providing charity care. And it certainly doesn't translate into emergency room savings for the system as a whole. In the long run, it is not irresponsible for an individual with catastrophic coverage to explore the Medicaid option. Second, from fiscal year 2011 to fiscal year 2012, the population of Medicaid participants who are parents, those who are most closely correlated with those who might be newly covered by the Medicaid option, their costs actually decreased by negative 2.6 percent, according to the Department of Health and Human Services'

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annual report. The point was made yesterday that Medicaid is a growing percentage of our state budget. I appreciate that. As a member of the Appropriations Committee, I take that very seriously. However, I think that this growth is most significantly attributed to the Medicaid eligibles who are blind and disabled. And in this conversation, I think it's important to compare apples to apples. Finally, I would like to say that I appreciate Senator McCoy's comments regarding reviewing options and doing our due diligence in terms of studying this issue. However, I also take seriously the fact that millions of people have spent...millions of dollars have been spent in Nebraska already in planning to set up the exchange and the IT pieces of the puzzle. Having a significant piece of the puzzle missing, in terms of lacking the Medicaid option, adds pressure to the system and adds costs to the premiums of people who are newly engaging in the insurance market. Planning doesn't have to stop. Exploring the waivers doesn't have to stop, but it doesn't make sense to turn our backs on a fully funded system while we continue to do so. If Senator Lathrop remains on the floor, I thought he was making some excellent points about the circumstances of families who might be exploring this option. And if he would like to finish his thought, I will yield the rest of my time to him. [LB577]

SENATOR KRIST: Senator Lathrop, you're yielded 2 minutes and 20 seconds. [LB577]

SENATOR LATHROP: Thank you. And I appreciate the time. I want to take...I want to use that time for a conversation I just had with Senator Carlson. It's responsive to the question about privatizing this and using the money. First of all, understand that what Arkansas is doing is they're taking the dollars that we would be spending on Medicaid and buying insurance premiums. Here's the problem. Medicaid reimburses at a lower rate than health insurance, so it's cheaper to do it with Medicaid than it is to do it with a health plan. So the numbers that I'm looking at from the Congressional Budget Office suggest that if we took and used the Medicaid, passed LB577 as is, it's about \$6,000 per person per year. If you buy a health plan, it's \$9,000. So don't get sidetracked on the idea that there's another alternative that's cheaper, better, works out better, because it doesn't. You can't reimburse at a higher rate and get it cheaper and then put the cost of administering Blue Cross Blue Shield, for example, into the mix. It isn't going to happen. The other problem is that it won't cover everything Medicaid does. So now you got a deductible and a copay, and you have to take these Medicaid dollars and have a second tier of benefits... [LB577]

SENATOR KRIST: One minute. [LB577]

SENATOR LATHROP: ...that covers the things the health plans don't. So while I appreciate exploring this, and I'm going to suggest to you that if...here's the other difficulty, a real practical one. In Arkansas, the governor is working on it. If we wait a year, that isn't going to make our Governor work on it. He's got his heels in the dirt and he's not moving on this. So my suggestion is that we move LB577 and if we want to explore a better way, a better "mousetrap," we can do that in the next year. And if it's

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private health insurance, I'll be on board, if it works, if it's cheaper, if it's better, if it works. But here's the problem. If we just throw out, well, we could do this and let's study that, all we're doing is basically trying to kill the bill with study. We've had plenty of time to bring amendments to this bill, if this was a serious proposal. [LB577]

SENATOR KRIST: Time, Senator. [LB577]

SENATOR LATHROP: Thank you. [LB577]

SENATOR KRIST: Thank you, Senator Lathrop and Senator Bolz. Senator Conrad, you are recognized. [LB577]

SENATOR CONRAD: Thank you, Mr. President. Good morning, colleagues. I rise in opposition of the reconsideration motion put forward by Senator McCoy for substantive and technical reasons. I think that the amendment was appropriately debated yesterday and obviously a majority of members agreed with that decision. And if you go back and you check the record, people were not debating the trigger or the sunset. They were debating Obamacare. They were debating the history of the federal government. They were debating Medicaid as a whole. So for that reason, at the outset I did want to include that in the record. And on that point, I want to refocus the debate to ensure that when we do start debating Medicaid as a whole, let's remember this is a voluntary program. This is a voluntary program. If senators in this body think that Medicaid is a bad program, they should put forward legislation to eliminate our participation therein. The Governor has had that ability during each year in his office to work with members to put in legislation if they felt this was underlying...the underlying program was a bad program. There's really no disagreement there amongst serious members of the body and governors all across this country. Indeed, all 50 states participate in Medicaid on a voluntary basis today, so I think that's important to note for the record because this isn't about debating Medicaid as a whole. There is broad and clear, established support for Medicaid. This is about whether or not we're going to expand that good program to cover more working Nebraskans. I want to go through briefly some of the arguments and main concerns, and legitimate concerns that members of the opposition of this legislation brought forward, and just talk about the other perspective on some of those points. It's been noted by many that there is uncertainty or distrust that the federal government will not keep its promise in terms of the funding component. Colleagues, I tell you this. If those are serious concerns, you should vote for the pending amendments. They are your only insurance policy against that potential activity. If that is the main concern of you and your constituents, these amendments are the only thing, the trigger amendment and the sunset amendments, are the only thing that ensure that Nebraska can protect itself from a policy in fiscal basis from that potential, which again has yet to be realized and is only subjective at this point in time. We've heard from opponents on another topic, that LB577 is premature or that we should delay or that this is ill-timed. Colleagues, let's not divorce ourself from the historical content. The

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Affordable Care Act was passed years ago. The Supreme Court has ruled on this issue months ago. There was a national election months ago that reaffirmed this issue. There's been at least three interim studies conducted by this body on these implementation topics. If members are serious about looking at other alternatives, nothing in LB577 prevents them from doing so over the interim period. If they are able to generate legitimate alternatives in terms of coverage and in terms of fiscal sense, they're welcome to bring those forward next year. But by waiting even a year, even a year, not only are we denying access to care for 50,000 working Nebraskans but we're leaving money on the table. A one-year delay leaves over \$430 million on the table. Those are our tax dollars. We should bring them home. It was mentioned yesterday that business is not involved in this debate, and that's not the case. And I think everybody has... [LB577]

SENATOR KRIST: One minute. [LB577]

SENATOR CONRAD: Thank you, Mr. President,...has a chance to review their e-mails and see that, indeed, the Retail and Restaurant Association has come to a point of support on this position. Senator Lathrop started to visit briefly, and I think if you'd check the materials provided from the Nebraska Hospital Association, put forward by Jackson Hewitt Tax Service, there is a significant fiscal impact to Nebraska businesses if we do not move forward on expansion. And I can go into those later. Finally, there's a philosophical position that members have put forward that we shouldn't reward bad behavior or give something to these takers or the 47 percent, if you will, and I fundamentally disagree. We're talking about the working poor. These are working families. We're talking about veterans and their families. We're talking about the elderly. We're talking about the disabled. They are not takers and should not be characterized as such. This is indeed a work incentive rather than the opposite. Finally, to analogize this process to what happened with LB405 and LB406, those ill-conceived tax bills, is disingenuous. There was no political support for those bills. That's why those are dead. [LB577 LB405 LB406]

SENATOR KRIST: Time, Senator. [LB577]

SENATOR CONRAD: Thank you, Mr. President. [LB577]

SENATOR KRIST: Thank you, Senator Conrad. Senator Kintner, you are recognized. [LB577]

SENATOR KINTNER: Well, thank you, Mr. President. Yesterday we talked about...I talked about the growing government programs that start off with the best of intention and grow like a wild weed that we can't control and we don't have the will to control it even. I talked about Medicaid, how they projected it would be a \$9 billion program and it turned out to be a \$67 billion program the first 18 years. We just heard from Senator

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Conrad that the national...or the Nebraska Restaurant Association wants expanded Medicaid. Well, how convenient, is rather than offer healthcare for their workers, we'll just throw them on the government dole and we'll let the taxpayers pick it up. Well, that always works out pretty well. It always works out well with socialism until you run out of other people's money, and that's a quote by Margaret Thatcher. And if we look back at the origins of Medicaid, it actually started out as Medical Assistance for the Aged, MAA, and it started out in the '50s, and in the first four years it grew from \$81 million to \$514 million, and that's just in the first few years. And then it became...it went on for a few more years and became Medicaid and we got the beast we have now. You know, Ronald Reagan said that the nine most terrifying words in the English language are, I'm from the government and I'm here to help. And, boy, that couldn't be more true because everything we try to fix, everything we try to make right with taxpayer money, with a government program, just...we don't ever quite get it right and we keep tweaking. We keep changing and we keep trying to make it better, and it's tough to do. Government is not set up to do this well. We try to do it. We feel like we should do it, but it's tough to do. You know, and we get to John F. Kennedy. He said famously, I'm just going to paraphrase him, don't ask what your country can do for you, ask what you can do for your country. Well, we've sadly come to the point where people are asking the government, their country, to give them medical care now, not everyone is but there are a certain amount of people who are, and that's just a sad day in our country. Mr. President, I'd like to yield the remainder of my time to Senator McCoy. [LB577]

SENATOR KRIST: Senator McCoy, you're yielded 2 minutes and 30 seconds. [LB577]

SENATOR McCOY: Thank you, Mr. President. Thank you, Senator Kintner. You see before you a handout that I passed out that's a politico story from this morning on Arkansas, the house in Arkansas passing the proposal that we've been talking about to take, which has been approved initially by federal HHS and Secretary Sebelius, to take the funding, would have been given to the state of Arkansas in the way of expanding Medicaid, under the auspice of what we're talking about here with LB577, and instead purchase private health plans for those folks in Arkansas that fit this population. It passed last night. I think what this highlights is there is plenty in this discussion that hasn't been explored yet. Furthermore, Senator Nordquist has talked about LB578, which is the \$9 million in premium taxes that are paid by people across Nebraska. You know, here's another approach that could be done that hasn't been discussed. You could take those \$9 million...that \$9 million and apply it to this, to an approach like Arkansas and drop that price down even more. I think there's a... [LB577 LB578]

SENATOR KRIST: One minute. [LB577]

SENATOR McCOY: Thank you. I think there's a great deal that can be explored here that hasn't been. You know, and to Senator Lathrop's point, you know, well, we can pass it and then we'll figure out a way to build a better mousetrap. Well, I wish that...I'm

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sure many of us do, that just doesn't work. We could have said that with tax reform earlier this session. Would have that made sense? No. That's not how we do things around here. We find a good solution the first time. I don't believe LB577 is it. I think there are other options we need to explore and we need to take more time. Thank you, Mr. President. [LB577]

SENATOR KRIST: Thank you, Senator McCoy. (Doctor of the day and visitors introduced.) Back to discussion, Senator Brasch, you are recognized. [LB577]

SENATOR BRASCH: Thank you, Mr. President, and good morning, colleagues, and welcome, Lyons-Decatur students; look forward to talking with you. I rise in support of the motion to reconsider AM1028, LB577. Given the impact and significant changes of our in-place Affordable Health Care Act that we know is land of law (sic), it is complex, we need time for implementation. We need to understand the policy, the technology. There is much to do there. We don't even know with certainty what the population is that we will be addressing. To my knowledge, we have not studied the capacity needed statewide on a regional or hospital basis. There is work to be done. We see other states, Senator McCoy referred to Arkansas that has another plan, there's an article on Missouri. And I want to clarify, in my town hall meetings, face to face in Washington County on Monday, these are face to face, I heard direct from constituents who had concerns about LB577. Mind you, I did hear from professionals in social services, in the hospital, in the medical field that may also be a constituent in favor, but that is their field. I looked at the record on the hearing. I see that there were 27 proponents, only 6 were the self proponents, 10 were medical or social groups. So the population there, again, we're looking at what we're working with. And I was glad to see Senator Ashford stand on mike and talk about the road situation. And it reminded me yesterday that I was disappointed to hear Senator Chambers once again when he referred to LB84 as a way for the roads...the contractors to get paid or money to the contractors and a need for our rural communities. Senator Chambers had also mentioned that farmers had their hands out for subsidies in our rural communities. I do want to clarify that not all farmers ask for, want, or have subsidies. We do not generalize in our community, and we do look at government programs cautiously and with great consideration, just like this program before us today. I'm wondering if Senator Chambers would please yield for a question. [LB577]

SENATOR KRIST: Senator Chambers, will you yield to Senator Brasch for a question? [LB577]

SENATOR CHAMBERS: Yes. [LB577]

SENATOR BRASCH: Thank you, Senator Chambers. My question is yesterday you had referred to your colleague at one time, Senator Fischer, and my colleague as well as introducing LB84 for a path to become a U.S. Senator. Could you explain that, please?

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[LB577]

SENATOR CHAMBERS: Yes. She knew that she was going to run for the U.S. Senate and by presenting a bill such as this, I'm giving my opinion, I was watching those debates on television because it was of interest to me, to go ahead and get a bill passed that did not oblige the state to spend any money while she was here. [LB577]

SENATOR KRIST: One minute. [LB577]

SENATOR CHAMBERS: And she said on a number of occasions, when the time comes then something can be done and the Legislature can even repeal this bill before any obligations occur. She knew what she was going to do. That would provide, in my opinion, campaign support from those who were going to benefit from road building. I said it then, I said it yesterday, I say it today and I mean it. [LB577]

SENATOR BRASCH: Thank you, Senator Chambers. I would like further...I know we have a minute left, but none...most of those projects went to our urban areas and the infrastructure, the highways, there was not one project in her district. And those colleagues here know that she entered the race very late, she had a lot of big decisions to do, and... [LB577]

SENATOR KRIST: Time, Senator. [LB577]

SENATOR BRASCH: Thank you. [LB577]

SENATOR KRIST: Senator Schilz, you are recognized. Thank you, by the way, Senator Brasch and Senator Chambers. Senator Schilz, you're recognized. [LB577]

SENATOR SCHILZ: Thank you, Mr. President and members of the body. Once again, I know this seems like it takes a while to get back up on the mike. I do have to say first that I agree with the reconsideration motion. I think it...I think Senator McCoy was exactly right when he said that there are a myriad of issues that have not been covered yet, so let's not forget what this is that we're talking about. But I'd also like to talk about some of my concerns, as I've talked before and as I've thought about this, and one of my biggest concerns, and I just throw this out there, is rural access to healthcare and who's going to have that. You know my district and all of rural Nebraska is pretty sparsely populated. And when I think back to other times when we've looked at doing something like this, where it's a massive move to take, you know, to move people from one place to another and we talk about how, do we build the capacity now, do we wait, do we do that, and I think back to the privatization of the child welfare stuff. And I look at what happened with that and I tell myself every day I don't want to see the same thing happen in my neighborhood again where people can't be taken care of because we just don't have the infrastructure. And the people that set it up and the people that looked at

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it didn't understand the implications to the rural parts of our state. Now you can tell me all day long that, oh, this isn't going to happen, but we saw it happen once. I want to make darn sure it doesn't happen again. I also have to somewhat, I mean, agree with Senator Kintner when he talked about actual interest groups that are for this bill for no other reason than that it reduces their costs and it puts people on the government doles. I have a problem with that. That's not what this program should be for. I've always believed and I continue to believe that this is a philosophical question. Who can handle these types of situations better? Is it the private sector or is it the government? I believe in the people, I believe in the private sector, and I believe that that's the best way to go about it. And you can tell me all day long, well, the private sector hasn't done that well, and that may be true and there may be things we need to do. But I can tell you what, the government I don't think would do any better. I believe they would do much, much less. And with that, I'd like to give the rest of my time to Senator Carlson. [LB577]

SENATOR KRIST: Senator Carlson, you are yielded 2 minutes. [LB577]

SENATOR CARLSON: Thank you, Mr. President. Thank you, Senator Schilz. I've been thinking about this debate as we go forward. We have private insurance and we have government insurance. Now which one can provide a benefit to citizens most efficiently? That's the question. Both of them have overhead expenses. Both of them have the cost of doing business; it's got to be accounted for. Now here's a question. I don't know the answer. If we end up with \$263 million of our money from the federal government, how much do we have to send in, in order to get \$263 million sent back, because there's overhead expense? There's expense of the cost of doing business. And I think... [LB577]

SENATOR KRIST: One minute. [LB577]

SENATOR CARLSON: ...private industry can provide benefits more efficiently than the government, and that's why...got an interest in pursuing this idea of the Arkansas plan and where that's going to go and whether or not that's got some possibilities for us. In the few seconds remaining, I'd like to ask Senator Nordquist a question. [LB577]

SENATOR KRIST: Senator Nordquist, will you yield? [LB577]

SENATOR NORDQUIST: Yes. [LB577]

SENATOR CARLSON: Senator Nordquist, I don't expect you to know the answer but did you hear what I'm saying about we send in tax dollars and then they get sent back to us? There's overhead expense before that comes back. Do you have any idea how we might find out what's the overhead expense on \$263 million? [LB577]

SENATOR NORDQUIST: Yeah, on the fiscal note there's administrative costs and IT

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costs, which will be the administrative costs. I can sit down with you and Fiscal Office and walk through those and calculate those. I would just say we are not guaranteed to get this \$260 million back unless we do things the right way, and just throwing any private plan out there just...the feds, CMS, would not approve that. But there is a potential way to construct it. It will take a significant amount of time probably and... [LB577]

SENATOR KRIST: Time, Senators. [LB577]

SENATOR NORDQUIST: Sorry. [LB577]

SENATOR KRIST: Thank you, Senator Carlson and Senator Nordquist. Senator Smith, you're recognized. [LB577]

SENATOR SMITH: Thank you, Mr. President, and good morning, colleagues. I continue to stand in support of the reconsideration motion by Senator McCoy. And the opportunity to speak on this is becoming fewer and farther between as more and more of my colleagues are wanting to speak on this topic, so I just wanted to touch on a couple of comments made by colleagues this morning and yesterday afternoon. One of the issues...and I've stood on this floor many, many times and represented the concerns and interests of small business. And I find it ironic that we're now using the position of certain business lobbies that are out in the Rotunda and they are lobbying you to justify the support of LB577 when the burden of government regulation on small business, regulation like this that we're discussing here on the floor today, has forced more and more of our employees on to the rolls of the working poor, moving from full-time status to part-time status. So, you know, this is quite ironic I'm finding that argument being made today. Secondly, I want to talk on the issue of compassion. One of my well-meaning colleagues yesterday off to the side said to me, in what I believe he sincerely believed was a moment of conciliation, he said, "We simply have different priorities." Well, I reject that conclusion and the characterization of my position and the position of my opponents that have stood in opposition to this bill. I ran for this office as an extension of my years in community service in my district, and I ran for this office with the purpose of representing my district and the citizens of Nebraska, all citizens of Nebraska. The decisions we face here, particularly on this bill today, is not always easy and often do not fit into our neatly designed and arranged boxes that we call our personal ideals. I strive, as many of my colleagues do, to respond to the needs of our state and to afford better opportunities to our citizens, all of our citizens. But we have parameters to work within. And again, just on previous bills we've heard discussed this session, there's a limited amount of resources we have available in our budget. As a collective society, we simply cannot have everything we want. The families and the individuals in our state cannot afford it and the economy simply can't support it. As I mentioned yesterday, there are three primary reasons I originally had concerns with this bill and I now stand in opposition to the underlying bill. One is the long-term cost to

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Nebraskans. I was challenged on a Kaiser study number that I was using, in 2022 when fully implemented that it be roughly \$50 million per year to the state of Nebraska to support this. However, near term there's a risk of the federal government falling through on its commitment to fund this. And then finally we have the ongoing concern with the standard of care for those that are receiving Medicaid and putting more and more people on to the rolls of Medicaid, into an already burdened system, is simply not going to meet the needs of those that are in our society that have the greatest needs. Thank you, Mr. President. [LB577]

SENATOR KRIST: Thank you, Senator Smith. Senator McCoy, you're recognized. [LB577]

SENATOR McCOY: Thank you, Mr. President and members. I want to talk a little bit about access to care and why I think that...we've talked about Nebraska being unique from any other state and what may be apparently going to work in Arkansas, that's been approved initially by HHS, may not work here; but it may. I would refer you to a publication that we got from our own university system and the Medical Center just within the last few weeks, and it stated the number of primary care physicians in Nebraska is 30 percent lower than previously reported by the AMA, and rural areas are hit the hardest. Currently, there are 1,410 primary care physicians in Nebraska, and that we will need in order to implement what we are talking about here 1,685 primary care physicians by January 1, 2014. Where are we going to come up with those primary care physicians? And Senator Nordquist is otherwise engaged so I'm not going to ask him to yield to a question but I know he has a bill in Appropriations that would provide some loan forgiveness to physicians to help with that. But where are we going to come up with those several hundred primary care physicians by January 1? We just don't have a plan yet, folks. You have to have access to care. I grew up in an extremely rural area, as some of you did; it was almost 30 miles to a physician of any kind. How do we know that this is going to provide access to care for people across our state? Have we really planned that out? I don't believe we have. And with that I'd yield the balance of my time to Senator Lautenbaugh. [LB577]

SENATOR KRIST: Senator Lautenbaugh, you've been yielded 2 minutes and 40 seconds. [LB577]

SENATOR LAUTENBAUGH: Thank you, Mr. President, and thank you, Senator McCoy. This may be looked upon as kind of a digression and that's not my desire or my point in bringing this or saying these things, and I do think this debate has been helpful, instructive, respectful, and very meaty and weighty as would be proper for this topic. I do have to wonder by way of again a slight digression of, why we do keep coming back to the issue of roads funding? And I was here two years ago, I was part of that debate; and so I kind of rankle when it comes up again and it's held up as an example of something that we should not have done. And I'm always fascinated by the phrase,

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"Well, that was passed to benefit the people who benefit from roads." Well, I don't know. You guys should ask your constituents, do you have drivers in your district? If you have children who go to school in school buses in your district; if you have people who go to work on the roads in your district; if you have people who go to and from their houses by means of a road rather than a heliport or some such other contraption, then you probably have people who benefit from the construction of roads. And Senator Brasch represents an area that I did represent previously that contains a highway called Highway 133 between Omaha and Blair. And that road was known for some of my former constituents dying on it from time to time, year in and year out. It's winding, it's narrow, it's heavily traveled. It's been in need of widening for years. And we never had the will before two years ago... [LB577]

SENATOR KRIST: One minute. [LB577]

SENATOR LAUTENBAUGH: ...to actually do anything that would bring that about. It was always on the top ten or top five lists of things we were going to do someday. It's finally going to happen now along with some other projects that would just qualify as regular maintenance. And to say that this was some partisan move or some self-serving move by Senator Fischer, yeah, if she's the one who drove on all the roads exclusively then, yes, I would say this was all about her. But last time I checked, it was about my kids, my constituents and all of your constituents and business and commerce and jobs and everything else that we do every single day, and it was a good policy and a good move. And I rankle when that is constantly trotted out this session as an example of something we didn't do or didn't do right. We gave two years' notice because you don't just start building roads tomorrow. You have environmental studies that have to be updated. You have to have a plan. You don't just wake up one morning and say this is what we're going to do tomorrow, we're going to widen that highway. So in all respects it was a proper and forward-looking policy that was much needed and probably overdue. [LB577]

SENATOR KRIST: Time, Senator. [LB577]

SENATOR LAUTENBAUGH: Thank you, Mr. President. [LB577]

SENATOR KRIST: Thank you, Senator Lautenbaugh and Senator McCoy. Senator Schumacher, you are recognized. [LB577]

SENATOR SCHUMACHER: Thank you, Mr. President and members of the body. It is not the strong that survive. It is not the smart that survive. It is the adaptable that survive. I remember distinctly being figuratively bounced on the knee of Senator Carl Curtis in the Dirksen Senate Office Building back in the early '70s. And Senator Curtis fretted a whole lot because our balance of trade was going negative, because we were going to run slight federal deficits. That balance of trade, the current account deficit of

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the United States at that point was about \$10 billion a year. That's the amount of money the country owes the rest of the world. And he fretted that if we kept down this track we would be bankrupt. It was a one-way track to oblivion. He was right. Oh, how I wish we had listened to him. But we did not and we created a different world starting in about 1981, led by our financial sector on a spending spree the likes of which no nation on earth has ever seen. And we are functionally broke today. Now, putting all of that in a little bit of context with regard to this particular debate, I am pretty convinced after listening to yesterday's session that we are not talking about money here. The amount of money, the \$40 million or \$26 million or whatever on that order we're talking about, is about .05 of 1 percent of our state's GDP. The federal government blows through the entire \$400 million in about an hour. We could send our entire state budget for a year to the federal government and they'd burn it up in a half-day or less. The \$400 million or \$263 million or whatever the number is that comes into this state from the federal government, which we're told would do a lot of good and I have no doubt it will, is dwarfed by the \$300 million to \$400 million we send over the river to gaming operations in Iowa and surrounding states; and we don't seem to think anything of that, even though the tax on that, about \$80 million a year, would fund indefinitely our contribution that is necessary to this particular program. But we don't want to really talk about those things. The \$50 million a year that we haven't reviewed for 15 years that goes to the Universal Service Fund, we don't talk about that either. Suddenly, money on this order is a big deal in the context of this plan. It isn't about money. I think very well Senator Schilz is correct, it's about philosophy. But it's a philosophy that we can't do anything about because we made those decisions a long time ago. It was President Reagan, I believe, who signed the bill that said you had to treat people in the emergency room. If that wasn't there, we would have an interesting discussion today whether or not we should say no at the emergency room level, as a matter of state policy. If somebody shows up sick, hand them a sympathy card, with a card and phone number for the State Anatomical Society and wish them the best of luck in the beyond. But that decision has been made for us. We will treat those people. So it becomes a very analytical decision how is the best way to do that. Do we do that as we have been in the emergency rooms and have the state hospital administrators juggle and finagle the numbers so that it gets passed on to the insurance payers, those insurance payers who have seen, long before Obama ever showed up,... [LB577]

SENATOR KRIST: One minute. [LB577]

SENATOR SCHUMACHER: ...their premiums going up by 10 percent a year or doubling your deductible, or do we find some other mechanism to do it? I've been listening carefully to see if there is another mechanism. So far I have not heard of one. There's talk that the Arkansas people have maybe figured out something. And you know what? If they have, in two or three years I would see no reason why we couldn't shift to that. Certainly, if it's cheaper and better, the federal government will at least want us to consider that option too. But today that is an experimental option. I'm going to continue

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to listen and I hopefully will hear something that is persuasive as to why we should not proceed with this particular proposal. Thank you. [LB577]

SENATOR KRIST: Thank you, Senator Schumacher. Senator Johnson, you are recognized. [LB577]

SENATOR JOHNSON: Thank you, Mr. President and colleagues. I'm going to go a little bit different direction with my thoughts and talk a little bit about the process that we go through. I know we've adopted the rules and we're following those rules as far as the protocol for conversation and how many times you can speak and this type of thing. But I go back to some basic principles that I learned with parliamentary procedure. And I always understood that when an amendment came up or something came up to be considered, you discussed that; and we've not discussed anything about the reconsidering of the vote, even going back to...and incidentally, I would support going back to reconsider the vote. Yesterday when we did vote. I voted in favor of AM1028. I had some people question me on why I supported that. Going back a little bit further, Senator Wallman asked...or called the question, and I thought that was appropriate because I felt it was time to vote on AM1028 because we weren't talking about it, we were talking about the bill. The reason I supported AM1028 yesterday was I felt if the bill was going to move forward, AM1028 makes it a little bit better. That's not saying I'm voting for the bill. I still have a lot of concerns. But I went back to...I don't know for sure how I will vote if we consider AM1028 again, but I'm still listening. I think we need more time to talk about this. I'm not necessarily saying we need another eight-hour session or thinking like that, but I think we need to move just a little bit slower before we make a major decision. I read a book several years ago; it's called, Who Moved My Cheese? And the story of the character is the mouse. And the cheese is out there, and it's moving around, and he is a little cautious about where's he's going. Is this, you know, really for me; should I...? And maybe it just keeps moving. I'm not sure if that's where the federal government is right now but I think we've got a moving target here with all of the studies that have gone on. I'm really confused on that. But I think you always have to be cautious when you're talking about the cheese and the mouse. At what point do you get in the trap? And I think we have to be conscious of that. So my points right now are a little bit about the process and we'll continue to discuss this, I know. But my process is that we need to be talking...we need to consider the vote...revote. We need to go back and probably revote on AM1028 if that's part of the bill, then let's move on thinking that's part of it. I think it's a pretty straightforward amendment. It tells the Nebraska Legislature what to do if, and I think that's a positive toward the bill. Thank you. [LB577]

SENATOR KRIST: Thank you, Senator Johnson. (Visitors introduced.) Senator Janssen, you are recognized. [LB577]

SENATOR JANSSEN: Thank you, Mr. President and members. Just the other day when one of the pages was carrying this over here--obviously it's close to 3,000 pages,

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House Resolution 3590--one of my colleagues mentioned, I hope you have a strong back. The first thing that came to my mind is, I hope so, because you're going to be carrying the financial burden for this for the rest of your life. And in full disclosure, as I said yesterday, I have not read this entire bill and I doubt anybody else has. Like I said yesterday, I talked to Senator Chambers; I asked him. He said he had not. And I said, well, I'm asking you because I know you don't lie. He said, that's right. He goes...and if I'm saying this wrong he will correct me, I'm certain. He goes, I thought I lied once, but I made a mistake. He didn't. And I'm not going to do that either. I'm not going to sit here and act like I am supportive of this or even trying to make it better. That's disingenuous. That's not what I'm up here to do. Is there a path? Perhaps. I don't see it in the bill before us or the amendments before us. Quite frankly, I don't like it, and that's why I've stood, I've spoke, I'll continue to speak on this for however late we go tonight or even into tomorrow. Senator Smith brought up a good point: We can't have everything just because we want it. There is a cost. That doesn't make him a mean person or anybody else that opposes this bill. Sure, healthcare is a very personal...obviously, very personal to all of us. But that does not make us mean people. I recall the...and I don't know what insurance company it is, ironically. They've got the Peanuts characters, Charlie Brown, Snoopy, Lucy. They're sitting around and they come in, this insurance agent or whatever is all excited about this new program and it's going to lower costs for everybody. And he says, guess how much it costs? How much should it cost? And they say: a nickel. It's like, everything can't cost a nickel, guys. And they're all upset about it. Everything can't cost a nickel. Everything does have a cost. And that's what we're tasked with doing here, balancing that; and I think that's what we're doing. I heard comments about it's cheaper with Medicaid than with a health plan. That's alarming to me. If you boil that down, what was said there is it's saying big government programs are better than private industry. Some might believe that. I don't begrudge them their beliefs. I don't believe that. Senator Johnson and Who Moved My Cheese? I believe the main characters were Sniff and Scurry, two mice, one that kept going back to the same place for more and more cheese, more and more cheese, every time. But guess what? There was no more cheese there, Cheese Station C. You've got to move. You've got to adapt. And perhaps some of us...I think all of us probably think we're doing that in our own ways. I think we're going back to the same spot over and over again, and there might be cheese there but it's not cheese that we're paying for. Somebody else is going to be paying for that cheese down the road. Senator Carlson asked, how much do we send...how much does it cost to send the money that we send to D.C. that we're going to get back? And he's correct. In business and anything, there's a great overhead not just with the state of Nebraska in receiving that money back, but in obviously our federal government in spending and basically pushing that money back. But I say it costs nothing, because they're going to print the money. We're going to borrow the money. It's printed money. This isn't money that is going to go to some other state if we don't act on this legislation this year. [LB577]

SENATOR KRIST: One minute. [LB577]

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SENATOR JANSSEN: Thank you, Mr. President. And it was brought up by one of our colleagues after that. He said, well, we aren't guaranteed to get this money, quote, unless we do things the right way. Doesn't that sound familiar? So now we put ourselves into this federal program and we've got to do it the "right" way. We've got to do it big government's way. That could be a certain procedure that some of us don't like at certain hospitals, paying for care that some of us fundamentally oppose. That's the right way to get our money back, which I prescribe that it's just printed money and it's the probably the pages and people that are younger, like my children, that will be paying for generations and generations to come. As a child, I was told not to take candy from strangers. I'm not calling our federal government a stranger, but I don't know anybody in the Chinese government and that's candy that I don't want to take. Thank you, Mr. President. [LB577]

SENATOR KRIST: Thank you, Senator Janssen. Senator Chambers, you are recognized. [LB577]

SENATOR CHAMBERS: Thank you. Mr. President and members of the Legislature, some years ago I did not comment on a bill that I opposed, and everybody knew I opposed it; and I was asked why I didn't comment. And at that point I said, the "King Cobra" wastes no venom on dead or fleeing things. And that is true. This reconsideration motion is dead, and it was DOA and Senator McCoy knows it. Thirty people voted for the amendment, twelve voted against it. There will not be 30 people to vote for this reconsideration motion. Everything that anybody had wanted to say about this bill or any aspect of it could have been stated on the second part of the divided question. So it's obvious that the intent is just a delay. But I'm not going to say much more about that amendment...I meant, this motion; but yesterday Senator McCoy had asked a question rhetorically, why would he move to indefinitely postpone his own tax bill? And I turned around and told him why. It was the Governor's tax bill, and this is what the February 17 Omaha World-Herald said. "It took less than 30 days to unravel. Governor Dave Heineman introduced his bold tax reform plan January 18, but he threw in the towel Saturday after a drumbeat of criticism, especially from farm and business interests...On Saturday, Heineman backed off, asking lawmakers to pull the legislation and to undertake a study of the state's tax system over the next year...The motion to kill the bills will likely come from Senator Beau McCoy of Omaha, a Revenue Committee member." So now you know why Senator McCoy made the kill motion not on his own. The Governor told him to and it was the Governor's bill. As far as what Senator Lautenbaugh said about the road issue, that's over a billion dollars; it's going to continue to be discussed. Senator Brasch pointed out to me that not one of the projects is in Senator Fischer's district. That is irrelevant to what I said. And I'm not the one who said that this road fiasco of earmarking sales tax for road building benefits those who use roads. I said it was to benefit the road construction industry, and that's where tax...I meant, if that's where campaign contributions come from. Senator Schilz talked about

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the privatization of a program and how it went very far astray and was disappointing. I would like to remind him that that was the Governor's and a Republican initiative to privatize as much as they could, and they're following the Governor now. Senator Kintner had talked about the restaurateurs--and there is no N in restaurateur. But at any rate, he said, well sure, they're for this; they're going to benefit and profit from it because their employees will be covered to some extent on their healthcare by the government. Well, why do the farm interests want sales tax exemptions--and a bill like that was advanced by the Revenue Committee--for their personal profit? And who is going to make up the difference? Other taxpayers. So they need to think before they make those careless, thoughtless statements. Now on the entire matter of the bill, I say again, those who came here yesterday...before yesterday, knew how they were going to vote on the bill. It's like when I was going to Creighton, a Jesuit university from which I graduated. And as I point out, the only thing they hate more than the fact that I graduated from there is that I mention that I graduated from there. But we had, even though we were not Catholics, to take theological courses. They called it philosophy. [LB577]

SENATOR KRIST: One minute. [LB577]

SENATOR CHAMBERS: Untruth in labeling. The teacher would always say, we're going to start with...at the beginning, with no preconceptions, and we're going to show why this particular Catholic dogma flows from right reasoning. I told them, I said, look, I know what that dogma is; I don't care how you introduce what you're going to say; you are a Jesuit; you've got to hew to the party line; so I know exactly where you're going to end up before you get there. A cat knows how to catch a mouse. The mouse follows the baseboard, so the cat cuts across the room and catches the mouse every time. I said, friend, you are caught. Thank you, Mr. President. [LB577]

SENATOR KRIST: Thank you, Senator Chambers. Senator Dubas, you are recognized. [LB577]

SENATOR DUBAS: Thank you, Mr. President. Good morning, colleagues. I want to go back to the comments that I made yesterday morning because this is really what's driving my support for this bill and the research that I did, and it's ensuring that our rural hospitals stay viable, stay in place, stay accessible not just to Medicaid patients but for all of us. And our rural hospitals, you know, they're struggling. It's tough to keep the hospital doors open. They work very, very hard to make sure that they are able to take care of their patients. But it's tough. When I talk to one of my hospitals who say they automatically build in almost a half million dollars in bad debt that they just know right off the top that they're not ever going to see those dollars, those...that's just a write-off. You know, hospitals are a business as has been pointed out, and so when you're starting out looking at being a half million dollars in the hole from the git-go, they are going to work very hard in other ways to make sure that they're able to keep their doors open. So what

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does this do to help them keep their doors open? They are going to lose considerable Medicare dollars in the next few years because of changes through the Affordable Care Act. They have a lot of uncompensated care that they're going to have to deal with. And so if they're losing Medicare dollars with the thought that they may be able to recoup some of those dollars through Medicaid expansion, something is better than nothing, that is for sure. And so they are looking at this, at these dollars as another means of helping them keep their doors open. We talk on a regular basis in the Legislature about the need to build capacity, especially in rural Nebraska. We need to make sure that we have the doctors and the nurses and the PAs and the dentists and the mental health providers and all of those providers who will help address the medical concerns of our citizens across the state, but especially in rural Nebraska. These dollars will help us build that capacity. I really appreciate Senator Campbell's amendment because I think her amendment is a recognition of the legitimate concerns that are being raised, concerns that I had of my own. The amendments that we are considering are a great way for the Legislature to stay fully engaged with this bill as it moves forward and as it's implemented. The Legislature will know what is going on. And similar to the child welfare issue that we dealt with, the Legislature was fully engaged with that. It was a big issue. It was a complex issue. It had many moving parts to it. And it was kind of like, you know, how do you eat an elephant? Well, you start one bite at a time. And that's what we're doing here. This is a huge issue, very complex, lots of moving parts. We've got to start somewhere, and I see this as a starting point, again through the amendments, through the trigger, through the sunset that will allow the Legislature to stay fully engaged with what may or may not happen at the federal level. So, you know, this is an important issue for all hospitals, but especially to our rural hospitals in making sure that all of our citizens have access to those facilities. And I would yield the remainder of my time to Senator Howard. [LB577]

SENATOR KRIST: Senator Howard, you are yielded 1 minute and 20 seconds. [LB577]

SENATOR HOWARD: Thank you, Mr. President, and thank you, Senator Dubas. I wanted to clear up some confusion that I think may have occurred from...Senator McCoy mentioned that we would need 1,600 new providers, primary care providers in this state. And I believe that's inaccurate. [LB577]

SENATOR KRIST: One minute. [LB577]

SENATOR HOWARD: Thank you. Primary care providers carry an annual docket of 2,000 patients each. In my clinic, they carry an annual docket of about 1,700. So we're working on improving their capacity in that regard, although many of our patients have chronic illnesses and that means that their care requires a little more time. So if we look at a primary care provider carrying a docket of 2,000 patients, at the lowest estimate of Milliman we would need 25 new providers to stay in this state to provide the primary care needed under Medicaid. At the high end, if we're over 90,000, we would need 40 to

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50 new primary care providers to stay in the state. I believe in the state of Nebraska we would be able to sustain 25 to 50 new providers. And so I just wanted to clarify that point. Thank you, Mr. President. [LB577]

SENATOR KRIST: Thank you, Senator Howard. And Senator Howard, you are next in the queue and recognized. [LB577]

SENATOR HOWARD: Mr. President, I would like to call the question. [LB577]

SENATOR KRIST: The question has been called. Do I see five hands? I do see five hands. The question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record. [LB577]

CLERK: 25 ayes, 12 nays to cease debate, Mr. President. [LB577]

SENATOR KRIST: Debate does cease. I understand Senator McCoy was called away. Senator Lautenbaugh, you're recognized to close. [LB577]

SENATOR LAUTENBAUGH: Thank you, Mr. President and members of the body. And yes, that is correct. Senator McCoy had to step out unexpectedly and asked me to close on this motion to reconsider. I would note that even as we stand here now I believe there are quite a few lights on in the queue. And Senator Johnson did make an observation that I made I think my first year here as well. I'm used to talking about things that are actually before us. You wouldn't know that to hear me talk now, I recognize that; but it took awhile to get used to the fact that we don't always talk about the motion that's pending or the amendment that's pending or even the bill that's pending, sometimes, depending on who you are. But I do think that there was certainly more to be said regarding the prior amendment yesterday. I understand why Senator McCoy made the motion to reconsider. I do think debate has and should continue...or it has continued and it should continue on this. There is a point at which I guess we have to decide if this is going forward or not, and I understand that. But it is impossible to stress or overstate the weightiness and the meatiness of the issues we're discussing here and the profound impact it will have on our state for years and years to come, either way we go. And there's good reason to be fearful as we discuss this. Believe me, I understand that, because I stand here fearful of where we're going possibly. And so I don't think we can talk about this too much. I don't think we can consider it too long. And I fully understand why Senator McCoy made this motion to reconsider the vote on the amendment yesterday, and I would urge you at this time to vote to reconsider the vote taken yesterday and vote green. Thank you, Mr. President. [LB577]

SENATOR KRIST: Thank you, Senator Lautenbaugh. You've heard the closing of the motion. The question is, shall the motion be adopted? All those in favor vote aye; opposed vote nay. Have all those voted that wish to? Mr. Clerk, please record. [LB577]

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CLERK: 17 ayes, 26 nays, Mr. President, on the motion to reconsider. [LB577]

SENATOR KRIST: The motion fails. Mr. Clerk. [LB577]

CLERK: Mr. President, Senator Campbell would move to amend her bill with AM1029. (Legislative Journal page 1001.) [LB577]

SENATOR KRIST: Senator Campbell, you are recognized. [LB577]

SENATOR CAMPBELL: Thank you, Mr. President and members of the body. I'd like to say, before I start my remarks, that I'm not sure why Senator McCoy might have been called to take a call regarding an emergency matter--or not. But whatever he has been called to, I hope that we will keep him in our prayers. We will move to the second part of the amendment and this part has to do with sunseting. As had originally been proposed in AM1029, we had set a sunset date of June 30, 2020, in which the Legislature would have to take action. All of us who have worked on LB577 for a long period of time have the mind-set that we will continue to listen and work with all of you who come to talk to us about your questions and your suggestions. Yesterday, Senator Hadley came to me and suggested a shorter sunset, and he will shortly be opening on his amendment to the amendment. And I want you to know that his amendment has my full support and I much appreciate everyone's continuing questions and working on LB577. We are always here to visit with you about your questions. Thank you, Mr. President. [LB577]

SENATOR KRIST: (Visitors introduced.) Mr. Clerk. [LB577]

CLERK: Mr. President, Senator Hadley would move to amend Senator Campbell's amendment with AM1045. (Legislative Journal page 1005.) [LB577]

SENATOR KRIST: Senator Hadley. [LB577]

SENATOR HADLEY: Mr. President and members of the body, I think this has been great discussion. This is a very difficult bill. It's been worthy of the debate we've had. I would commend the civility that we've had. I happened to be reading the debate that they had in Florida yesterday where they were using...it got into basically fights and name-calling and such as that. So I commend my colleagues for their civility. I am amending Senator Campbell's amendment because I truly believe that seven years is too long to sunset this bill. Now you might ask why I'm doing it. I've had a philosophy that we should amend bills to what we want them to be, because if they pass, you want them to reflect the best that it can be. And I truly believe that this makes the bill better. It amends the bill and it sunsets after three years, which are the three years that the government puts in the 100 percent. Now you might say, well, why are you doing that? We've talked a lot about planning and trying to change, trying to be innovative. I think

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this might give us a window if we pass this bill to look at it for the next three years without a commitment on the part of the state. We worried about the state dollars and whether we can afford it or not. I think this...if the bill is passed, it gives us a chance to do the three years of studying what we should do with this particular problem. It again...seven years I feel is too long. Now you may argue that three years is too soon. That's an argument we can have similar to the argument we had with the juveniles and the minimum sentence. We're talking about a number. So I truly believe this is a good amendment that will help the bill. So if you want to try...if you're concerned that the bill will pass, I think you want to have the best bill you can have. With that, I would urge voting for this amendment to amend Senator Campbell's amendment. Thank you, Mr. President. [LB577]

SENATOR CARLSON PRESIDING

SENATOR CARLSON: Thank you, Senator Hadley. You've heard the opening on AM1045, and the floor is again open for debate. Senators wishing to speak include Nordquist, Bloomfield, Lathrop, Gloor, and others. Senator Nordquist, you're recognized. [LB577]

SENATOR NORDQUIST: Thank you, Mr. President and members. And I thank Senator Campbell and Senator Hadley for continuing to engage in a thoughtful discussion about how we can improve this legislation and bring consensus around in this body. You know, I rise and I will support Senator Hadley's amendment to the amendment for a three-year sunset, for a couple reasons. First, those three years are all 100 percent federally funded. On our fiscal sheet you can see that without any other numbers coming into play, directly on the fiscal note, these years create cost-savings for the state. It's several million dollars of direct cost-savings over this three-year period. I'm confident in what is coming out of Washington, that under the current federal administration these three years of 100 percent funding will be there. We also have the trigger amendment adopted should there be a change. But I fundamentally do not believe that there will be. And I will say point blank today, on the record, if I need to make it official and put it on Twitter or Facebook, I'll do it too, I will not vote to move this sunset. I will be here in 2016, God willing I guess, when we need...when we would need to take action to move it back. I will not vote to move this sunset if there is a change in the federal statutory language on the funding mix or if we do not see enough savings in our other general-funded programs. It's on record. Everyone can use that at any time against me in the future if I go back on my word. And I think other proponents of this bill would say the exact same thing if they were asked. And I think everyone out here who is supporting this bill, all of our constituents who will rely on this bill, need to understand that that is the situation that we are moving forward with; that we are saying today there is a likelihood, depending on who you talk to what the odds are, there is a descent likelihood that this program could sunset in three years. But I would much rather look the waitress that has cancer or the mom that has MS that is limited in her work in...I

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would rather have them have healthcare for three years than not at all. And we've had some discussion about provider capacity and we are taking action. Senator Campbell said that her community has been taking actions. The hospitals I've talked to, I know I've talked to the hospital administrator in Ogallala several times. They're taking action to increase capacity, increase hours, do evening clinics. I know that's happening in clinics in south Omaha. We have a bill that we have \$500,000 of funding in the current budget that will be coming to the floor to expand our provider loan forgiveness program for rural Nebraska. Right now, we have about 80 or 90 providers right now receiving loan forgiveness in communities all across our state. We are almost doubling the General Fund support for that program. That's a bill that Senator Gloor and I introduced together this year, LB20. But also the simple point is capacity follows revenue. This bill for three years will give us the revenue we need to try to build capacity, and I am hopeful and pretty confident that there will be savings in behavioral health and other areas, and I'm hopeful and confident that the federal government will live up to its obligation. But if not, this is as lock-stock of a guarantee as we can have, and that's why I will support the amendment. And with that, I'll yield the rest of my time to Senator Mello. [LB577 LB20]

SENATOR CARLSON: Thank you, Senator Nordquist. Senator Mello, 1 minute and 15 seconds. [LB577]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. I too also rise in support of AM1045 to the underlying bill, and I do so out of a bit of disappointment but also I do so based under the understanding... [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR MELLO: ...that compromise is what drives the Legislature. And I appreciate Senator Campell, Senator Hadley, Senator Nordquist, and those who have worked on this compromise to try to once again move the issue forward of providing some kind of access to healthcare through, even a short-term Medicaid expansion, than do nothing at all. I've followed the debate over the last day and a half in regards to some of the fiscal issues people have raised, and I think AM1045 addresses any short-term fiscal concerns any senator should have in the sense that the majority, obviously, the 100 percent federal reimbursement for the care is taken care of under Senator Hadley's amendment. I too will more than likely, God willing, be here--if this amendment passes and this bill passes--in three years, to readdress this issue. I no doubt also will be interested to see what the Fiscal Office is able to determine in regards to the projections and estimates if we adopt this amendment. [LB577]

SENATOR CARLSON: Time. [LB577]

SENATOR MELLO: Thank you, Mr. President. [LB577]

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SENATOR CARLSON: Thank you, Senator Mello. Senator Bloomfield, you're recognized. [LB577]

SENATOR BLOOMFIELD: Thank you, Mr. President. Colleagues, there are a couple quick issues I'd like to talk about, and we're going to go back to roads again. I got on board of that roads bill late, after it was pared down from where it started to a quarter of a cent that we took out. So it wasn't something we did that I...without great debate. But aside from that, we were told on the floor this morning that that was a rural bill. Well, it's my understanding that one of the first projects to be done with it is going to be the Highway 2 bypass here in Lincoln. That's not a rural issue. And secondly, Senator Carlson, this morning, quoted Deuteronomy, and said we should always have our hand open to the poor. And he's right, we should have our hand open to the poor. I don't believe the government should be reaching into someone else's pocket and pulling the money out to give to the poor. It is good and wise, I believe, to give personally. I have real issues with taking from one to give to another. And with that I would like to yield the rest of my time to Senator Gloor. [LB577]

SENATOR CARLSON: Thank you, Senator Bloomfield. Senator Gloor, 3 minutes and 25 seconds. [LB577]

SENATOR GLOOR: Thank you, Senator Bloomfield. Thank you, Mr. President. The question came up yesterday on sustainability, obviously one of my concerns. This amendment is certainly a step in the right direction. I too will be around here in a couple of years, hopefully, God willing. I have concerns about utilization. This isn't a direct comment. I'm still trying to decide about Senator Hadley's amendment, but I want to take the time to talk a little bit about utilization and concerns about utilization increases. One of the reasons that I'm comfortable with Senator Hadley's bill is that it puts us in the position of making a decision before that 100 percent federal subsidy disappears, because my concern is we will look at driving utilization that will take that percentage that we would inherit if we continued in the program and be dealing with a much larger number than we estimate currently in the numbers. It's just the nature of us, and the next time I'm on the mike I'll run through a scenario of why that's the case, what sort of economic factors are out there that drive this. But we have our own example within the federal government of what happens with an expansion of services and what happens with utilization. Many of you, I know, are familiar with the CHAMPUS program. It's the way that the military provides care and I'm taking this from a report to Congress from the RAND Corporation, which was commissioned, hired, is consulting, and the responsibility for them to come is to take a look at whether an improvement in their program, and they expanded their program. They went to what I believe was a CHAMPUS Reform Initiative, and part of it was CHAMPUS Prime, which provided CHAMPUS recipients far more expansive opportunities to use CHAMPUS care. It had three goals to improve beneficiaries' access to care, their satisfaction with it, and to slow

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the growth in healthcare costs by the same time maintain quality of care. [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR GLOOR: Thank you, Mr. President. The enrollees responded, and this was in the report to Congress, that these better benefits and access to substantially increasing services resulted in, in fact, an improvement in their overall satisfaction, but also resulted in an increase in outpatient visits per adult beneficiary by almost 50 percent. And you would say, well good, they used the services 50 percent more. And I would say the problem is, the quality measures didn't go hand-in-hand with this. Yes, services were used more, but we weren't able to define in this report as best as I'm able to read it right now that there was an improvement in the overall quality. We will utilize health services as a result of this expansion far more within the Medicaid population. What we don't know and what concerns me is... [LB577]

SENATOR CARLSON: Time. [LB577]

SENATOR GLOOR: ...the level of appropriateness. Thank you, Mr. President. [LB577]

SENATOR CARLSON: Thank you, Senator Gloor. Mr. Clerk for an announcement. [LB577]

CLERK: Mr. President, thank you. The Education Committee will have an Executive Session at 11:15 in Room 2022; Education Committee at 11:15 in Room 2022. I would also like to introduce LR152 by Senator Pirsch. That's a resolution that will be laid over. And I have a confirmation report...a Reference report, Mr. President, excuse me. Thank you. That's all that I have. (Legislative Journal page 1006.) [LR152]

SENATOR CARLSON: Thank you, Mr. Clerk. We return to our debate, and Senator Lathrop, you're recognized. [LB577]

SENATOR LATHROP: Thank you, Mr. President and colleagues. Good morning once again. I think we need to stop right here and give some serious consideration to the amendment presented by Senator Hadley. AM1045 provides us with a legislator's solution to where we find ourselves. We have people who are understandably skeptical about the federal government's commitment to this program. We have people who are interested in trying to come up with another alternative that might involve private insurance. Senator Hadley's amendment provides us with an opportunity, a risk-free opportunity if you will, to move LB577 and make it law, insure 54,000 people; and if it doesn't work, we can simply not renew it before we are called upon to pay from our own General Fund anything towards this expanded program. Years ago, and you got in on a little bit of this early on in the session, I passed a bill. It was the mental-mental bill. It provided for an expansion of work comp benefits for first responders; and when that bill

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was on the floor there was a great deal of skepticism. There were those who said from the lobby that this will blow up political subdivision budgets. Cities and counties, the state of Nebraska, would be paying all kinds of money to first responders who would be making claims for mental injuries on account of their work-related, whatever they saw, when they...basically posttraumatic stress disorder would be the most common form. There were those who said it would blow things up; it would be a disaster; we can't move the mental-mental bill because there will be all kinds of problems. I had documentation from, strangely enough, Arkansas, that showed it shouldn't cost very much. And the solution was to put a sunset on mental-mental and let's take it for a ride. Let's see how it works. Let's see if all of the terrible predictions about mental-mental will come true, and if they don't then we'll take the sunset away. And that's really the genius of Senator Hadley's amendment, the opportunity that we have today. This is an opportunity to move LB577. We are, as I've said before, paying for this expansion. We are paying for this expansion. Now we should benefit from this expansion, insure 54,000 of hardworking Nebraskans. And if the federal government doesn't come through as they've promised, then we just don't sign back up for it. It's that simple. If the predictions of the end of the world come true, if the federal government reduces their commitment, if this doesn't work, if expanding services to 55,000 people cause a problem, we'll back it up. We'll just undo what we did. And it will be done before we're called upon to contribute to the cost. This is a legislator's approach to legislating. This is a perfect opportunity to afford those who are skeptical and those who have concerns with an opportunity to support LB577, knowing that if the promises made by the federal government... [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR LATHROP: ...don't come true, then we'll just stop signing up for it. And in the meantime, we have an opportunity over the next three years to look at other options. Maybe Arkansas will prove to be a good option. Maybe we take the money and buy private health insurance. Those are things that we can look at over the next three years, and we could amend this program next year if those turn out to be good ideas, or in two years or when the sunset comes up. There is no cost to our General Fund to insure 54,000 working people in this state. LB577 makes sense. We are going to be spending our tax dollars going to Washington to provide for this expanded coverage, and we should take advantage of it. Thank you. [LB577]

SENATOR CARLSON: Thank you, Senator Lathrop. Senator Gloor, you're recognized. [LB577]

SENATOR GLOOR: Thank you, Mr. President. I talked about sustainability and I talked about issues of utilization. I want to talk a little bit about why the healthcare system operates differently, a point I continue to make, than our expectations of traditional business models. Healthcare is one of the few industries for which there is what I would

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call and others have called infinite expandability. Healthcare can absorb all the resources directed its way, and I share this so you understand my misgivings about the expansion we're talking about and about the industry overall. As Americans, we're used to asking for the best. As Americans, we're shielded from the decisions that we make about our healthcare because we're, most of us, covered by some third-party payer, Medicare, private insurance, Medicaid, and we're talking about expanding it. And we have a very sophisticated system set up to provide care. Here's how infinite expandability works and why it's inflationary and why it's a problem for us and why it's germane to this discussion. You go to see your physician, and he or she says, you know, your problem, whatever that problem may be, I think is pretty treatable with this simple prescription; in fact, I can tell you--and although this isn't an exact dialogue that happens--I'm pretty sure that this will take care of your problem, 70 percent sure it'll take care of your problem. And so for the simple cost of the primary care visit and a prescription, you leave your physician and you are 70 percent sure whatever you have will get better. Except we're used to the best. Except we're covered by insurance. And how many of us like being 70 percent sure when it comes to our health? So our doctor gives us another option: I'll tell you what, I'll subject you to some diagnostic tests; then we could be 75 percent sure. And you agree to those diagnostic tests because it's being picked up by somebody else, and you want to be 75 percent sure. And those tests come back and the doctor says, yes, now I'm 75 percent sure, maybe 76. And you say, well, I'm still a little uncomfortable with those odds, I'm not a gambling person. And the physician says, I can refer you to a specialist. Uh, I'd like to go to a specialist because I've met my deductibles; and now you're 80 percent sure. But, of course, going to your specialist costs you even more, and your specialist, because they are a specialist--and it's our expectation, frankly, as consumers--is going to order more tests, different tests, maybe the same tests, but those tests are a little more expensive than the one your primary care doctor orders. So now, instead of a simple office visit and diagnostic tests, you've got a specialist and their diagnostic tests, and the bill for that sort of thing ends up being somewhere around thousands of dollars as opposed to maybe a couple of hundred when you were with your primary care physician. And now you're 80 percent sure, maybe 83 percent, maybe 85 percent. But you can be even more sure if you get even more sophisticated tests. And because you're not comfortable with 80 percent, you order...you ask your primary care physician, your specialist, to order those additional diagnostic tests--and they are more expensive. And my point, members, anybody listening, is... [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR GLOOR: Thank you, Mr. President...that's infinite expandability. There is very little limit to the number of tests that we can have ordered or the medications we can take or the specialists we can see. And as you ratchet on up that pyramid, the cost for those tests and the cost for those procedures end up being incrementally far more expensive; but the percentage improvement in that comfort level gets smaller and

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smaller. And where we spend most of our money in our society, sadly, is on the top end with the procedures, with the specialists, when, in fact, the biggest bang for our buck came at the primary care level. My concern: We're funneling more money into a system that will continue to feed this infinite expandability. And it is a reality and it's the way medicine as an industry operates for better or unfortunately for worse. Thank you, Mr. President. [LB577]

SENATOR CARLSON: Thank you, Senator Gloor. Those still wishing to speak include Wallman, Avery, Conrad, Kintner, Brasch, and others. Senator Wallman, you're recognized. [LB577]

SENATOR WALLMAN: Thank you, Mr. President and members of the body. We talked about the roads bill which was an earmark. Two years down the road we kicked the can. We said we'll have enough money by then. I'm not going to go anywhere for that...excuse me, with that. But from Lancaster County here, where I represent part of this, it's a tax savings, property tax savings, folks; and it's caring for people at the same time. So I have federal crop insurance and part of that from a private agent but part of that is financed by the government. So am I anti-federal government? And plus, we get more money from the federal government here coming back than what we send out. So how are we going to fund this thing the federal government offered us three years to find a better plan? Will we find a better plan? Hopefully. Arkansas, I'd hate to go after some of their stuff and model after their state, because we are different than Arkansas. And so I would say we better look at this very carefully, and I'm a strong proponent of this bill because take caring of the people, that's what it says in the Good Book--and remember the poor. Lots of prayers end with "remember the poor." So I'd yield the rest of my time to Senator Harms. [LB577]

SENATOR CARLSON: Thank you, Senator Wallman. Senator Harms, 3 minutes and 30 seconds. [LB577]

SENATOR HARMS: Thank you, Mr. President. Thank you, Senator Wallman. Appreciate it. I rise in support of this, colleagues. I think it's the right place for us to be. If you remember, yesterday, when I was on the mike, I talked about if we could really afford to do this. This gives us the opportunity to find out. This gives us finally the tools and the opportunity to determine whether this is really going to be doable. And in three years we will know that. In three years we will know whether the federal government is going to continue to keep its promise. We will also know the simple fact that all the regulations and the rules have been interpreted. We'll understand what's taken place. This is really an important amendment and I would urge you to support this, because it gives us the opportunity to find out for the first time without a long-term commitment just exactly what this is going to do for us. My biggest concern has always been whether or not we can afford to do this once the money runs out. This will give us that opportunity. This will give us the opportunity to find out how important this program will be and

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whether or not we can even handle it. It will also find out whether or not we have enough physicians. We'll find out whether or not we have enough coverage. We'll find out whether there might be another opportunity. I don't think we want to stop studying this. I think this gives us some time in there to do further study and determine maybe this is not the place we want to be. Maybe it's another type of program. So I would urge you to support this, colleagues, because I think it's important and it is the right decision for us to make. Thank you, Mr. President. [LB577]

SENATOR CARLSON: Thank you, Senator Harms. Senator Avery, you're recognized. [LB577]

SENATOR AVERY: Thank you, Mr. President. Yesterday, when I spoke on this issue, I said that I was not sure that we could afford this, and I was concerned about sustainability. And I can tell you that after considerable study overnight and conversations with people, I am now convinced that we cannot afford not to do this. We must pass LB577, and I want to tell you how I came to this position and I'm going to talk about something that we have not discussed yet on this subject. If you look at the Affordable Care Act, there are at least nine provisions in that act that raise money to fund the healthcare act; and those provisions for fees and taxes and various elements of that Affordable Care Act have implications for Nebraska taxpayers. For example, under the Affordable Care Act there is a fee on branded drug manufacturers and importers. That will raise about \$27 billion to fund the act. But Nebraska will contribute \$18.9 million of that. That's a cost to the state of Nebraska. Also under the Affordable Care Act, the Medicaid tax increase for earned income will generate about \$86.8 billion to fund this act. Nebraska citizens will contribute \$60.8 million of that. Start doing the math as we go through these. The Medicare tax increase for unearned income, that would generate for a revenue for the implementation of the act of \$123.4 billion, and \$86.4 million of that will come from Nebraska residents. Itemized deductions for medical expenses will raise \$15.2 billion; that changes in the current law. Nebraska revenue loss will be \$10.64 million. Going on through some more of these, health savings account distributions, the federal government will collect about \$1.4 billion, and of that almost a million will come from Nebraska taxpayers. Excise tax on Cadillac group health plans, that will raise about \$32 billion, and Nebraska will contribute \$22.4 million. I could go through all of the lists. Let me tell you what the total is. For Nebraska citizens, the revenue loss that is our contribution is going to be \$253.1 million. That's what it will cost us even without LB577. If we don't expand Medicaid, we're still going to contribute \$253 million of Nebraska taxpayer money to fund this act. Now why do I say that this has influenced my thinking? Under the proposal in LB577, the federal government will pay 100 percent of the costs from 2014 through 2016, and will pay 90 percent from 2020 on. These federal funds... [LB577]

SENATOR CARLSON: One minute. [LB577]

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SENATOR AVERY: ...will return \$2.3 billion to the Nebraska economy. Let me say that again: These funds will return \$2.3 billion to the Nebraska economy. That will help offset the contribution that we will be making anyway. So even without LB577, Nebraskans are going to get hit hard by the Affordable Care Act. So I want you to take that into consideration. And if you would like, I would be happy to circulate a chart that will show you these numbers and where they came from; and I think that is something that needs to be a part of the record and certainly a part of this discussion today. Thank you, Mr. President. [LB577]

SENATOR CARLSON: Thank you, Senator Avery. Senator Conrad, you're recognized. [LB577]

SENATOR CONRAD: Thank you, Mr. President. Good morning, colleagues. I rise in support of this amendment and thank Senator Campbell and Senator Hadley for their thoughtful deliberation in bringing this forward. I think it is an attempt, a good-faith attempt at addressing legitimate concerns that members who support LB577 and members who oppose LB577 have expressed, and it's part of our process and it's how we move forward. One point that I did not have an opportunity to finish my thoughts on in regards to the underlying legislation at my last time at the mike, was this philosophical issue that has been posed about somehow rewarding those who are undeserving. And I simply again just disagree with that premise. When you read LB577 and you start to dig in and understand the income eligibility levels that we're talking about here from the current 57 up to potentially 133, 138 percent of federal poverty level; well, colleagues, just stop for a minute, and maybe it's to restate the obvious but I think it has been missed in the debate so far, you can't have an income level at 100 percent or 133 or 138 percent of the federal poverty level if you're not working. Working families don't derive income from capital gains or other mechanisms; they derive it from their labor, from being a productive member of the work force. And I want to talk to just briefly about specifically who these working Nebraskans are in our work force by industry that would be eligible underneath LB577 for basic access to basic healthcare. We're talking about construction workers, over 3,500; animal slaughtering and processing workers, over 2,200 members; grocery store workers, 1,700; childcare services, over 1,600 Nebraskans; nursing care facilities, over 1,400 Nebraskans that would be eligible; animal production, over 1,200 Nebraskans that would be eligible; department and discount stores, 1,100; residential care facilities without nursing, over 1,000; elementary and secondary schools, your janitors, your paras, almost 1,000; crop production workers, 982; at colleges and universities, over 900; travel industry, over 900; at hospitals themselves, over 900; at gas stations, almost 900; working at newspapers, working at construction and cleaning, in the 700 realm; insurance carriers and related activities, support staff, over 700 members; landscapers, over 700; truck transportation, retail clothing, business support services, the service to private households, employment services. That's an incredible list. These are our fellow Nebraskans who are in the work force who are doing their best every day. I believe that LB577 is a work

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incentive. We hear frequently that we have to reward work and that's exactly what LB577 does. It says to these working families that we're going to give you an opportunity to access basic healthcare, and that benefits us all. With that, Mr. President, I'd yield the rest of my time to Senator Mello if he so desires. [LB577]

SENATOR CARLSON: Thank you, Senator Conrad. Senator Mello, 1 minute and 5 seconds. [LB577]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. I believe we've discussed I think at length the fiscal impact of the amendment, AM1045, in the sense that it would reduce the General Fund impact because the coverage is picked up by the federal government for the first three years. But something that I want to make sure is not lost on us as we continue to discuss this amendment, and Senator Conrad began that conversation of the Nebraskans who would be affected by this, a lot of decisions we make in this body, there are human faces behind those decisions, and no doubt there are human faces behind the decision of AM1045 and LB577. And a lot of those human faces are working Nebraskans who make low wages, who are trying to provide for their family but just financially are unable to do so. And I just want to make sure that as we continue to discuss in the weeds, so to speak, healthcare policy, that it has an actual, real impact in people's lives, that we're not simply talking dollars and cents or if the federal government is going to pay this or they're not going to pay that and what happens if they don't do this. [LB577]

SENATOR CARLSON: Time. [LB577]

SENATOR MELLO: Thank you, Mr. President. [LB577]

SENATOR CARLSON: Thank you, Senator Mello. Senator Kintner, you're recognized. [LB577]

SENATOR KINTNER: Well, thank you, Mr. President. Someone just handed me a sheet here, right as I was walking up to the mike, "Revenue Drain for Nebraska Residents Without Medicaid Expansion." You know, if we just capture this group over here and we spend this money and we get this money back and we shift it to this fund, maybe we can solve our problems. I mean, it's almost mind-numbing to listen to the ways that we try to justify this government program, and maybe we try and massage this bill down to something that can get enough votes to pass. You know, Ronald Reagan said, balancing the budget is a little like protecting your virtue: You just have to say no. And sometimes we just have to say no. Sometimes we just don't need a government solution to everything that we do in our life. John F. Kennedy said, the best road to progress is freedom's road. And I always ask when we have a problem, will more freedom solve the problem? I don't know if it will solve this problem, but, you know, we've heard the number...if we got to passed this, we're going to save 500 people. Really, 500 people? I

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think it's a dubious number. I don't think it's based on anything real. But if we...you know, we have 97 hospitals. If all 97 hospitals would just help six more people, we've saved 500 lives. Now that's pretty simplistic and it gets chuckles from all the smart people and all that; they'll...all the people that do the central planning chuckle with that, ha-ha. But you know what? We need to start with simple solutions. We need to start with solutions that don't involve big government. We need to start with solutions that involve something with a good track record--and big government is not it. You know, the government that brought us food stamps where there's billions of dollars a year in waste, fraud, and abuse is the same government that thinks they're going to provide this expanded Medicaid and it's all going to work. I'm skeptical at best, and I'm disgusted at worst. Mr. President, I would yield the remainder of my time to Senator Gloor. [LB577]

SENATOR CARLSON: Thank you, Senator Kintner. Senator Gloor, 2 minutes and 40 seconds. [LB577]

SENATOR GLOOR: Thank you, Senator Kintner, for the time. Thank you, Mr. President. I've been waiting for a time to use a quote that I used to have under my desk when I ran a hospital, as sort of a reminder. I still have things under my desk. Come down and review them sometime; you'll have...it'll give you a pretty good perspective on my philosophies and thought processes. This one also has been under my desk...or I should say, under the glass on my desk, and it comes from an economist and lecturer named Uwe E. Reinhardt who served as a professor, and may still, in one of those prestigious East Coast colleges or universities you heard about. It doesn't make him any smarter than anybody else, but I'll bet he gets paid more; maybe not as much as some hospital CEOs. Uwe E. Reinhardt, who I believe has spoke, even Senator Hadley I believe heard him speak, at some of the times he's been in the state of Nebraska. He's was at the dedication of the hospital that Senator Hadley was on the board of at that time. Here's what Uwe E. Reinhardt had to say, and it relates to healthcare. "What Americans want is really quite simple: all the health care they or their doctors can imagine, virtually free, without added taxes for health care and without higher out-of-pocket costs for their employer-provided health insurance. That's all. Call it part of the American dream. As the dreamers watch health care chewing up their paychecks, and as their out-of-pocket payments for health care rise inexorably, the dreamers will stomp their booties in despair and look for a culprit. They need not look beyond..." [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR GLOOR: Thank you, Mr. President. "They need not look beyond the mirror." Obviously, what he's saying is we're responsible with our expectations, and our expectations, when it comes to healthcare services, all of us, not just the segment of population we're talking about picking up, are almost unlimited, as I tried to point out in my earlier time on the mike. And therein lies our problems. How do we rein ourselves

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in? When it comes to our health, it goes from being something we take for granted to something that all of a sudden becomes the most important thing in our life. And we spend a lot of money taking care of the most important thing in our life. We spend a lot of other people's money also. Thank you, Mr. President. [LB577]

SENATOR CARLSON: Thank you, Senator Gloor. Senator Brasch, you're recognized. [LB577]

SENATOR BRASCH: Thank you, Mr. President, and thank you, colleagues. As I'm looking at the amendments, I'm also considering that this would be the largest number of people we would bring on to a new entitlement; and should we sunset a sunset of this type, consider the large numbers of people that would then be into a program and dropped from a program? We get calls already from constituents who are in certain programs that are not fulfilling their needs. I do want to draw your attention to an article that ran in The Wall Street Journal. Perhaps some of you have seen this article. But it talks about the fact that states do not fully realize that as they're adding sunsets, everyone is throwing in sunsets here, and it says, "Once states check into the new Medicaid, the almost certain legal reality is that they can never check out. The Affordable Health Care Act mandated that states convert this joint state-federal program into a new, larger, and far more expensive project in perpetuity." It continues...and it says that Congress can attach conditions to federal funds. It continues, "It can offer them more or less any bargain it likes and states have the choice to voluntarily accept the terms of not." But the key to this article, I believe, is the paragraph here that says, "There is no evidence in the original law or Supreme Court opinion that the states can join or leave at their own whim. The logic of Justice Roberts' opinion suggests that once states adopt a new Medicaid, the program immediately becomes the old program for the purposes of the law and then states can't leave." In the closing it says the lack of force or law or even of regulation, that they aren't part of the Federal Register. In any case...and in the closing it says that Health and Human Services does not have the authority, as it posts on their Web site, to allow states to leave this program. We are putting sunsets here. I would like to make sure that we are very clear that we are not entering into an agreement that we cannot leave. I would allow the remaining of my time to Senator Price. [LB577]

SENATOR CARLSON: Thank you, Senator Brasch. Senator Price, 2 minutes and 15 seconds. [LB577]

SENATOR PRICE: Thank you, Mr. President, and thank you, Senator Brasch. I'm rising now to take the conversation to somewhere that I haven't recognized that has been spoken to, and that's about the participation rates utilized in the various models. So we've heard about the Milliman study and we've heard about the Legislative Fiscal Office, the LFO's effort. And my question is, when we're measuring something, trying to quantify it, that we use a similar grade or gradation. You know, the difference between

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Celsius and Fahrenheit, you can't just take a temperature given to you in one scale and apply it to all scales. If you were to use Kelvin versus Fahrenheit, you might be shocked to know what those temperatures that are a nice balmy temperature that were used. So my question goes to when we talk about these studies, are we talking about participation rates uniformly across the studies? It's my understanding we don't have a lot of participation, that we're roughly a little over 50 percent participation right now in the state Medicaid program. There are efforts underway right now to increase that participation. I would bring your attention to something like food stamps. [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR PRICE: Thank you, Mr. President. We know that the food stamp program participation rate has gone up. This does not mean to quantify or qualify the legitimacy of the program. What it is about is ensuring that we understand the true costs. So if I put a model together and I say I won't even have 50 percent participation rate, and I get 60 percent, I'm 10 percent out of whack right from the git-go. My question is...would Senator Mello yield to a question, please? [LB577]

SENATOR CARLSON: Senator Mello, would you yield? [LB577]

SENATOR MELLO: Yes. [LB577]

SENATOR PRICE: Thank you, Senator Mello. And you're a sharp guy and I really respect your command of figures. Can you tell me the difference between the Milliman report and what the LFO has done on the participation rates? [LB577]

SENATOR MELLO: They were very similar in the sense of I believe the Legislative Fiscal Office's numbers were slightly below the Milliman report's midrange numbers. [LB577]

SENATOR PRICE: Thank you. So...thank you, Senator Mello. So slightly below. I think slightly below... [LB577]

SENATOR CARLSON: Time. [LB577]

SENATOR PRICE: ...would be to something different. Thank you. [LB577]

SENATOR CARLSON: Thank you, Senator Price and Senator Mello. Those still wishing to speak include Senator Schilz, Smith, Watermeier, and others. Senator Schilz, you're recognized. [LB577]

SENATOR SCHILZ: Thank you, Mr. President and members of the body. I have had some discussions on this amendment with Senator Hadley to discuss my feelings on it.

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You know, I've talked before about my concerns about access in rural Nebraska. I've talked about concerns on the philosophical level which I think is where this comes down. I heard folks talk about how if we do nothing it's still going to cost \$253 million. And I would just like us to take a step back and look at that which is going to cost us \$253 million and understand what that animal is already. It is, if I understand it correctly, one if not the largest piece of our budget. Back when my predecessor, Senator Erdman, was here on the floor, he told the people on the floor, he told the people in his district--I was one of those--that at some point we're going to have to tackle the Medicaid problem. He was done serving in 2008. He understood that that was a problem back then. So the question is, is the solution to the problem extending another...extending a program that has been a problem? Is that the solution? I don't think so. Is the solution to give a false promise to those that maybe would become eligible under this and then in three years, when and if the federal government--and I do think it's when, not if--can't live up to its responsibilities and its obligations, how do we pull that back? How do we tell those folks, oh, I'm sorry; yeah, you were covered but guess what, we don't want to do that anymore. I don't think that's right. I don't think it's smart and I don't think it's moral to do that. I think we need to treat people with the respect they deserve, not to use them as pawns to throw out here as to whether or not they're going to have coverage for three years and then we can take a look at it. I'm going to tell you, folks, if you're concerned about that and if you've concerned that maybe the costs will be too much, then let's not step into the trap in the first place. Let's not make that mistake right up-front. Senator Hadley and I are good friends. Senator Hadley and I disagree vehemently on this bill...or on this amendment. He thinks it's good to start to improve a bill that you...to make it better so that if it does pass. My whole agenda here on the floor today and yesterday and however long it takes is to make sure this bill does not pass. And that's nothing against the people that have worked so hard to do this. They've come at it from an angle of what everybody has pointed to. The question is, have we thought about it constructively enough with all options on the table? We talk about, hey, we could look at it in two years or we could do a study next summer. [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR SCHILZ: Or if we wanted to, we could do like we've talked about here before, and we could put a motion to recommit this to committee so that we can actually go back and that we can talk about all the other things that need to happen. Oh, and guess what? If we figure that out and we find something that's agreeable to everybody, we can suspend the rules and bring it right back to the floor. But I'm telling you, we don't want to take on something that only looks like a cliff and a black hole up ahead. I watched what happened with the privatization of the child welfare stuff, and although it's not the same issue, the problem is, is that it takes planning. It takes a lot of hard work to make sure that things get put into place and are ready to go when it's time to make them go. Today, folks, is not the time to make this go. Today is the time to sit back and think about this. [LB577]

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SENATOR CARLSON: Time. [LB577]

SENATOR SCHILZ: Thank you very much, Mr. President. [LB577]

SENATOR CARLSON: Thank you, Senator Schilz. Senator Smith, you're recognized. [LB577]

SENATOR SMITH: Thank you, Mr. President. I do appreciate the efforts of Senator Hadley on his amendment to...his AM1045 to AM1029. I think he's really made a great effort here to fix a problem in the underlying amendment. And it certainly is an improvement to the original amendment. But I do believe it raises some other concerns. And I'm going to liken this to an issue we had on one of my bills earlier this session on the Learning Community in which we were trying to make some adjustments to the transportation provisions in that legislation. And we ended up changing the provisions to the point to where a freshman entering high school could not be afforded the same transportation funding that they based that decision to go to the high school on in their freshman year. And so we ended up having to grandfather in that legislation in that bill to allow that student to continue out their high school term at that school and having access to that transportation funding that they based their original decision on. And I'm afraid we're going to face something similar with this underlying amendment. So once...and during those three years, we have a certain number of new participants into the system, what are we going to do with those participants after those three years if it's sunset? I think that's going to be a problem and I can see us facing the issue of how do you grandfather those into the system because we certainly are not going to be able to pull the rug out from under them once they're in the system? So I think it's problematic at best. I'm going to have to oppose the underlying amendment, AM1045, although I do believe Senator Hadley worked very hard to make improvements. And I'd like to yield my remaining time to Senator Price. [LB577]

SENATOR CARLSON: Thank you, Senator Smith. Senator Price, 2 minutes and 40 seconds. [LB577]

SENATOR PRICE: Thank you, Mr. President. Thank you, Senator Smith. I want to return back to this conversation I was conducting on participation. When we look at these models, colleagues, I was going through some transcripts where there seems to be a bit of concern and cause for question for not knowing how many people are going to take advantage of a program, currently eligible, don't know about it, and will now try to get in it. I believe they call those, they have a term that they call them, woodworkers. I like to work with wood but I didn't know that was another term for it. But people coming out of the woodwork or something. Perhaps I'm assuming something. But, regardless, the question in the model and for pricing and costing is I haven't heard anybody...I've heard general terms, things like they're close, it's approximate, and that's in the eyes of

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the beholder. So I have a question about that. I don't know how many people want to drop what they currently have. We have a lot of individuals who currently are carrying insurance. How many of them will drop that and join into the program? There's another cost factor that needs to be addressed. So I don't believe that we currently understand that size, the community, if you would. And, again, people transferring. I believe that when they had some of the meetings on this, we saw transfers rates on the S-CHIP that were slightly different than forecasted and different programs. And when I have more time, I'll go into more specificity on that because I know that would be of great interest to individuals. [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR PRICE: Thank you, Mr. President. But, again, I do have concern for a program and costs when we haven't fully identified the populations. We have approximations. We have projections. And we're going to be asked to move on this and to vote on something that we really don't know. It kind of reminds me again as we heard on the floor and we heard in the federal discussion, albeit somewhat different, that we're going to have to vote on it and enact it to figure it out. And I believe that while it's good intentioned and there are people affected by this, I believe that it would be prudent to have a better understanding of all the numbers involved, of the populations involved by number not who they are but how much it's going to cost and how many people are going to move over. Thank you, Mr. President. [LB577]

SENATOR CARLSON: Thank you, Senator Price. Mr. Clerk for an announcement. [LB577]

CLERK: Mr. President, your Committee on Education chaired by Senator Sullivan reports LB407 to General File with committee amendments attached. I have amendments to LB407 to be printed, in addition. Senator Johnson would like to add his name to LR149 and to LR150. (Legislative Journal pages 1007-1012.) [LB407 LR149 LR150]

And a priority motion, Mr. President. Senator Johnson would move to recess the body until 1:30 p.m.

SENATOR CARLSON: Thank you, Mr. Clerk. Members, you've heard the motion. All in favor say aye. Opposed, nay. We are recessed until 1:30 p.m.

RECESS

SPEAKER ADAMS PRESIDING

SPEAKER ADAMS: Good afternoon, ladies and gentlemen. Welcome to the George W.

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Norris Legislative Chamber. The afternoon session is about to reconvene. Senators, please record your presence. Record, Mr. Clerk.

CLERK: I have a quorum present, Mr. President.

SPEAKER ADAMS: Thank you, Mr. Clerk. Are there items for the record?

CLERK: I have nothing at this time, Mr. President.

SPEAKER ADAMS: Members, for an announcement. At 4:00 today, we will stand at ease for a few moments. We have returning to the Chamber several former senators and this is the day that we recognize those folks. So we will stand at east at 4:00, recognize them, and then we will proceed on with wherever we leave off on the agenda.

While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign: LR126, LR127, LR128, LR129, LR130, LR131, LR132, LR133, LR134, LR135, LR136, LR137, LR138, LR139, LR140, LR141, LR142, LR144, and LR145. [LR126 LR127 LR128 LR129 LR130 LR131 LR132 LR133 LR134 LR135 LR136 LR137 LR138 LR139 LR140 LR141 LR142 LR144 LR145]

Members, we return to the amendment. And, Senator Watermeier, you are first in the queue. You are recognized. [LB577]

SENATOR WATERMEIER: Thank you, Mr. President. Good afternoon, Nebraska. I rise in opposition to AM1045, which is an amendment to...AM1029 to LB577. But I would like to thank Senator Hadley for bringing this amendment because it seems like as soon as he brought it into the room, the whole room got flowery. The whole room just acted like a big peace and calm came over the room. Now we have something that we can sell. So I would like to commend you for that, Senator Hadley. Nothing has changed with this bill. Honestly, I thought something had changed with the bill. Everybody's attitude got better. Everybody says, well, I can buy that, I can sell that, that...we can talk about that. I don't care if you take this sunset day from 2020 own to 2016 like it's proposed in this amendment. It's still the same thing. It talks about creating an entitlement program. And I appreciate Senator Nordquist earlier standing up and giving his word. If I stand up and give my word, I expect that I will stand by it, and I would expect him to do that. But I'm not so sure that the body could actually stomach that. I appreciate Senator Lathrop standing up and say this is genius. And just like I said earlier, the flowery environment just came over the building. Everybody got happy. This is not genius. It hasn't changed anything. We have created an entitlement program. I cannot imagine how this building would be filled up with people the day we have to cut this thing. It's going to be tough and there's just no way. And three years from now, I heard several people say we just won't sign up for it. Do you know what that means, we won't sign up for it? That's just not going to be that easy. Nothing is changed with this

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bill, period. And I would like to yield the rest of my time to Senator Schilz if he's available. [LB577]

SPEAKER ADAMS: Senator Schilz, you are recognized, and 2 minutes, 57 seconds. [LB577]

SENATOR SCHILZ: Thank you, Mr. President. Thank you, Senator Watermeier. Here we are back after lunch ready to get at it again. I don't know how much more time we're going to go, but looks like we've got plenty of opportunity with the queue. So here we go. I can't agree with Senator Watermeier more with what he said. We are still dealing with the same thing. We're still dealing with the same issue. And that issue is, do you believe that the government is better able to handle things than private industry? Do you believe that we as a Legislature have done enough study to make sure what when we implement this, that everybody has the proper representation? I have to ask the question after I thought about it over lunch. We hear about all this money coming in from the federal government and we hear about all this and all that and we talk about how so many more people are going to be covered. And I started to think about what Senator Conrad said about the working poor and Senator Lathrop said about the working poor. And what I said before lunch I believe wholeheartedly even more now. Do not, do not let people become pawns in some broader game of what you believe is right and what you believe is wrong. I understand people wanting to find coverage for folks. I get that. The very first time I stood up on the floor, I said, yes, there's issues. We have problems, but it's not just with health insurance. Okay. It's with the healthcare system itself, at every level there's issues. [LB577]

SPEAKER ADAMS: One minute. [LB577]

SENATOR SCHILZ: Thank you. We do things very well in the United States for healthcare. The question is how do we curb those costs? And I'm not sure by putting in an insurance regime that has never really been tried before in these United States or anything else, is that really the way we want to go for the most vulnerable of our citizens, for those folks that are the working poor? Or do we want to make sure that we've thought about this, that we've looked at it, that we've studied the issue, and that we understand what will happen when this goes? If you look at all the reports that have come out and all the studies that have been done, there's a wide range of numbers. Senator Carlson introduced a bill to talk about water. That bill that talks about water is looking how to spend money that we might have in future. But he wanted to make sure that people understood what that money was going to be spent for, how it was going to work, was it going to work smoothly, and are we managing this... [LB577]

SPEAKER ADAMS: Time, Senator. [LB577]

SENATOR SCHILZ: Thank you very much. [LB577]

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SPEAKER ADAMS: Senator Nelson, you are recognized. [LB577]

SENATOR NELSON: Thank you, Mr. President, members of the body. I'd like to comment on some of the comments that my colleagues have made earlier. First of all, it was said that this is a golden opportunity for us with the three-year sunset, that we can go for three years at no cost and then decide if we want to get out. There is some cost, perhaps not in the millions of dollars. But if you take a look or at least I'll just read for you out of the revised...revision number 3 of the fiscal note on about the third page it talks about administrative costs. And there you'll see for the first fiscal year, our general administrative costs will be \$5,850,000; \$7,225,000 the next year; \$7,650,000 the next year. Granted, there will be some savings that are projected and that will lower that considerably, perhaps down into a third of the cost, but there are still administrative costs. Also the comment was made, well, if we don't take advantage of this money, we're just funding all the money that's going to other states, such as Florida. But remind you that this is being discussed in a number of states and it's not a given down in Florida yet. The Florida house select committee voted ten to five to reject the proposal for expanded Medicaid and it's unlikely to pass the Florida house. The Pennsylvania house is also unlikely to expand Medicaid. Governor Corbett says: Washington needs to stop treating Medicaid as one-size-fits-all. It needs to grant states true flexibility, reform, and build...to reform and build a system that works for us. Which leads me to Arkansas, which is exactly what they're doing there and which I think that we as Nebraska should take time to consider. What will work for us? Indiana's expansion may be through a state plan. And at the current time, Iowa next door, is rejecting expansion in favor of its own state plan where more will be done through private insurance in that market with access to affordable plans through health benefit exchanges. I'm standing in opposition to AM1045. I think that it's well intended by Senator Hadley, but I've spoken before about the carrot and the placebo that's been given to us here first in the amendment that we've passed and now the second one that we're considering, AM1029, to be amended by AM1045. How is it that if we go ahead and pass AM1045 with a sunset and then go onto LB577 and were to pass that, how are we going to get started with this program and three years and bring 580...54,800 people into it and tell them at the end of three years we can see that the government is not going to fund this, we're going to have trouble, so we're not going to do this anymore? Are we going to consider those as a separate class of 54,000 people and more then come in and say you're the group that no longer gets these benefits? I don't think so. I think if we're going to expand Medicaid, we're expanding the whole thing. They're part of the Medicaid program, and what we do to those people are going to have to be done across the board. And I believe there are some real due process... [LB577]

SPEAKER ADAMS: One minute, Senator. [LB577]

SENATOR NELSON: ...problems with that. Thank you. There are provisions in Medicaid

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that say welfare benefits are a matter of statutory entitlements for persons qualified to receive them and procedural due process is applicable to their termination. And then it tells the written notice that has to be given, and there's a case called Goldberg v. Kelly which goes into this and says in effect that to fulfill due process requirements, all states must guarantee Medicaid beneficiaries access to state fair hearings. You can take a look at the regulations that have been put out in the Goldberg case and perhaps we'll have an opportunity to go into that in more depth. But it's out there and I think we have... [LB577]

SPEAKER ADAMS: Time, Senator. [LB577]

SENATOR NELSON: ...real problems. Thank you, Mr. Speaker. [LB577]

SPEAKER ADAMS: Senator Cook, you're recognized. [LB577]

SENATOR COOK: Thank you, Mr. Speaker. Good afternoon, colleagues. Like a lot of us this afternoon, this might have been ideally inserted when we were having a conversation about who the potential recipients of this care might be. But this is my opportunity on the microphone, so I will share it with you. I am of the mind-set that this is absolutely not a reward for bad behavior. Yes, I think it would be great if employers would supply appropriate and complete employment and health benefits along with that. That is not the case and it's certainly not the case for three people who have contacted AARP Nebraska within the last week. The first contact came to the organization from a 59-year-old woman in Pilger. She has been unemployed for one year and as a result doesn't have health insurance. She has a chronic disease, Type II diabetes and recently had to have some blood tests done that cost \$600, an amount she couldn't afford. She has a broken tooth that also is not able to get fixed. She wants to work but is unable to find a job in her area. Second contact to the organization came from a 60-year-old woman in Shelton. Her husband retired in 2010 and as a result she lost her insurance coverage. They couldn't afford the \$650 per month premium that it would cost to cover her. And in August of last year, she was diagnosed with breast cancer. She was billed \$32,000 for the surgery. The provider even had discounted the bill by 60 percent. She is paying some of her cost by charging it to her credit card. The third contact came to a man from Palisade. He called about this 60-year-old sister who is a hairdresser and has a modest income. She's a working person. She doesn't have health insurance and wound up in the hospital with a \$7,000 bill, which is close to half of her annual income. They talked about...AARP talked about options for coverage. NE-CHIP would charge her \$1,204.24 per month for a plan with a \$2,000 deductible. These are the people who would be eligible, the people who are currently falling through the gap. I wanted to make this a part of the record, and would yield my time to Senator Nordquist. [LB577]

SPEAKER ADAMS: Senator Nordquist, you're yielded two and a half minutes. [LB577]

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SENATOR NORDQUIST: Thank you, Mr. President and Senator Cook for yielding me your time. I just want to clarify the record, folks. There's a lot of discussion trying to muddy the waters here today, and for opponents, that can be kind of the goal ultimately to raise enough doubts and questions. But there are specific facts that we need to understand. First, is the idea of opting in and opting out. I think Senator Nelson was talking about...read something about welfare benefits. This specifically, CMS has said, it's come out in regulations just two weeks ago, point blank, states can opt in and opt out at any time. I know there's somebody passed around a factual document that's...which essentially is an editorial named "Medicaid's Roach Motel." I don't know that I would trust that for fact. I would go read the CMS regulations if you have doubts or questions about that. There are facts here, folks, and we need to ensure that we're having a discussion about those facts on the floor. I think we've also have a fundamental misunderstanding that we're talking about this new population like they're not getting services now, they're not in the system, like they're 54,000 people that are just going to parachute in and all of a sudden demand services in our system. Folks, these 54,000 people are getting services right now. [LB577]

SPEAKER ADAMS: One minute. [LB577]

SENATOR NORDQUIST: They're getting services in our emergency room. How do we build capacity? We have a few pieces of legislation to work on addressing that. We have testimony that maybe in my next time at the mike I'll read from the hospital administrator in Ogallala who has been absolutely clear they have been working on this for a long time, expanding their hours. There's going to be a reorientation of services. We're not going to shut down ERs, but certainly staffing patterns will change to meet this new need. These people are getting services through our behavioral health system that we are dumping \$75 million a year of General Funds into to fill the broken cracks in our healthcare system. These aren't new people that are parachuting in and demanding new services. They're getting services now but it is the most inefficient, ineffective, costly services possible. Let's get them in a primary-care doctor's office. The other thing that has not come up... [LB577]

SPEAKER ADAMS: Time. [LB577]

SENATOR NORDQUIST: ...is our managed-care system in Nebraska. Thank you. [LB577]

SPEAKER ADAMS: Senator Janssen, you are recognized. [LB577]

SENATOR JANSSEN: Thank you, Mr. President and members. I rise in opposition to the amendments before us. I believe, AM1029, this is an extremely major change to what we were doing here today. I believe it was just a little after 11:00, so we haven't spent much time on this. I don't know that we'll have enough time tonight to even debate

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this one amendment to an amendment because it's such a major shift in what we're doing, talking about sunseting, moving it from years to years. I mean, that's a huge...such a huge deal. And to make a decision on that so quickly, I think we'll be here for a while, especially on this particular amendment, at least I hope we would be. I would say, and I've been honest with people, I oppose the bill. And I'm not trying to stand up here and say I'm trying to make a bad bill better or all the stuff that people sometimes say that are trying to get a little bit of cover with constituents that say, well, I'm against expanded this and that. I'm against Obamacare, which I have right next to me here. I'm against that, but if they put this on it, it makes it okay for me to do that. I'm not one of those people. Never have been. If the bill is good as introduced, and we were fed and told, and I don't want to say by any means, I want to step back a little bit and say I do respect the work of the committee and I know they put in a great deal of time, thought, and effort into this. Nothing against that. We honestly and philosophically disagree on the path of this. That doesn't mean there was not effort put forward in crafting this bill. But that said, what they crafted is what they brought to us. And what they crafted is what they thought they could pass. So if you're sitting on this floor right now, and Senator Watermeier, I have deep, deep respect to begin with but even more now, he saw through it. The flowers that fell over the State Capitol. Everything was rosy. Yep. Yeah, we got somebody to put a new amendment in and now everybody's, you know, this is great statesmanship. This is the way things get done. This is the Nebraska way. He called it, called it out. If LB577 even with the original committee amendment, if that was solid, if it had the votes, we'd have been voting on it. So if you're sitting on this legislative floor and you felt those flowers falling and thought okay, everything is light, we're going to get to go home early now, no, probably not. Depends what your description of early is. It's not going to happen. It's a legislative maneuver, one that I've seen before, one that most here have seen before, one that Senator Watermeier has just called out. It is what it is. All right. Let's water it down a little more, a little more, to see if we can get thing to pass through. And I'm not even certain...let me back up, if this is what we want to do, now if you were fundamentally opposed to LB577, you should be opposed to this amendment, to the amendment, and the amendment. You should be if you're fundamentally opposed to LB577. Now that said, if you want to go with the old adage I want to make a bad bill better, well, what you're going to do is you're going to get more people to vote for that bill in the end. You're going to give them cover, cover when they go home. We've already spoke. [LB577]

SPEAKER ADAMS: One minute. [LB577]

SENATOR JANSSEN: Thank you, Mr. President. We've already spoke about how Nebraskans all of our federal delegation presently is in opposition to the bill that sits next to me, which is the reason we're here today. Now let's not even talk about even...do you think it's even possible that we are going to take this away, this body is going to take away benefits from the 57 or 50...however many, which is a low number, people that will be on this now? It's not going to happen. There is something called a

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maintenance effort. Now this is not what this speaks to. But in the maintenance effort right now, we offer more than we need to. We can't take that away now. No that has nothing to do with this, but that wouldn't stop perhaps the federal government from coming back down the road and saying, well, you're already doing this for these people so you've got to upkeep with that maintenance effort. Now again that has nothing to do with the legislation that's before. I'm not saying that's in there. It's mentioned, too, that we can't get rid of the programs that we offer above it right now. [LB577]

SPEAKER ADAMS: Time, Senator. [LB577]

SENATOR JANSSEN: Thank you, Mr. President. [LB577]

SPEAKER ADAMS: Senator Price, you're recognized. [LB577]

SENATOR PRICE: Thank you, Mr. Speaker, members of the body. Getting back on the mike going to clarify first and foremost. As we have the discussion here and we talk about the element of the fiscal note and the participants, let's be clear. The conversation and talking about how things are built are in no way, shape, or form an attack on the folks, the good people in the LFO. I've had a conversation with them. They understand that. I just want to make sure everybody else understands it, that having the debate and talking about the subject matter is the proper thing to do. And that when we look at the fiscal note, it's a projection. It is a very highly-educated projection, but that is what it is. And I have here in the testimony from the hearing that was held last fall on LR546 of which I've gone through and I've extracted a lot of information so I can be specific. But to talk about the part when I had talked about CHIP before and the participation rates in and not sure, to be specific, what we see there in that conversation is the participation rates. That's the question. So I'll read. On insurance "shifters", we use that term. These are people that are eligible but currently have insurance. How many of those will drop the insurance and then take up Medicaid or CHIP? The Milliman was saying 50 to 75 percent; the other one, which we based most of this on, was the Kaiser and the Urban Institute study. In their case, insurances "shifters," they used a flat 25 percent. The difference between 25 and 75 is 50. Modern arithmetic. If I have a 50 percent window, that's a big window. I can pull out other parts. I have more in there that talk about from the highest it's at 80 percent and at the lowest it's 10 percent in what of the subordinate areas. That's a 70 percent delta. If you don't want to acknowledge it, if you don't want to see it, that's fine because, again, it's a projection. It's a model. I'm okay with that. As I pulled into the testimony, I'd like to read from the testimony transcript from the Fiscal Office, a member there: I could not find any real definitive study that says what is the participation rate going to be. They don't know. Again, the 70-80 and the CHIP. We've got another page where we talk about...okay, we're talking here about we recognize some of the cost, some of the saving part. Sometimes they're not quite so direct that it's something that you can go into a budget bill and strike and insert a new number. It goes on: I'm not sure where that is, unless it is in the provider rate that they'll be able to lower

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their overall rates so the analysis doesn't get into that issue. So it is really talking about the raw cost. It goes on: The next category would be the participation rates. That's really where the rubber meets the road. So participation rate is very important here and talking about the aspects throughout the testimony and the bill. And as I went further into the testimony--and I'm furiously trying to find it, just want to make sure that if I get taken to the woodshed I can point to it--we had a member from the LFO say: one of the things, the other thing that make it difficult is when I was doing the query on the data, I was kind of surprised at how much the uninsured number fluctuated--\$237,000 one year; \$196,000 another year. That throws another wrench... [LB577]

SPEAKER ADAMS: One minute. [LB577]

SENATOR PRICE: Thank you. That throws another wrench into the works as the number of uninsured can fluctuate that much. Colleagues, if the debate were purely about the humanity, which is a big part of it, then we wouldn't be talking about numbers. But in the end, we have to talk about numbers. In the end, we have to be able to sit there and say when the Fiscal Office gives us that highly-educated projection, we still have to be able to sit there and say, what if it doesn't work. What if the participation rate was different? And when I did talk about the CHIP and we did talk about it off line, we actually had a slower participation growth curve in that. So that projection when we overprojected. We go either way. We try to do the best we can. But we can have the debate on this and it is proper. Thank you, Mr. President. [LB577]

SPEAKER ADAMS: Thank you, Senator Price. Senator Dubas, you are recognized. [LB577]

SENATOR DUBAS: Thank you, Mr. President. I would yield my time to Senator Krist. [LB577]

SPEAKER ADAMS: Senator Krist, you're yielded 4 minutes and 55 seconds. [LB577]

SENATOR KRIST: Thank you, Mr. President. Good afternoon, colleagues, and good afternoon, Nebraska. I don't see Senator Watermeier, but I have some issues that I would like to address to him, and also to some comments that were made by Senator Nelson. I recently passed out again--I think most of you have seen this for the third time--the fiscal impact of Medicaid option under LB577. Now to Senator Nelson's point, if you look at four...three lines down and four lines down, administrative costs: \$5,850,000; \$7 million in fiscal year '14-15; \$7,225,000 in '15-16; \$7 million in fiscal '16-17; \$7 million, etcetera, until we reach a total at the end of the line in 2020 of \$52,125,000. Given the sunset, you can do the math yourself. And it is true, yes, Senator Nelson, there is another line. It's called IT. That line is carried for and the numbers is \$25,775. We have to do that either way. I would bring your attention to the bottom line that is biennium fiscal impact of a savings of \$2,326,982, and look all the

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way across at the savings projected for the total, which is \$57 million. That's the total fiscal impact across the board. So if you can pluck and choose and talk about one item or another item or another item and you can say that we're being selective, but I want to point out this to you. This is the ACA savings. If the Governor was so worried about this not making sense, why--why--has he taken the savings in the ACA and put that money into TEEOSA formula in his budget, the money that we're saving in the ACA? The 20-some-hundred pages that are sitting on Senator Janssen's desk, they tell us to do something. It is the law of the land. This is the savings that we have in the state. The Governor recognizes that. His own guy Scot Adams put that forward. It's a matter of numbers that make sense. Make sense with the numbers, folks. It's a savings. Now the threat and the disinformation that you've been fed so far, which I hope you will listen to the correct information or go back and talk to folks...talk to the folks that are on the Appropriations Committee to confirm it for yourself, the Governor has plowed back the savings from the ACA that we're seeing because of that regulation, because of those 3,000 pages, and he's put it in the TEEOSA formula, which is why the folks on the Education Committee look at me and say how did the Governor come up with the extra money in TEEOSA. The numbers make sense, they make sense for the first three years. And I will bet if you put the question again to Senator Campbell or anybody who's worked on this for three years as I have, they will tell you it is sustainable as long as the contract with the federal government stays complete. Now some of you have reservations about that. That's what the sunset is all about. At any given time it falls below 90 percent, we come back and change our course, change our plan. That's part of our job. That's oversight. We set a sunset on it in that first three years. We looked at the savings that are projected. And, folks, that first set of numbers, that's just the ACA savings. That's not for projected for the whole category. [LB577]

SPEAKER ADAMS: One minute, Senator. [LB577]

SENATOR KRIST: Thank you, Mr. President. I'll have some more time on the mike to talk about real people and what we are doing, the DD community, the other community that's out there whose services are cutoff right now under the Medicaid program. But for right now, I just want you to look at the numbers. The numbers speak for themselves. And if they weren't correct, how would the guy in the corner office be plowing back millions of dollars in the TEEOSA formula in his budget? Ask yourself that question. If the numbers don't make sense, why are those numbers plowed back into TEEOSA today into the Governor's budget? Thank you, Mr. President. [LB577]

SPEAKER ADAMS: Thank you, Senator Krist. Senator Mello, you're recognized. [LB577]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. I thought I was going to take my testimony or my floor comments in a different direction. But to start off first in response to Senator Price, I appreciate Senator Price trying to clarify a

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couple of points, but let me clarify a little bit further. One, I have the sheet here if any member would like to come back and see how the Fiscal Office derived their comparison in regards to the Milliman report, which the Milliman report used a lower cost per individual but used a higher utilization. Our Fiscal Office split the difference in regards to cost and utilization, which seemed to be an appropriate projection, an estimate, in which I feel is something that's very defensible which I've yet to hear any senator accurately be able to show why the fiscal note that the Legislative Fiscal Office produced is inaccurate, is not correct, is using some kind of an assumption, model, or projection that would lead anyone in this body or the public at large that the information is not as accurate as possible or it's not the best project we can use. That's the first point. The second point is, I can appreciate philosophical differences when it comes to government. Sometimes we agree; sometimes we disagree. But some of the comments that I've heard on the floor this morning and this afternoon as well as some of the materials passed out really should make all of us take a step back and realize what we're talking about, what we're discussing. And if we're going to stand on the floor to make political speeches, let's just be honest with everyone and say that's what we're doing. Senator Schilz, I don't know if you've introduced any legislation in the five years you and I have been down here that dealt with Medicaid. I don't know if you've done any legislation that involves health insurance. I don't know if Senator Janssen's done that. I don't know if Senator McGill has, Senator Karpisek, or Senator Seiler. But if we're going to stand on this floor and try to tell each other that we're right and you're wrong, I'm right, you're wrong, there's only one way to do something and there's no other way to do it, colleagues, that's just not how we make public policy. I can appreciate Senator Schilz standing up saying philosophically he's opposed to government providing health insurance or healthcare care to low-income Nebraskans. That is fine. I expect him to introduce a bill to eliminate Medicaid next year. That's his philosophical view. We can disagree. I'm not saying Senator Schilz is a bad person. We agree on a lot of other issues. But the reality is this: If you're going to make an argument based on philosophy, say that. But to try to muddy the waters with taking bits and pieces of, well, I think this assumption is this or the federal law said we could do this and, well, we might be able to do that, but we haven't quite vetted that because the state of Arkansas just came up with the idea and they're governor is the one that's pushing it not their legislature, let's take a step back and realize what we're talking about. The reality is this: Our healthcare system has significant challenges. So unless you've introduced a piece of legislation to reform that system, be cognizant of what you're saying on this floor. Words do matter. Whether it's the Medicaid system, whether it's the private health insurance market, whether it's the CHIP program, there is significant issues involved with a very massive, complicated system. In simply saying we can't do this because we're creating a false promise to people who don't have health insurance or don't have access to preventative care and instead use and get their healthcare through the emergency room... [LB577]

SPEAKER ADAMS: One minute. [LB577]

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SENATOR MELLO: ...those kind of arguments are going to get called into question, not because of who's saying it, not because the senator who's making the argument. Because the argument itself has not taken into consideration a much larger, global scope which is healthcare and our healthcare system. My hope is, is that we can take a step back, think about what we're talking about, the policy changes that's in front of us and not what may be in Washington may not be what is politically in vogue or who we have to show people we're standing up against and show people what we're actually trying to change and improve not for one set or another but for the entire state. I just hope we consider that as we continue this debate. Thank you, Mr. President. [LB577]

SPEAKER ADAMS: Thank you, Senator Mello. Senator Krist, you're recognized. [LB577]

SENATOR KRIST: Thank you, Mr. President. And good afternoon, colleagues and Nebraska again. I was told by one of the senior representatives here that I sounded like I was a Baptist minister last time I got up there. And I guess it's that point in the day and I apologize for that. But in addition to the money that's being saved and moved in the Governor's budget, I want you to take a look at again in your budget or talk to a member of the Appropriations Committee and find out how much money is being moved out of high-risk CHIP, Nebraska high-risk CHIP into TEEOSA. And I think you'll find that number someplace in the area of \$12 million to \$15 million. Now my comments before may have been misconstrued. Do I think anything is more important than education? You bet. Do I think education is constitutionally one of our requirements? You bet. But I think that's what it's...this is all about for us. It's called balance. We need to weigh in how much money goes in different places. And, again, if the money was not there, if the savings wasn't there, if the flexibility wasn't there, again, why would the Governor's budget move millions of dollars, tens of millions of dollars out of the high-risk CHIP pool and put it into TEEOSA? Does it need it? Ask the Education Committee. I'm sure they'll tell you yes. But this is the kind of thing that goes on and you need to know the facts, and as Senator Mello said, speak the facts. Don't get up and say something that might be close to the truth. Now I'm going to go back to the DD community because Senator Watermeier referenced the DD community and how important it was for him to do something for that community. Senator Coash has mentioned the DD community and has done some wonderful work trying to protect those folks. I am writing you to request your attention and consideration on an extremely troubling proposal announced by Vivianne Chaumont, the Director of Nebraska Division of Medicaid and Long Term Care, earlier this month that recommends profound changes and cuts to Nebraska Medicaid and long-term care program. Once again, that example I gave you the other day of the two 21-year-olds whose services were fine, feeding tubes were paid for, long-term care, nursing care were paid for. But they turned 21 and there's no services. That's what this will do. The DD community and others who are receiving Medicaid and services under the Medicaid program would be covered under this extension. This mother goes on to tell me that her child has been taken care of and she's been informed

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again when the child turns 21 there are no services. Now I'm not calling anybody out. I'm just referencing the fact that Senator Watermeier wants to do something for DD, so does Senator Coash. It's there. Senator Price would be hard pressed to look at any of the veterans that he has so diligently served and represented and say I could have given you the opportunity--about 2,500 veterans across the state--to ensure themselves and their families. But he will do that if this bill and this amendment fails. Others will be on the campaign trail for higher office and for office here within the next few years. And you're going to have to look at people and say, you know what, sorry. Abraham Lincoln was wrong. It's not my job to provide for those that can least provide for themselves. Look at the facts. Look at the figures. Look at the transfer of money. And if it's not true, stand up here and tell me it's not true with some fact... [LB577]

SPEAKER ADAMS: One minute, Senator. [LB577]

SENATOR PRICE: Thank you, Mr. President. Stand up here and tell me that it's not true with fact. Talk to the Appropriations Committee and find the facts. If the savings isn't there and this program is not sustainable for the next three years, why are we transferring money within the existing budget from one place to another? Thank you, Mr. President. [LB577]

SPEAKER ADAMS: Thank you, Senator Krist. Senator Howard, you're recognized. [LB577]

SENATOR HOWARD: Thank you, Mr. President. I would yield my time to Senator Campbell. [LB577]

SPEAKER ADAMS: Senator Campbell, you're yielded 4 minutes and 55 seconds. [LB577]

SENATOR CAMPBELL: Thank you, Mr. President, and good afternoon, colleagues. I want to step back a little bit and pick up a couple of points that questions have arisen. And one of them was do we not need to do the planning. Isn't there a lot of work to do? We should be looking at these issues. Isn't that what we did in child welfare? Folks, three years ago, we developed a special committee--members of Appropriations, the Health and Human Services, the Banking Committee at large--and we held a series of public hearings that summer on that interim study. Then we came back the next year and we did it all over again. We continue to gather information about the pending ACA, what was going to happen. We brought in experts from NCSL and other professions. And then last summer, we had another interim study from the Health Committee's perspective, but a number of briefings held by the Banking and Insurance Committee. And I have to say that we also turned to the Department of Insurance who has done I think a very good job of trying to get ready. And I contacted the Department of Insurance and I said, we've taken federal dollars to be ready. How many federal dollars

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have we taken to be ready? And keep in mind that all the time these interim study hearings are going on, Medicaid expansion was a part of the ACA. It wasn't until this July that it got taken out. The response from the Department of Insurance to me was that there are four programs that we have taken money from the federal government in working through the ACA. One of those programs has to do sheer preparation. And by the end of this fiscal year, they anticipate that we will have expended \$5,240,000. It may be a little less, but we have drawn down that money and we've used it to be ready. In all four programs by the end of 2015, we will have drawn down from the federal government \$17,282,989. We spent the time ahead of this to be knowledgeable and to be prepared. The other issue I want to bring up is we're talking a lot about numbers. I'm talking about numbers. Senator Krist is talking about numbers. We have to remember that behind all those numbers are people. One of the highest causes to bankruptcies is medical expenses. Those of you who know our family know that my husband Dick... [LB577]

SPEAKER ADAMS: One minute. [LB577]

SENATOR CAMPBELL: I'm sorry, Mr. President. [LB577]

SPEAKER ADAMS: One minute, Senator. [LB577]

SENATOR CAMPBELL: ...that my husband Dick had a serious health issue when we were debating the pipeline in the special session. At the end of three admissions to the ER, two hospital stays, the final bill was \$100,000. We had insurance. We had a higher deductible. We were able to deal with that. But if you are zero to 138 percent of poverty, how could you have paid \$100,000 bill? And that bill was due to escalating health problems from a fall, a simple fall. Thank you, Mr. President. [LB577]

SPEAKER ADAMS: Thank you, Senator Campbell. Senator Bloomfield, you are recognized. [LB577]

SENATOR BLOOMFIELD: Thank you, Mr. Speaker. When Senator Hadley brought forward his amendment, AM1045, I, too, for a moment thought we were maybe making progress on this bill, the three-year sunset was maybe a good idea. And then Senator Lathrop stood up and mentioned a bill that gave workmen's comp to specific workers. And it dawned on me at that point that maybe the sunset clause is not always used as we would like to see it used. That bill, if memory serves me, was passed because we put a sunset on it. This year we passed LB21 which removed that sunset prior to its expiring. So we put on a sunset; we removed the sunset early. That's not what I believe the intention of the sunset clause was. I wonder now if we're looking at possibly the same thing. If we allow this bill to pass because of this new earlier sunset, are we going to be back next year seeing if we can take that sunset off so that we don't have to worry about it two years later down the road? I don't know. That's just a thought that came to

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mind. Is Senator Gloor available? [LB577 LB21]

SPEAKER ADAMS: Senator Gloor, would you yield to a question? [LB577]

SENATOR GLOOR: Certainly. Thank you. [LB577]

SENATOR BLOOMFIELD: Senator Gloor, would you like a little more time to visit about this? [LB577]

SENATOR GLOOR: Senator, I didn't hear what the topic was. If you want to refresh my memory or just cut me loose. [LB577]

SENATOR BLOOMFIELD: Just whatever you would like to say about the underlying bill here. [LB577]

SENATOR GLOOR: I'd be happy to. Thank you very much, Senator. [LB577]

SENATOR BLOOMFIELD: I would yield the rest of my time to Senator Gloor. [LB577]

SPEAKER ADAMS: Senator Gloor, you're yielded 2 minutes and 50 seconds. [LB577]

SENATOR GLOOR: Thank you, Senator Bloomfield. You know, we have different conversations around the lobby...excuse me, around the Chamber. We don't have conversations around the lobby, for goodness sakes. We have conversations around the Chamber about different aspects of that, at least those of us who see this as an opportunity to educate and dialogue about it and learn from what's going on here. And I'm talking with Senator Schumacher about, you know, what's the appropriate role that the Banking, Commerce and Insurance Committee can play on maybe helping us deal with some of the obvious problems that we know that make movement on this difficult. It's hard to know. We have a patient-centered medical home bill Senator Wightman brought forward that would look to require private insurers out there to in fact treat clinics, primary-care clinics, who have taken the time, trouble, and expense to get themselves certified as patient-centered medical homes, to get them paid a little better. Because to the extent those primary-care docs grab better control of where the patient dollars go and the outcomes associated with the care provided to those patients, they will make the right decisions. I've seen it happen in front of my eyes with physicians and with clinics that we've had in Grand Island. Get primary-care doctors control of information about their patients, both cost and quality, and they'll make sure that their patients go to where they get the best care at the most reasonable price. But those things seem to be mired down right now and certainly... [LB577]

SPEAKER ADAMS: One minute. [LB577]

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SENATOR GLOOR: ...thank you, Mr. President, aren't going to happen fast enough to be able to help us with the decisions we make today. And I would tell you, it isn't as if there aren't efforts underway to try and get a handle on some of the concerns we bring forward. But to jump into this system, to add these numbers to the system right now without these components in place frightens me and has me concerned, as I said, that we're going to overwhelm the system. It isn't for lack of trying. We need to try a little harder. We talked about LR22 yesterday. I would remind the body, there are opportunities for us to get a little more serious with some of these dialogues about changes we as a state need to make to provide better care for all Nebraskans, not just those that might be affected by the passage of LB577, all Nebraskans. Thank you, Mr. President. [LB577 LR22]

SPEAKER ADAMS: Thank you, Senator Gloor. Senator Nordquist, you're next. [LB577]

SENATOR NORDQUIST: Thank you, Mr. President and members. I want to rise and talk about an aspect of our Medicaid system that hasn't been discussed very much at all during this debate, and that is that we are a managed-care state. We have kind of been a national leader in aspects of managed care, of setting up systems to ensure that our Medicaid...citizens that are enrolled in Medicaid have access to the care they need. And that is why we enter into contracts and pay, we pay additional money to private entities to manage that care. It has helped bring down the cost but it has also helped to make sure that our citizens that are enrolled in our Medicaid program get the care they need in the most effective, timely manner. And that is what we need to do here with LB577 with these new enrollees, with the newly eligible. And I just want to read a couple of quotes. Our Division of Medicaid and Long Term Care have talked about the positives here. And this...this is, if we're talking about getting people into the care they need at the right place at the right time, this does it. It's also, if we talk about provider capacity. Managed-care companies, the insurance companies that we contract with, they do that work. So first to quote from Director Chaumont from the LB577 hearing, she said, quote, one of the roles of managed-care related to what you are talking about is to have a primary-care provider for every Medicaid client. Their role is to facilitate access to managed care so people get the care they need when they need it, which saves money and makes for healthier people which save us, you know, money. Secondly, a quote from the DHHS Medicaid annual report which is written under the direction of Director Chaumont in the Department of Health and Human Services. Quote, a significant shift in the management and administration of Medicaid services has taken place over the past several years with the growth of managed care. Full-risk managed care is a healthcare delivery system where the managed-care organizations are contracted to operate a health plan that authorizes, arranges, provides, and pays for the delivery of services to enrolled clients. Managed care offers the opportunity to assure access to a primary-care provider, incentivize preventative care, and encourage the appropriate utilization of services in the most cost-effective manner. The managed-care program is controlling the cost of Medicaid and CHIP. That system will be applied to all newly eligible people.

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They are going to get a primary-care provider. They are going to be incentivized to use appropriate services at the appropriate time. That's what makes our healthcare system more efficient and more effective. And I was, again, going through the transcript. One of the best people at the hearing on this bill was Sharon Lind, the CEO of the Ogallala hospital. And she gave great perspectives on healthcare in rural Nebraska and what's needed. And she talked about under Medicaid expansion, about how hospitals would be getting reimbursed for insured lives that are otherwise charity care that we get no reimbursement for. That's why hospitals are in support of this, because they will get some reimbursement at least for care that is otherwise charity care that we get no reimbursement for. So if we want to maintain a level of access and services, the additional reimbursement will be a positive thing. There should be a correlation between as we see folks on Medicaid and an increased in insured lives in Medicaid, we should see a correlation of our charity care and bad debt decreasing. [LB577]

SENATOR COASH PRESIDING

SENATOR COASH: One minute. [LB577]

SENATOR NORDQUIST: Charity care and bad decreasing, meaning less cost shift onto private insurance and better access to care, that is what we get with LB577. I'll yield the remainder of my time to Senator Conrad. [LB577]

SENATOR COASH: Senator Conrad, 50 seconds. [LB577]

SENATOR CONRAD: Thank you, Mr. President. Friends, I just want to refocus this debate. I appreciate as it is emotional and difficult and the day wears long we can get emotional. But it's not appropriate to pass out materials that equate this system and these citizens to a roach motel. It is wrong to talk about an untested insurance regime when we talk about Medicaid, which has been in existence since 1965. It's wrong to talk about a new entitlement when this is an expansion of an existing program. And it...we can make whatever political points we want about the heft of the Affordable Care Act. But when we look at the issues before this body, AM1045, I think we're all up to the challenge of reading a 14-word amendment. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Conrad. Senator Brasch, you're recognized. [LB577]

SENATOR BRASCH: Thank you, Mr. Speaker, and thank you, colleagues. This is good timing here and thank you, Senator Conrad, also for your close review of this sheet here because this, written by The Wall Street Journal and the very...I do agree its excited title, but it talks about states, the states that enter into this blindly, not knowing, according to this article, that they may not truly be able to exit. And if you read through it from start to finish, it explains why. It's a just a word of caution, and that is what I have

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been saying on the mike the last two days. It's a word of caution here. As little children, I think many of us heard the expression, all that glitters is not gold. You know, we talk about the gold here, this federal money, this money that the federal government, we watched headline news, we watched holding our breath as the fiscal cliff took away a lot of programs. A lot of our rural hospitals watched with great concern on what is going to happen to them. A lot of programs, a lot of people are affected by our economy. Senator Schumacher is telling us about how fragile the global economy is in the monies in Greece and China and the world is very close to...and he can elaborate on that, but that has been his mantra as my colleague in the same class coming here, is the economy, the economy, the economy, and it's bigger than us. And this is bigger than us. This is federal money. And also any federal money we've had has had stipulations, whether it's the Department of Roads, whether it's the schools, they tell us if we want the money, then we have to do this. That concerns me. I'm also looking at...and, you know, we're at Day 61 here, and if we want to spend our whole General Fund and no other programs can fit into this, this session, you know, I think that's also, you know, a big concern. And I'm looking at another article. You know, I'm trying to be informed and read as much as I can, and I think that's a challenge that we all must meet, is to just keep reading and validate what we are attempting to do. This article here from the Foundation for Government Accountability talks about states already that have, you know, Arizona and Maine. It says, a reduction in the rate of uninsured and gradual enrollment increase is low and predictable and costs and reductions. They were expecting to see people come on slow and steady, but it was contrary. I mean, in Arizona alone, and this is at 100 percent, they estimated that the numbers would be from 17,000 up to 41,000. Well, what happened was it became immediately almost at the top end 39,000, ending up at 150,000. And we are also working with projections. I'm looking at the fiscal note. Milliman projects, it estimates. You know, we can only...this is not tried, proven, and true. We are entering here on the backs of our workers and taxpayers. And the reason these people cannot afford insurance isn't because they're not working; it's because those premiums are very, very challenging to meet. [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR BRASCH: That is an expense that families today budget for. Why did the cost of medicine, medical care rise--and insurance--rise so dramatically? It reminds me of property taxes. They're skyrocketing. We can't keep up. And here we're going to take a chance with our taxpayers, 100 percent, 100 percent. But what happens on that Year 4? No, we're putting in a caution. We're putting in the sunset. Well, sunset means that we could expect trouble. And when you think there could be trouble, the best common sense is to avoid it altogether. But, yes, there are articles, and label them what you choose, but I think we do need to continue reading and continue knowing what impact this will have on us fiscally and as citizens. Thank you, colleagues. [LB577]

SENATOR COASH: Thank you, Senator Brasch. Senator Smith, you're recognized.

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[LB577]

SENATOR SMITH: Thank you, Mr. President, and good afternoon, colleagues. I stand in opposition of AM1045 and opposition to the underlying amendment, AM1029, and the underlying bill, LB577. I stood up before on AM1045 and I did mention that I appreciate Senator Hadley's efforts on this. But the more I'm listening and the more I'm thinking about this, I think it remains a very risky amendment. It doesn't satisfy the concerns with cost. I did want to mention, Senator Cook was on the microphone just a little bit ago and said it would be great if businesses supplied the healthcare needed by individuals and families, and then she added, but that's not the case. And as a small business owner myself, I know there are several of my colleagues in here that are small business owners, and there's lots of small business owners that are probably watching us right now and they're paying close attention to this. And these businesses and these business owners strive to meet the needs of their employees. They have sleepless nights. Sometimes they become like family and they really care about them. And so I object to Senator Cook's statement. All over this state, small business owners are being crushed under the weight of government regulations, just like what we're discussing here. More and more are being forced...more and more are forcing their employees, unfortunately, into part-time status. More and more employees are assuming part-time status, and they're going onto the rolls of the working poor. And that's because of our treatment of small business, it's because of our treatment of them. It's not because it's something they're wanting to do. As a collective society, we simply cannot have everything we want, colleagues. The families and the individuals cannot afford it. The families and the individuals in our state simply cannot afford it, and the economy that we have simply can't support it. Senator Watermeier was absolutely right. When we came back from lunch, he commented on AM1045. He noted how it brought a calming effect. It was a compromise. It was the compromise that everyone's looking for to get through this. But the more and more this debate goes on, I'm hopeful that we will all see that it really does not change the risk and the cost of LB577. Colleagues, Nebraska is different. You recognize that. We all know that. We talk about it all the time, the Nebraska way. And isn't it grand? Isn't it great that Nebraska is different? Nebraska has long been known for its commonsense solutions for meeting its citizens' needs, but within its financial means to do so. Even Arkansas, and I shouldn't say it that way, Arkansas got it right. Why not Nebraska? Over lunch, we were at a meeting and Senator Hadley was talking about the name calling that was going on and he mentioned that that was taking place in Florida, which is my home state, my native state, and it actually was taking place in Arkansas. It was very contentious and there was a lot of name calling taking place there. However, they pushed through it and they found better solutions, and that's what we need to do, colleagues. So once again I stand in opposition to this amendment.... [LB577]

SENATOR COASH: One minute. [LB577]

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SENATOR SMITH: ...and the underlying amendment and the underlying bill. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Smith. Senator Schilz, you're recognized. [LB577]

SENATOR SCHILZ: Thank you, Mr. President, and members of the body. Once again I...it's been awhile again, so I would just like to say I'm against AM1045 to AM1029 to LB577. You can put all those in that category. I will be voting for none of the above. We heard Senator Conrad talk about why would we want to...you know, this is a tried and true method. Well, if you look at it, and I quote Chief Justice Roberts, John Roberts said, and I quote: new Medicaid is a shift in kind, not merely degree. So this is new. This is something different. We have it right here from the Chief Justice. And I'm guessing if there is anyone that has read all 3,000 pages of the bill, I'm guessing they probably did. So, as I look at that and I think about everything that's been said here today, and I appreciate Senator Mello talking about philosophy and what that means because I truly believe that is what this is about. I don't think that this is...that this is just about the money, at least I hope not. But that's what we've heard: boy, we do this, there's going to be money available. Well, sometimes money is not worth it, folks. I know money is nice to have, but it depends on the strings that come with it. And it doesn't necessarily have to be the strings that we see in place today. It can surely be strings that are attached much later on, as we've seen with the other federal funding when it comes in. Wyoming tried to fight that for a long time with the roads funding. Finally, even they had to acquiesce. Don't get started into something that you're not ready to finish. I think that goes back to what Senator Watermeier, or somebody said. Lipstick on a pig is what we've heard as well; making a bad bill better. I don't believe in that. I don't believe we should do that. Senator Nordquist mentioned my hometown hospital, Banner Health there in Ogallala. They're a great healthcare facility. They've done wonders for our city and our community and our region. But when I talk about access, and I can tell you this from first-hand knowledge, when I go to make an appointment with my doctor in Ogallala, a lot of times it's two months out before I can get in to see him. Okay? On the weekends, and I know this for a fact too, in the emergency room we don't have Ogallala doctors, necessarily, the time when I was in there when my son's friend broke his leg, compound fracture of his femur, he fell 12 feet, hurt himself pretty bad. The doctor that was in the emergency room was flown in by Banner from San Diego, California, because we didn't have the emergency room help that weekend to take care of it with our own doctors. And I commend Banner and what they're doing around the area and who they're working with, but I'm telling you folks, when I talk about access and when I talk about this, we have issues now. [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR SCHILZ: So I'm not...I'm not crying wolf and I'm not disparaging any of those

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healthcare facilities out there because they are doing a great job. But let me ask you this, if all the doctors are full and everybody has an appointment, and if we increase the eligibility to Medicaid, then tell me this, will doctors accept that when their docket is full of people that are...have insurance or have the ability to pay? Or will they make space in there for others that only get a partial portion? Because as people said, we can talk about the nonprofit status, but there's got to be money coming through the door, folks. It's important for any entity to survive; you have to be able to pay the bills. I contend that a lot of times if you don't have to accept it... [LB577]

SENATOR COASH: Time, Senator. [LB577]

SENATOR SCHILZ: Thank you. [LB577]

SENATOR COASH: Thank you, Senator Schilz. Senator Burke Harr, you are recognized. [LB577]

SENATOR HARR: Thank you, Mr. President, members of the body. I rise for the first time on this bill to support it and the underlying amendments. And let me explain why. It is too bad that we do need a bill such as this. I, generally, believe we should let private industry do when it can. But time has shown private industry alone cannot work. We had Hillarycare 20 years ago, and that was kind of a shot across the bow that said, if you guys don't get your act together and we provide insurance for everybody, we're going to have to do something different. And what's happened during that time? The price of insurance has continued to escalate almost at double-digit percentages every year. And look at how many health insurance providers there are out there. Mutual of Omaha used to be one of the largest healthcare providers. They no longer provide health insurance. Why? Because they couldn't make money doing it. There wasn't money in it. That's a problem. Another problem we have, we have too many people who are uninsured. Now there's the argument out there about access, access, access. If we give these people access, they will flood the system. Well, that kind of sounds like Marie Antoinette said, let them eat cake. Isn't that the reason why we should give them health insurance so they can have access? And then we can prioritize and we can do what something the medical community came up with itself, triage. You have a cold, see a physicians assistant, see a nurse, don't go see a doctor. That is a waste of that doctor's time and talent. If you want to pay more to see that doctor, fine. But we got to provide access to those who are first in priority, who are the sickest; and if there's time left over, that's great. You can go see that doctor for extra money. This is about creating efficiencies in the market. If there is an overabundance of need, guess what happens? People adapt. It's about adaptability. I heard that over and over again, this is about adaptability. That's right. If there aren't enough doctors, people will find a way to provide that care. We already have nationalized health insurance and healthcare, it's called the emergency room. Whether you want to believe it or not, it exists. Senator Schumacher talked about this earlier. It is a very poor and inefficient way of providing healthcare, because there is

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no preventative care. You only go there when you're really sick. And going to emergency room, it's a lot more expensive than going to see a doctor. All these points have been made over and over today and yesterday, and I think they're worth repeating. The final one is, there is...Oregon started in 2008 had an experiment and it's called the Oregon Health Insurance Experiment; look it up on your Internet and...our gadget as we call it down here, and you look at it and you find that people have health insurance. They were uninsured, they were drawn randomly, and they were given health insurance. And what happened? Those individuals ended up being happier, healthier individuals. And guess what, they had better paying jobs. They were able to go to work; they were able to hold their jobs because they weren't chronically sick. [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR HARR: Thank you. That's what we're talking about here. We're talking about ingenuity; we're talking about...these are the working poor. Go down and talk to your staff. How many of your staff do this job for the insurance? How many would be able to afford to do this job if the state didn't provide insurance? If they worked for a private industry and there was...that industry did not provide the health insurance? Go back and look at your W-2s. There's now a square on there that says how much your employer pays in health insurance for you and then ask if you could survive without that. What we're doing is what many employers have, but not everyone, not all the working poor. We're helping those who are helping themselves. This is not a handout, this is a hand up. Thank you. [LB577]

SENATOR COASH: Thank you, Senator Harr. Senator Campbell, you're recognized. [LB577]

SENATOR CAMPBELL: Thank you, Mr. President, and I will yield my time to Senator Howard. [LB577]

SENATOR COASH: Senator Howard, five minutes. [LB577]

SENATOR HOWARD: Thank you, Mr. President. I would like to inform Senators Janssen and Schilz that they have lost a bet because I have read the Affordable Care Act, three times. It's a lot of reading and there's a lot in there. But I feel like a lot of this debate has revolved around the fact that people don't like the Patient Protection and Affordable Care Act. That's okay. You don't have to like every bill that the federal government passes. And as we've learned here, not every bill that we make is perfect. And I think that is a reflection, as well, on the federal level. But since I have the opportunity, I'd like to tell you why I like the Patient Protection and Affordable Care Act and that is because of an insurance provision that has nothing to do with Medicaid, but I'd like to defend it just the same. After my sister passed away, I was living in Chicago and working at a nonprofit and I knew I was tough. I think all of you know that I'm a

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pretty tough lady, but I knew I couldn't handle it on my own. And so I went and I saw a grief counselor. I call her my grief lady. And I was seeing my grief lady for a while and I got a letter from my insurance company and they said, we're not covering your visits with your grief lady because that's a preexisting condition. And I had to call them at sort of the height of when things are really tough, when things were really tough. And I had to explain to them that I only had one lovely sister and that this had never happened to me before and so it couldn't have been a preexisting condition. No bill is perfect. This bill isn't perfect, but you know what would have been perfect? Is if my sister had had insurance and she'd been able to get substance abuse care coverage and she would still be here. I have a very hard time, and I think everybody here knows, separating the human element from the fiscal; separating my heart from the work that we're doing. My heart is with the tens of thousands of Nebraskans who don't have insurance right now, because that is scary. It is terrifying to not have healthcare coverage; to feel sick and not feel like you can go to the doctor. I appreciate that folks in this body don't like the Patient Protection and Affordable Care Act, I appreciate that. And I apologize to Senators Janssen and Schilz, I hope I get something out of this bet. But for me, this is about helping people who are working already. These are not people who live in roach motels. These are people who are working and they are people who are your constituents. Our job is to do our best by them. And I guess what I'd like to point out is that if we don't pass LB577, there is a large group of people living below 100 percent of the federal poverty level who will have no avenue for accessing care. They do not have the money to purchase on the private market. And if their employers aren't offering it to them, they will have no coverage. What does that say to them, that we value dollars more than we value their lives, more than we value the lives of their families? This isn't the Legislature that I wanted to come to. I came here with a lot of hope in my heart that we would be able to do great... [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR HOWARD: ...things for people in this state. This is a great thing and this is a great moment. And I really do feel that while it's okay to vilify what the feds have done, because, trust me, they make mistakes the same as us. It's not okay to vilify Nebraskans who are just working hard and don't have insurance. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Howard. (Visitors introduced.) Returning to discussion, those in the queue to speak, Senators Carlson, Kintner, Watermeier, Gloor and others. Senator Carlson, you're recognized. [LB577]

SENATOR CARLSON: Thank you, Mr. President, and members of the Legislature. When I first heard about Medicaid expansion a couple of months ago, I made a snap decision. And I knew that the plan was that in the first three years 100 percent of the cost would be paid for by federal taxes, our taxes that we send to the federal

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government. And that after three years then we were going to be responsible for 10 percent, that the other 90 percent was going to be paid for by our dollars sent to the federal government. And I thought immediately that that's fine, we'll put a three-year sunset on the bill, take the money, give three years of coverage and then bow out if we can't afford the 10 percent, because the 10 percent is an unknown. Members, it's not that easy to give something for three years and then take it away. I understand why Senator Hadley proposed AM1045. I told him it made sense. But I really don't think it's the right thing to do. If LB577 becomes law, I won't be here in three years, but the rest of you are not going to back out of LB577. After covering 54,000 to 94,000 people for three years who aren't covered now, you will not make the decision to take that coverage away. It will not happen. Now I'm going to vote against AM1045 because I believe the correct decision should be made without a sweetener that's not realistic. If we vote for AM1029 and then LB577, we are in it now, three years from now, and many years after. If that's the will of the body, fine. But it is for the long haul. Now I like the Arkansas approach that I just found out about yesterday. I'd vote for LB577 if that was the bill, if that was the route we would try and take. But it isn't. We're faced with one and one only solution. The Arkansas approach puts dollars into private insurance, if that becomes acceptable. Private insurance knows how to design, offer plans, evaluate claims, pay claims based on usual and customary coverage; more dollars for the providers, more dollars in Medicare and Medicaid pay. Private insurance puts money in the right places. Their employees and the providers, the dollars zero in on the problem where they belong. The poor and the low income would be covered properly. That's what we're all about. That's what we'd like to see. And I think we need to seriously pursue this option, but we can't. Decision time is near. How much time do I have, Mr. President? [LB577]

SENATOR COASH: One minute, twenty seconds. [LB577]

SENATOR CARLSON: You know, I think that in this body there are a number of people that would call themselves fiscal conservatives and just plain don't like to spend money. And that's okay, because we need that balance. There are a number of others in this body that actually,... [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR CARLSON: ...in a good sense, want to help everybody and want to do everything for everybody. We can't do that. We have to spend some money on the conservative side, but we can't do everything for everybody and so we're faced with hard decisions like LB577. This is one of the most difficult choices that I've been confronted with in my seven years in the Legislature. I hope we make the right decision. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Carlson. Senator Kintner, you're recognized.

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[LB577]

SENATOR KINTNER: Well, thank you, Mr. President, and thank you, Senator Carlson, you said that very well. I want to quote Ronald Reagan, I've quoted him a few times; I've quoted John F. Kennedy a few times, but Ronald Reagan said, I hope we once again have reminded people that man is not free unless government is limited. There's a clear cause and effect. It is as neat and predictable as the law of physics, that is as government expands, liberty contracts. And I'm not never going to be as eloquent as Ronald Reagan, but he said it very, very well. The bigger government is, the more people we hook on government cocaine, the less liberty we have. And, you know, we talk about putting people on for three years. What if we give you a drug, here have some cocaine for three years and if you don't like it, you can get right off of it, no problem. Or it's like here, Kintner, here's two doughnuts and we'll sit six more doughnuts over there. Don't eat them, though. No, it's never going to happen. It's just not going to happen. If we put...if we put people on this program with the best of intentions, and I don't doubt anyone's intentions to help people. We know what's going to happen. We know what happens with government programs. They get bigger, they come in over costs. Nobody can name one big giant government program that we started at the federal level, looked at it, said that's not working and then got rid of it. Zero, not one, since we started the welfare state. It's never happened. We get into this, we commit to this, and we're tied to the federal government. As they sink, we're going to sink with them. It's, you know, we've heard numbers. And we've heard the other side give us numbers and give us graphs and give us charts; we'll cover this group and this group and they keep us numbers and we don't buy those numbers, they repackage those numbers. They need a couple more votes and they're going to repackage the numbers again. And if that doesn't work, we're going to bring out sad stories of real people that have been hurt. If only they had a government program, they wouldn't have been hurt. If that doesn't work, you know, maybe...maybe we'll be shamed a little bit. I don't know, maybe that's the next tactic. But you can't point to a government program that works, like this, a government program that says it's going to do what it's going to do. A government program not full of fraud. And so I know where this is going. It's not going to end well for the taxpayers. It's not going to end well for the people we're trying to help, we don't have enough doctors. It's not going to end well for anyone, other than people receiving money from the government. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Kintner. Senator Watermeier, you're recognized. [LB577]

SENATOR WATERMEIER: Thank you, Mr. President. I still rise in opposition to AM1045, which is an amendment to AM1029 to the LB577. I accept ACA, the Affordable Care Act is the law of the land. I accept that and I know that's going to be something we're going to have to deal with as a state, as a government body, and me personally I'm going to have to deal with that. And I'm willing to do that. But I know that

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we can make things better every day if we look at this. The idea of signing up for something today and honestly saying we're going to get off of it in three years, we're going to massage it, we're going to look and see how it works. I just can't get there with a business decision to say that's going to be possible to manage that. I just don't see how we can possibly go there. It's just something that is infallible to try to expect that to happen. I'll go back to my original thoughts on this whole thing. There's 240,000 people in Nebraska are under Medicaid; that might be give or take 5,000 or 10,000. We're mandated to take another \$50,000 inside of Medicaid which we've got budgeted for, we're going to take that. What we're talking about today is a small portion of 50,000 on the low end of projection of expanded Medicaid, that's going to move our population under Medicaid to roughly 360,000 people. I sit on Health and Human Services Committee and I heard time and time again how we're going to be able to handle this. And Senator Gloor had put the idea that how are we going to push these people through there now when we have waiting lists, doctors retiring, overstaffed. I mean it's just...that's one small part of the doubt of this equation. But too much of it is being laid on that part of it. That is a small part of it, as far as I'm concerned. The big part is, how are we going to actually manage this? And I would challenge Senator Carlson, he spoke two people in front of me here a little while ago. He said this is the hardest decision...or one of the hardest decisions he's had since he's been here. And I would challenge you that this is not going to be the hardest one, the hardest one we're going to have is if we got to take this program back. This building will be flooded. And with that I'd like to yield the rest of my time to Senator Price. [LB577]

SENATOR COASH: Senator Price, 2 minutes, 45 seconds. [LB577]

SENATOR PRICE: Thank you, Mr. President, members of the body. A little earlier, my name was brought up in context to advocacy for veterans. And I wear that mantle proudly. I can't say that I'm the paragon of all that's right and proper for veterans and veterans' issues. But I would like to address the issue about veterans' care from the point of view, and I'm reading directly from www.VA.gov, their health benefits booklet. If you've been discharged from the service with anything better than a dishonorable discharge, you'll have an ability to enroll with the VA hospital system. If you have a service-connected disability, that disability will be covered. If you served in Vietnam and you don't have a disability, your issues will be taken care of. If you have a temp...if you have...if you are...they have a means test, even if you exceed their means test and are willing to make a copay, you will get empaneled and can get treated for their full compliment and suite of services. They run them on priority group, priority one through priority group eight. And that higher priority group are those people who maybe don't have a service connection, they do have some means, but I would tell you I have personally seen and witnessed over the past year, since the recent Gulf War, a tremendous increase in the services to veterans. Where a veteran went in for a service... [LB577]

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SENATOR COASH: One minute. [LB577]

SENATOR PRICE: ...connection, thank you, a service connection disability for his ears, and they found a heart problem and they also found a kidney problem and he's getting treated for all of them. He's getting treated so well he dropped his other insurance and is fully going with the VA insurance. He is a...he didn't retire from the military, he did four years, he was over in Vietnam for a while. So the whole idea of being is, no not every veteran, there are going to be some that won't qualify for some program. I don't think there's one program that covers everybody for all things. But if you're a veteran and you have an issue, there is a way. And if you want to come talk to me, I can pull it up and I'll talk more about it on my time, so I'm not abusing you, but there are avenues. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Price. Senator Gloor, you are recognized. [LB577]

SENATOR GLOOR: Thank you, Mr. President. I mentioned before, I'll say again, that, for the most part, I appreciate the tenor of this dialogue. I am going to, though, engage in a little name calling; it seems appropriate since we have avoided a lot of that. Senator Price, you're a patriot. Senator Nordquist, you're one of the hardest working people that I've ever known at any age. Senator Smith, you are the epitome of the kind of business leader, business owner and operator that we need in the Legislature. Senator Howard, who was just here, is scary smart. And, Senator Ashford, for reasons I can never explain, I like you a lot. I think it may be because you wear your heart on the sleeve and I would have voted for you, Senator, trust me. And with that, Senator Ashford, I'd like to know if you would yield for a question or two. [LB577]

SENATOR COASH: Senator Ashford, will you yield? [LB577]

SENATOR ASHFORD: I got to...(inaudible) sleeve here. Thank you, sir. [LB577]

SENATOR GLOOR: Will you yield, sir? [LB577]

SENATOR ASHFORD: Yes. [LB577]

SENATOR GLOOR: You were in the Legislature, if I'm not mistaken, as we talked about this earlier, when we had Certificate of Need in this state, which was an attempt to try and control the unchecked growth of capital expenditures and building. [LB577]

SENATOR ASHFORD: Correct. [LB577]

SENATOR GLOOR: Can you explain why you think some of the specifics around why Certificate of Need went away? [LB577]

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SENATOR ASHFORD: Why...I'm sorry, can I explain... [LB577]

SENATOR GLOOR: What happened? [LB577]

SENATOR ASHFORD: What happened to Certificate of Need? [LB577]

SENATOR GLOOR: Why did we lose Certificate of Need (inaudible)? [LB577]

SENATOR ASHFORD: Well, I mean, the...the concern...the concern was, and we had debates about Certificate of Need most years, and we also had debates about Medicaid. And in those days, Medicaid was going up at 14, 16, 18 percent a year instead of 4 percent, like it is now. But part of the issue was that the Certificate of Need process delved into some of the more minute decisions that a hospital had to make, that had very little to do with healthcare. So, I think the concern was that the hospitals, healthcare providers needed more flexibility. And as you said to me off the mike, and I now recall Jan McKenzie's amendment, or possibly it was a bill that actually did away with Certificate of Needs, sort of in the dead of night. That's my recollection, Senator. [LB577]

SENATOR GLOOR: In retrospect, do you think this body would be well served to have had Certificate of Need in some form stay in place? [LB577]

SENATOR ASHFORD: Yes. [LB577]

SENATOR GLOOR: Thank you. Senator Ashford and I got to talking about this off mike. And some of my concern, again, has to do with the unintended consequences of adding people to a healthcare system that doesn't operate under traditional business models. I know, many of you, we all are, Senator Carlson has done a nice job serving as a conscience on this issue, would like to provide services for those people who are unserved or underserved. But I'm going to ask those of you who are familiar with the Omaha market who have an expectation that by adding additional services, providing people with insurance, Medicaid, that those people will be able to access those services. Where is the growth of healthcare facilities been in Omaha over the past 15 to 20 years? Has it been in eastern Omaha? Has it been in central Omaha? Or as a business model, has it been in western Omaha? And how are the people that we add these services to planning to access those services that are in western Omaha? Taking a bus... [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR GLOOR: ...driving themselves. Thank you, Mr. President. They probably can. My concern is that the dollars we're talking about investing in the Medicaid program

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won't go to serve the needs that we would like to think they go to. The dice are loaded on this. That is another example, as I try and bring example and example forward of my misgivings about this bill and my lack of support of the amendments and the bill. Thank you, Mr. President. Thank you, members. [LB577]

SENATOR COASH: Thank you, Senator Gloor. Senator Karpisek, you're recognized. [LB577]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. I've stayed out of this until now and listened. And all interim everyone always asked, what do you think about Medicaid expansion? And the whole time I said, you know, I don't know. I'm going to wait until I get there and find out more about it. I have found out more about it. I probably know enough to be dangerous now and that may be about it. And I don't know if anyone knows a lot more than that, but we have to make a decision. And I'm not real sure where we're going on this. I've got the next bill up so I'm a little curious. But, be that as it may, we'll see. I've heard a lot of people talk against the amendment. They don't like three years rather than seven. I guess looking at it from my point of view, even if I don't like the bill, I would put three in because just in case it passes, at least we're going to look at it in three years. If the bill doesn't have enough votes to pass, it doesn't really matter one way or another if it's 3 or 7 or 27. So that...that's kind of a moot point to me. I think the three years is good. Take a look at it and I realize that it would be hard to get people off of this once they're on. But this place will be full. So what, good, it's the state Capitol, get them in here, let them say what they want to say. The apathy around here stinks the way it is, so let's get them in. And if anyone watching wants to send me one more form e-mail, please don't. They don't do any good other than probably irritate everyone. If you really want to do something, put it in your own words and why. We don't need somebody from Washington probably making a mass e-mail to me. Senator Nordquist talked about these people aren't going to be parachuting in. I didn't think of that, but I don't think they will. They're here now. They are here. They're coming. They're going to emergency rooms. Who pays for that? The hospitals eat it. They bill the counties. They are going now. Or if they're not, then they're sick and maybe they'll die. I do work in a nursing home and I started thinking about that. What if someone can't be cared for, don't have any family, or if they do, the family works? The person is very ill, but doesn't qualify for Medicaid, but doesn't have insurance. What happens to that person? I don't know. Those things happen now. They happen now all the time. And I'll tell you that Medicaid does not pay enough to a nursing home or a hospital or anyone else to make the place go. You have to have private patients. I know that. But it's better than nothing. There are a lot of other things that we have to look at here; these people are already here, they're coming. We're paying for them in insurance premiums. I'm not saying that our premiums will go down with this, but someone is paying for them. I have a lot of other things to say, but Senator Hadley has asked for my time. So I'd like to yield my time to Senator Hadley. [LB577]

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SENATOR COASH: Senator Hadley, one minute. [LB577]

SENATOR HADLEY: I just want to be real quick. I've heard that we will not have the will in three years to do away with this entitlement. What do we expect the United States Congress to do? They are having all kinds of problems with entitlements right now, aren't they? Are they going to throw up their hands and say, we can't do anything about Social Security, we can't do anything about Medicaid, we can't do anything Medicare. I mean, do we expect them to do something that we say we will not have the will to do? I'd like an answer to that. I'd like somebody to tell me that they do not expect the United State Congress to work on entitlements. Let's lay it on the line. If we can't do it, why do we expect them to do it? Thank you. [LB577]

SENATOR COASH: Thank you, Senator Hadley. Senator Murante, you're recognized. [LB577]

SENATOR MURANTE: Thank you, Mr. President and members. I rise in opposition today to AM1045 to AM1029 and to LB577. I understand where Senator Hadley is coming from with AM1045. I think this amendment is a good-faith amendment by him to make what, in his view, is a difficult bill a little bit better. I can tell you when I first looked at AM1045, for some reason the image that popped into my head was the Maginot Line in Europe. And to what, I'm sure, are the thousand of kids watching at home, the Maginot Line was a line of defense constructed by the French following World War I to guard against a future invasion of the Germans into France again. And as we all know, the impact of World War II it didn't do any good. It was a futile effort. I think most objective people looking at history acknowledge that it was a futile effort, but it made the French feel good. It made...it made them feel safe and secure in what they were doing. And it, accordingly, they made a lot of bad decisions in public policy as a nation which led to war. And I think that's kind of what we're doing with AM1045. I think what we're doing is sugarcoating a very bad piece of legislation to make it more palatable to people who aren't 100 percent sure about where they're going with it. And I don't have much interest in doing that. I agree with Senator Carlson that it is going to be almost impossible for a future legislature to address this issue. The pressure that is going to be brought to bear on future legislatures against the repeal of this or any other entitlement is going to be so strong that I don't believe that a future legislature has the capacity to do it. And Senator Hadley brings up what I think is a reasonable point, if we feel like we aren't going to be able to tackle entitlements in the state of Nebraska, why do we have any confidence that Congress will tackle entitlements? Well, I'll answer that one directly. I don't have any confidence that Congress is going to tackle entitlements. And that's not a reflection on the current administration; it's not a reflection on the current Congress. I don't care which party holds Congress in the future, and I don't care who is elected President going forward. I see very little will that the direction of Congress going forward is going to change. But the problem I have with this bill is that we are assuming that Congress is going to keep their promises and we're making a bet that future

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administrations aren't going to say we are out of money and they aren't going to start cutting back. And then if we pass LB577, we are in real trouble going forward. What I don't...I completely...the person who has spoken on this floor with whom I have the most agreement is probably Senator Smith. The question on the table, at least for me, isn't whether we help people with LB577 or whether we chose not to help people, the question is, how do we best help people? Now I would submit to my colleagues that if government spending was a solution to problems, we wouldn't have the problems we're talking about today. We've tried. [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR MURANTE: It hasn't worked. I have more to say, but I'll yield the balance of my time to Senator Brasch. [LB577]

SENATOR COASH: Senator Brasch, 55 seconds. [LB577]

SENATOR BRASCH: Thank you, Speaker; and thank you, Senator Murante. I wanted to briefly...first of all, is extend sympathies to Senator Howard on the loss, the death and passing of her sister. I extended them to her mother as well, my sympathies. I have a brother who died of cancer a decade or more ago, he was uninsured. We helped him as we could. But you made reference to...it seemed heartless, the article from The Wall Street Journal does not talk about people going into roach traps. It talks about states going in blindly, not knowing that they cannot get out of this entitlement. I want to make sure that we don't go in blindly and I want to make sure that we help people, but can we reduce costs. Not take money from the federal government... [LB577]

SENATOR COASH: Time, Senator. [LB577]

SENATOR BRASCH: ...who has sequestering. [LB577]

SENATOR COASH: Time, Senator. [LB577]

SENATOR BRASCH: Thank you. [LB577]

SENATOR COASH: Thank you, Senator Brasch. Senator Ashford, you are recognized. [LB577]

SENATOR ASHFORD: Thank you, Mr. President. I see Senator Johnson is here, Joel Johnson is here, I think we need him back. We need a physician out here to tell us what's really going on. I...I...look it, maybe I have had too many years here. But I remember back at a time when before managed care when we had a government program, we had a managed care...we implemented managed care in the, I think, 1993, 1994, we dealt with the ups and downs of the Medicaid program and to the point now

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where we have a program that is very cost efficient. The cost increases on our Medicaid...in our Medicaid program in Nebraska is far less than private pay programs for healthcare in the state. Now whether or not that's something doctors like or hospitals like, I don't know. But it is a well-managed program. So what we're, in effect, doing is putting people with 100 percent of the cost being paid by the federal government for three years, we're putting those people into a very well-managed program. I cannot...I'm listening here for two days, I have not heard one single reason, other than this is the federal government putting federal tax dollars into a program, why we wouldn't do this. I mean why we wouldn't...this is a Nebraska program. We have a Nebraska managed care program. We have people in Nebraska administering it. We have people that go into the program and come out well. You know, we talk about...we talk about how great a healthcare system we have, and we do. When we talk about disease such as cancer and other acute diseases, we do treat it very well. In fact, we're probably number one in the world in dealing with cancer. But when it comes to things like diabetes and other preventable diseases, we're down quite a ways in the process because we don't deal with preventive care the way we should. But with the kind of preventive care regimen that we could implement through this managed care system that we have in Nebraska, we can start dealing with preventive care. We can...and we can do so immediately. The other...the other thing is this, has anybody looked at their insurance policies? Why do we think we are paying high premiums to insurance companies? I mean, is it some mystery why we're doing that? Part of it is because the cost of uninsured individuals in this state, in this country, that has been a problem since I first got in the Legislature in 1987; it is a problem today. As I mentioned earlier, every president, Republican and Democrat, has tried to deal with this gap; has tried to deal with the uninsured. Because it does have an impact on cost. I, as a private pay person, would like to...and to not have these people insured when there's an opportunity to have them insured, I think it's just crazy; it's nuts. It's absolutely nuts. The train has left the station. We have veterans healthcare. We have Social Security disability. We have Medicare for people over 65. We have Medicaid for people who are low-income citizens of our country. The train has left the station. What is the reason? I just cannot grasp it. As someone who pays a high price for insurance, why do I have to do that when we have 54,000 Nebraskans that we could insure in a very well-managed program? And I can tell you... [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR ASHFORD: ...we're a lot better off in the state today, in fact, some of the work that Senator Johnson did when he was on the Health Committee to make...and Senator Jensen, when he was here as well on the Health Committee, to make some of the changes that they made to the Medicaid system so it is well managed. And then lastly, rural hospitals are in deep trouble. And this is where Senator Gloor and I...he said some nice things about me, but this is where Senator Gloor and I...I don't get Mike's position on this. I understand what he's saying, but rural hospitals need this...these resources because they are going to go under. And rural healthcare is not going to be

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available. They need these resources. I've been out there; I've seen it. So instead of having this political discussion about what Ronald Reagan said or didn't say, let's deal with what's in front of us right now. Please let's not let this die on General File. This would be a major mistake for our state. [LB577]

SENATOR COASH: Time, Senator. [LB577]

SENATOR ASHFORD: Do not let this die on General File. [LB577]

SENATOR COASH: Thank you, Senator Ashford. Senator Hansen, you are recognized. [LB577]

SENATOR HANSEN: Thank you, Mr. President, excuse me, members of the Legislature. I was wondering if Senator Hadley is in the room. He was in the room just a moment ago. [LB577]

SENATOR COASH: Senator Hadley, would you yield? [LB577]

SENATOR HANSEN: Here he comes. I was taking a nap and just woke up and reminded me who I should talk to. Senator Hadley usually takes a nap about this time of day, so. And I know Senator Hadley can't read the numbers on the board so I will remind him that his amendment number is AM1045. And, excuse me, Senator Hadley, this morning when you introduced AM1045 I was not in the building. [LB577]

SENATOR HADLEY: I'm sorry. Would you repeat that. [LB577]

SENATOR HANSEN: When you introduced AM1045, I was not in the building. Could you give me a two-minute wrap-up of why I should vote for that instead of AM1029? What's the big difference between the three... [LB577]

SENATOR HADLEY: Yes. I felt that AM1029, is that...I can't...you know, I'm getting glasses. [LB577]

SENATOR HANSEN: Yeah, yeah, I've heard that before. [LB577]

SENATOR HADLEY: Has a seven-year sunset, Senator Hansen, and I felt that was too long. And so what I did is looked at the time period that we would have the federal paying 100 percent. And we could use that period of time to determine whether the program was working. We could estimate how many people were going to be in it, what the cost would be more precisely for the state after the three years. It was a little bit, Senator Hansen, I made the comment it was a little bit like the sentencing for juveniles. You know, you pick a number, 30, 40, or 60 years we were debating. Here we're debating between three years and seven years if you believe a sunset is in a...in

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a...needed. [LB577]

SENATOR HANSEN: Okay, thank you. I think the problem that I have with either this one or AM1029, either one of the sunset bills, is that no matter what time you pick, I don't think that you're ever going to overturn this legislation that we're about to vote on sometime. I agree with Senator Cook's comments that, you know, we had hundreds and hundreds of people come in and testify for LB577 and if three years or seven years down the road we try to overturn that, it will be a thousand times more. Is that correct, Senator Cook? Okay. Might not have been attributed to Senator Cook. But I agree with that. I mean, it's going to be tenfold...ten times tenfold the amount of people coming in and saying this is our entitlement, this is how we, you know, we depend on this; you can't take this away from us now. My question, and I asked Senator Smith earlier today, what would you...how would you feel if you were watching the Nebraska Legislature and this passes the first round and passes Select and you look and you've never done it before, but you find out that you're 140 percent of the poverty level. Hmm, I'm not going to be covered, which way should I go? Should I take a couple of hours off during the week...and that's not a good idea. Should we go to the Legislature and say, you know, maybe 166 percent of poverty. I think we're going down a path that, you know, we will eventually go someday anyway, but I'm... [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR HANSEN: ...I'm not ready to go down that path now. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Hansen. Senator Janssen, you're recognized. [LB577]

SENATOR JANSSEN: Thank you, Mr. President and members. And my apologies to Senator Howard who has, evidently, read the House Resolution, H.R. 3590, several times. I heard it took 40 hours to read once, so you have a lot of time on your hands. I'd hate to join that book club that you're in. We're talking about quotes and Abraham Lincoln keeps coming up: Government should only provide for the people what they truly cannot provide for themselves and nothing more. That argument works both ways, both sides of this issue, I think. Wanting to work is so rare a merit, it should be encouraged. Here's something, I agree with Senator Ashford on this, we should deal with this today. Leave...this is Abe Lincoln now, not to confuse the two: Leave nothing for tomorrow that can be done today. We cannot escape history. It has been my experience that folks who have no vices have very few virtues. I only add that because I thought it was kind of funny. That some should be rich shows that others may become rich and hence is just encouragement to industry and enterprise. There has never been but one question in all civilization, how to keep a few men from saying too many men...from saying to too many men, you work and earn bread and we will eat it. And I

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would also like to say, this is one of my favorites: I distrust the wisdom and sincerity of friends that would hold my hands while my enemies stab me. Now that's pretty harsh and it's not meant to be, when I said it out loud, it sounds a lot more harsh than when I wrote it down. But when we talk about this bill and what we have before us, now AM1045, AM1029, and obviously I oppose it, I oppose it all. And I think if we want to be sincere about AM1045, AM1029, we should see if LB577 can pass on its own merits, get it to Select File and then add that. But we're not there; we're not there just yet. But when people come around to you now, getting back to that quote about Abe Lincoln, about getting your hands held, when somebody comes to you and says, hey, it's just a cloture vote. We just need your cloture vote, that's it. You can vote against the bill. No, this isn't just a cloture vote. This isn't...some votes are, maybe, to certain people. It's a cloture vote on roadside trapping, yeah. That's maybe, yeah, I'll give you a cloture vote on this; we'll be...we're buddies on this, we all get along. No, this is not a roadside trapping bill. This is a very, very significant piece of legislation that will affect all of us, our children, our children's children, decades, generations to come, not only in the state of Nebraska. The sunset, let's face it, we know that's not going away; we know it. Maybe...okay, I do. I shouldn't say "we" because I'm sure several of you will argue the other side. But if you're trying to hide behind a cloture vote and going back to tell constituents across this state who have, by the way, have said they are opposed, by and large. And I agree with Senator Karpisek; we can quit sending the blank e-mails from other groups. But here's something...here's another Abraham Lincoln quote: You may deceive some of the people part of the time, and part of the people all of the time, but not all of the people all of the time. That's something for people to remember... [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR JANSSEN: ...thank you, Mr. President, something to remember when you try to go back to the town hall meeting. And we all get to do it. And you get to talk and you say, well, where did you stand on...you know, they may know the number, LB577? Well, I didn't support it. Well, didn't you vote for cloture? Well, yeah, but that's...you know...that's more of something we do down in Lincoln sometimes, no. Maybe sometimes, but not this time. Anybody, my opinion, my time on the mike, I guess, that wants to give a cloture vote that claims they're not for LB577, and I'm not in rare company here, I believe Senator Chambers prescribes to the same theory. A vote for cloture is a vote for that bill. Don't kid yourself and don't think the people will be fooled. With that I'll yield the balance of my time to the bench. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Janssen. Senator Price, you're recognized. [LB577]

SENATOR PRICE: Thank you, Mr. President and members of the body. I suppose here

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in a few moments we'll be changing gears and we will be honoring those who came before us. And in thinking of that and in light of what we had here and Senator Janssen just said a good piece of what I wanted to talk about about the concept and the parliamentary effort to invoke cloture. There are tremendous forces at work here. One only needs to venture into the lobby and see that; and as well there should be because it is a very important topic. I wanted to say a whole bunch more about, you know, things that were...whether they were in LR546 or the different topics we talked about. I did want to extend my appreciation to Senator Krist and his kind words. But I'm thinking now about what will transpire over the next days and weeks as we move forward from here from Day 60, (sic 61) I believe it is, that when this bill doesn't have resolution today, a good number of you will be faced with challenges for what you have left in your legislative agenda. I would share with those who have not had that opportunity for that feeling that I had...I one time gave a vote for cloture when I didn't support the bill. And as Senator Chambers said earlier this year, I could never say it as eloquently nor as succinctly as he did, but about how he felt and how he articulated where you were if you were voting for cloture versus the bill. I know that when I made that parliamentary maneuver, I suffered, I would say, the consequences for that. And now I'm not doing that anymore. And I'm doing my very best. I may not be the greatest tactician here on the floor, but I try and let people know where I am. Maybe that's being a conservationist that I am, so people can spend their energies somewhere else. Those who would want to move me one way knowing that I'm not going to move; and those who are depending on me to be resolute. So as we go forward into today, we take on and tackle other issues. As many people have said here, through various bills and debate, it is...it is interesting to note how positions and reasons for positions change, and reasons for parliamentary tactics. And I don't begrudge anybody what they do. I think that's part and parcel why we're here. I think it might be part and parcel why sometimes people think of our jobs in a negative light. I remember sitting down in the front here when I was a newly elected senator going through training and Senator then...Senator Chambers who was on the way out for a little bit told us that we were politicians and that's what we were and that's what we are and that's what we do. And, you know, when you look at it and that mathematical value where you put the little pipes on either side of it for the absolute value, that's what we do and who we are. And I guarantee you these next couple of weeks will be excruciating, if not for everything else, we have to do with the budget and the other weighty issues before us. But because without this getting done, those considerable forces that were on the other side of the glass, those e-mails will continue to pour in and I hope the best for all and for our legislative institution and processes. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Price. Senator Krist, you're recognized.
[LB577]

SENATOR KRIST: Thank you, Mr. President, and good afternoon again, colleagues and Nebraska. Not too long from now, just a few minutes, we're going to recognize part

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of our history and our heritage, men and woman who served this Legislature in years past, faithfully served, and I now use that word almost religiously because I think more than a politician we are a servant of the people and we are charged on a daily basis to make the best decision we can. Today is an example of what I like to refer to as the game, the job, the career or path that we have chosen. We need with all vigor, with all enthusiasm, with fangs extended defend what we think is right on this floor on any given subject. And when it's over and the next bill comes forward, we may be on the same side. And when it's time to cocktail or dine, we'll sit across from each other and smile and we'll know that we are colleagues now and forever. Because once a member of this institution you know what it's like to go at each other with fangs at 2:00 and cocktail with each other at 4:30 or 5:00 or whenever the Speaker decides to let us go. The point I'm making is, the discussion that we've had over this topic, and others to come, TEEOSA next week, the budget in a few weeks, all of those need to be defended and then the next issue come up. That's what I've learned from being here. And I know a few of you and I have had words over this debate and we will have words over a few other debates and we have agreed to disagree and move on in a vernacular cocktail with each other at 4:30. That's what this job is about. I think we're ending the debate...or we're coming to the end of this debate and going to honor those who have come to visit us, those that were our predecessors and set the model and the mode for us to be here and I welcome that opportunity. I think it will be a mellowing factor for us all today. With that I yield the rest of my time to Senator Mello. [LB577]

SENATOR COASH: Senator Mello, 2 minutes. [LB577]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. I appreciate Senator Krist's comments and his words, as well as welcoming past senators for their service, as well as recognizing the service of colleagues to come. I stand though and wanted to make sure to address, I guess, a point of clarification that is a bit concerning to me. Senator Janssen just mentioned and tried to make a point, I think, that he wants to interpret our individual votes, whether that's for cloture, whether that's for an amendment, or whether that's for the underlying bill. And I think it needs to be clarified that's a very dangerous comment to make because it's not for an individual senator to make an interpretation of why any one of us chooses to vote for cloture, to vote for an amendment, or vote for the bill. That starts to impede on our own judgment of why we do what we do and try to pass a political judgment to score, sometimes, cheap political points which we know is all too common in the world of politics, primarily what comes from our nation's Capitol. So I don't see Senator Janssen in the Chamber, but if he's here I'll grab him afterwards, because that's a point of concern, not just for what he said, but if that is something that starts to become pervasive... [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR MELLO: ...in the body for future comments, future debates, future votes. As

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if you do this, I'm going to interpret what you do for political purposes. That is not good. That's not good public policy making. And that's not how we govern in this state. So I hope he'll clarify that comment because you may choose to vote for cloture for any reason you so...may choose to vote for it. And you may not support the bill, that's up to you. But only you and you alone make that determination, not Senator Janssen, not myself, not any other member. That needs to be clarified for the record's sake. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Mello. Senator Pirsch, you are recognized. Senator Nelson, you are recognized. [LB577]

SENATOR NELSON: Thank you, Mr. President, members of the body. I would like to go a little further and speak for a couple of minutes on...with regard to expansion. And I read from the fiscal note, the revised...there's a great deal of uncertainty in presenting the cost of this provision. The Medicaid expansion covers a population that has not previously been covered by Medicaid. And it goes on to say that there's a great deal of uncertainty. I want to refer, I think, to a bulletin that Senator Brasch always...also referred to it, it was "Medicaid Expansion, We know How the Story Ends." And there they took a look at Arizona and Maine and a couple of other states. And in the case of Arizona where they started in in 2002, enrollment among the expansion population was much higher and faster than the slow and gradual enrollment that was projected. Low-income parent enrollment was three times what it was projected. Medicaid expansion has little impact on the number of the uninsured. Arizona uninsured rate actually increased in the five years after expansion, it did not go down; while Maine's did not change. Per person costs were much higher than projected, particularly after the childless adult population...for the childless adult population. Enrollment of childless adults in Arizona's expansion was three times more than projected, 54,000 in 2002 to more than 200,000 in 2010. Now granted, Arizona, perhaps, is a different ball game down there; they have more people and a growing population. But I can see the same thing happening here. And now if Senator Krist would yield, I have a couple of questions for him. [LB577]

SENATOR COASH: Senator Krist, will you yield? [LB577]

SENATOR KRIST: Certainly. [LB577]

SENATOR NELSON: Thank you, Senator Krist. It was interesting that you spoke about extending our fangs and then gave the last two minutes of your time to Senator Mello. There used to be a TV show who a woman whose husband was Fang. It was a comedian. But that reminded me and I'm not so sure that that's an accurate description. I've heard it said that people watching on the channel and watching us here sometimes think that the debate is terrible, it's contentious. And yet when they actually visit here, it doesn't seem that way at all. So I don't know how we're coming out, you know, as far as

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Nebraska is concerned what it looks like. But I think, by and large, we're not after the jugular here or anything like that, I think we're pretty civil. I do have a question with regard to the Governor. I'm confused by your comments earlier. Are you saying that the Governor is in favor of Medicaid expansion? [LB577]

SENATOR KRIST: Senator Nelson, to your first point, the analogy that I used with the fangs is meant only to be an analogy or a metaphor in terms of going at it with vim and vigor and to the point of defending what we think is right. To your second point, the Governor has been very clear he is not in favor of Medicaid expansion. In fact, he has a Medicaid director who is charged to cut Medicaid, in my estimation, and I sit in the committee and listen to it all the time. My point was that he has redistributed the savings; and I pointed to the ACA... [LB577]

SPEAKER ADAMS PRESIDING

SPEAKER ADAMS: One minute. [LB577]

SENATOR KRIST: ...that's sitting on Senator Janssen's desk, he knows the savings that are coming through the ACA. They're happening in behavioral and mental health. And he has already reapportioned that money into another fund, TEEOSA, as a matter fact. [LB577]

SENATOR NELSON: All right. [LB577]

SENATOR KRIST: So the savings that is realized through complying with ACA is being reapportioned into TEEOSA. [LB577]

SENATOR NELSON: So he's not anticipating savings in this program, necessarily. Then you're talking about the ACA. [LB577]

SENATOR KRIST: Yes, sir. And the chart that I gave you, the actual chart itself shows the potential savings should we go ahead with LB577 in addition to what the Governor has already realized in his budget. [LB577]

SENATOR NELSON: One quick question. Why is it that we have 2,000 veterans that are uninsured and cannot get insurance? Where is the Veterans Administration in this area? [LB577]

SENATOR KRIST: If you've left the service after your minimum tour of three or four years,... [LB577]

SPEAKER ADAMS: Time, Senators. [LB577]

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SENATOR KRIST: ...you're not guaranteed service unless you have a disability.
[LB577]

SPEAKER ADAMS: Time. [LB577]

SENATOR NELSON: Thank you. [LB577]

SPEAKER ADAMS: Members, we have approached the 4:00 hour and LB577 we have spent right at ten and a half hours of debate on the bill. We are going to go on and recognize former senators that are here and then we are going on to LB579 at the conclusion of that. We will stand at ease. [LB577]

EASE

SENATOR KRIST PRESIDING

SENATOR KRIST: Returning to order, please. Mr. Clerk for announcements.

CLERK: Mr. President, I have two items before the...we proceed to the next bill. Senator Watermeier and Hansen have amendments to be printed to LB577. That's all that I have. (Legislative Journal page 1013.) [LB577]

SENATOR KRIST: Thank you, Mr. Clerk. Next item on the agenda.

CLERK: Mr. President, LB579, a bill by Senator Karpisek. (Read title.) The bill was introduced in January and referred to General Affairs. Senator Karpisek presented his bill on April 11. Committee amendments were considered and adopted at that time. I do have an additional amendment to the bill, Mr. President. [LB579]

SENATOR KRIST: Senator Karpisek, would you like to open again on the bill, just to refresh us? [LB579]

SENATOR KARPISEK: I would, Mr. President, thank you. LB579 is a bill that started out to give the State Patrol 15 new troopers and have them work on liquor control issues. The amendment that we put in, from committee amendment, was down to ten and I am switching that out with an amendment that will be six. But that is the main thing, that we would like to keep a certain amount of troopers that do mainly liquor control enforcement. Thank you, Mr. President. [LB579]

SENATOR KRIST: Thank you, Senator Karpisek. As the Clerk said, there is an amendment pending. Senator Karpisek, would you like to open on the amendment itself? [LB579]

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CLERK: Mr. President. Senator Karpisek, just to be clear, you had AM997, Senator. I assume you want to withdraw that. That's the note that I have. [LB579]

SENATOR KARPISEK: I do, Mr. Clerk. [LB579]

CLERK: Mr. President, Senator Karpisek would move to amend with AM1032. (Legislative Journal page 1014.) [LB579]

SENATOR KRIST: Senator Karpisek. [LB579]

SENATOR KARPISEK: Thank you, Mr. President and members of the body. The adopted committee amendment would provide the Nebraska State Patrol with six new troopers, which would allow additional resources for alcohol enforcement. Right now we have nine. In 1987...I'm sorry. The new number would be six. Keep in mind that there is no specifically named division within the State Patrol that deals with enforcing liquor control. After the alcohol investigators were transferred from the Liquor Control Commission to the State Patrol in 1987, the investigators were absorbed into the State Patrol with the specific assignment of enforcing the Liquor Control Act. Since then, the number of troopers assigned to primarily enforce the Liquor Control Act has dwindled from 12 to approximately 9. The Liquor Control Commission is very concerned that if the total number of State Patrol troopers continues to decline, that alcohol enforcement will take a backseat to other priorities. I am trying to be fiscally responsible with providing a minimum level of alcohol enforcement. After speaking with the Liquor Control Commission and the State Patrol, I had this amendment drafted for six new troopers with the understanding that there would be a minimum of one trooper for each of the six troops. This amendment requires that there be an agreement between the State Patrol and the Liquor Control Commission clarifying this relationship. Such a memorandum of understanding probably should have been done back in 1987 in order to reflect each agency's expectations. My expectation is that this agreement would include the intent to have at least nine troopers enforcing the Liquor Control Act for the near future but, recognizing that if the State Patrol numbers continue to decrease, that there would still be funding for the six troopers providing alcohol enforcement. The question of why this bill was not introduced as an appropriations bill came up in previous floor debate. That is one option. However, I believe that it is important to create a separate statute that clearly articulate's the Legislature's intent and provides a slightly greater protection for this funding that would not exist in a general appropriation that would be automatically revisited every two years, even if it included intent language, but we don't put intent language into appropriation bills. I believe that this bill will not only help address the commission's enforcement concerns but will help address the State Patrol's general overall needs as well. My focus as Chair of the General Affairs Committee has been to better professionalize all levels of the alcohol industry. An important part of professionalizing the industry is to ensure that there is adequate enforcement. I believe that LB579, with this amendment, will help do that. Thank you, Mr. President. [LB579]

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SENATOR KRIST: Thank you, Senator Karpisek. You've heard the opening on the amendment. Those wishing to speak: Senator Larson. Senator Larson, you are recognized. [LB579]

SENATOR LARSON: Thank you, Mr. President. Would Senator Karpisek yield to a question? [LB579]

SENATOR KRIST: Senator Karpisek, will you yield to Senator Larson for questioning? [LB579]

SENATOR KARPISEK: Yes, I will. [LB579]

SENATOR LARSON: Senator Karpisek, when it was ten I know that the fiscal note was roughly \$1 million the first year and \$870-something the second year. I may be off just a little bit. [LB579]

SENATOR KARPISEK: You're very close. [LB579]

SENATOR LARSON: Is it...on AM1032, is it safe to assume that it's probably, with six, it's going to be close to \$600,000 the first and probably around a half million the second, roughly? [LB579]

SENATOR KARPISEK: Yes, roughly. We're still talking about \$109,000 per trooper the first year and roughly \$87,000 the second year. [LB579]

SENATOR LARSON: Okay. And I know it's obviously a flexible, moving document and we won't have the actual fiscal note until Select File, so I appreciate just the rough numbers because that's what we do have to go on. Currently, you said, there's nine members of the State Patrol that do this function right now, correct, or at least a part of their time is dedicated to it? [LB579]

SENATOR KARPISEK: There is...if the hours added up would be like nine FTEs, but it's not exactly nine dedicated people. [LB579]

SENATOR LARSON: Oh, so...okay, then I was...so it could be 15 people, but when they add up all their hours it's nine FTEs, essentially? [LB579]

SENATOR KARPISEK: Correct, correct. [LB579]

SENATOR LARSON: Okay, I guess I didn't...I thought it was just nine total people and they dedicated, you know, half their time to this. But thank you for the clarification because I wasn't understanding that, or that gets rid of what my next question was

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going to be, which was, how much time did those nine people do? With AM1032, I read through it real quick and I noticed that it had the intent language that at least a minimum of six people will be doing this at any time and then provides for six new troopers to be hired and, hence, the fiscal note. When you have nine people doing it now, why don't we just make LB579 intent language that it can't drop below six instead of hiring six new troopers? You have nine troopers there. When you add up all their hours, it equals nine FTEs. Why don't you just put intent language that there has to be at least six instead of having the fiscal note and adding six new troopers to it? [LB579]

SENATOR KARPISEK: Because my feeling is, Senator Larson, that the troop is low on numbers now, the lowest it's been since 1986, and forcing them to have 6 of those current 477, to me, is micromanaging them and I don't want to do that. [LB579]

SENATOR LARSON: Thank you, Senator Karpisek. And, you know, they have 479 now and if LB579 passes it's 485. So is it okay to micromanage 485 versus 479? [LB579]

SENATOR KARPISEK: We're not micromanaging the rest of them that... [LB579]

SENATOR LARSON: I get it. I guess the point that I'm trying to make is that we don't want to drop...you know, we want at least six going to this and the... [LB579]

SENATOR KARPISEK: I guess what I'm trying to do, Senator, is to make at least six that that's what they do is alcohol enforcement because the Patrol does have to do that, and that... [LB579]

SENATOR LARSON: And they do. In my time on General Affairs, I learned a lot from you. You are a great Chairman. We agreed on a majority of issues while I served on General Affairs, and it's a committee that I actually miss a lot. But now I am on Appropriations, and it's something that,... [LB579]

SENATOR KARPISEK: Um-hum. [LB579]

SENATOR LARSON: ...when we look at the budget, I take very seriously. And I think, as the budget document is being finished and being prepared...and I'm not...I spoke to this last week, Senators. This is now down to \$600,000 and \$500,000 instead of a \$1.8 million... [LB579]

SENATOR KRIST: One minute. [LB579]

SENATOR LARSON: ...or right around there. We all had priorities. Luckily for me, the two bills that I have as my personal priority and another bill that is a priority of another senator don't have fiscal notes that cost state General Funds. I guess I'm lucky on that sense, but there's an...we've talked about it. There's \$185 million worth of priority bills

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out there, and there's only so much to go around. And, I mentioned, now it's \$500,000 and...or \$600,000 to \$500,000. That's Senator Adams' priority bill or that's part of Senator Crawford's priority bill. We have to make decisions of where we want to spend our money because there's only so much. And we have nine State Patrol officers total, counting for all their hours, doing it now. And I understand what Senator Karpisek is trying to do in terms of not micromanaging, but we have to be very careful with those priorities and... [LB579]

SENATOR KRIST: Time, Senator. Thank you, Senator Larson and Senator Karpisek. Senator Bloomfield, you are recognized. [LB579]

SENATOR BLOOMFIELD: Thank you, Mr. President. I sit on the General Affairs Committee. Everybody knows we started out with 15 and apparently we're down to 6 now. That's a number I can live with. But I do have a question for Senator Karpisek that just... [LB579]

SENATOR KRIST: Senator Karpisek, will you yield? [LB579]

SENATOR KARPISEK: Yes, I will. [LB579]

SENATOR BLOOMFIELD: This just came up, Senator, in conversation with someone off of the mike, and I don't mean to blindside you with it because I'll probably support your number six here. But what would it take for the Liquor Commission to go back to hiring its own inspectors, and could they do that cheaper? Would it take an act from the Legislature to do that again or... [LB579]

SENATOR KARPISEK: Yes, it would, Senator. I think Governor Kerrey, as I understand, moved them from under the Liquor Control Department (sic) over to the State Patrol. I had a bill last year that would have moved them back, and it was met with much resistance. [LB579]

SENATOR BLOOMFIELD: If we were to, at some point, move them back, could we hire them, probably, for less than what we could hire the troopers? [LB579]

SENATOR KARPISEK: Well, that's a good question, Senator. Part of the deal is I think that they probably need to be certified law enforcement officers because if they're out doing an inspection and they see another...a crime being committed, say there's a drug deal in the back of the bar, if they're not certified law enforcement they couldn't do anything about it. [LB579]

SENATOR BLOOMFIELD: Okay, thank you. And again, I will probably be in support of AM1032 but, be that as it may, if Senator Karpisek would like a little time, he can have the remainder of mine. [LB579]

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SENATOR KRIST: Senator Karpisek, you're yielded 3:16. [LB579]

SENATOR KARPISEK: Thank you, Mr. President, and thank you, Senator Bloomfield. And that was a good question about putting the inspectors back under the Liquor Control. Part of the reasoning why I decided not to do that again this year was the great resistance I was met with last year trying to do that. The other part is that the State Patrol is low on numbers. They're the lowest that they've been since 1986. Leaving these inspectors there and having them, in the bill, do a majority of their time in liquor enforcement at least gives the troop that many more people to be able to pull off to do other things if there is an emergency, if something is going on. So at least they are under their watch, under their employment. It's just that they mainly would do liquor enforcement. I also, again, think that they need to be sworn officers. If they do see something else going on, if they're traveling to and from doing these things, I guess I think of it a lot of...as the carrier enforcement troopers. They mainly, maybe, do weigh trucks and things, but they're also State Patrolmen and can do all those other jobs also. So I would like to get more troopers out on the road. I understand the fiscal part of that, and it's not easy to do so. But we have so many more liquor licenses now than we did in 1986--1,306 more annual licenses today than in 1986 and 3,763 more special designated licenses--but we're doing it with less investigators. So my point is let's get a few more, make them do that the majority of their time, and help professionalize the alcohol industry. Thank you, Mr. President. [LB579]

SENATOR KRIST: Thank you, Senator Karpisek and Senator Bloomfield. Senator Price, you are recognized. [LB579]

SENATOR PRICE: Thank you, Mr. President and members. While we're shifted gears here, so I'm trying...I'm going to wrap my head...would Senator Karpisek yield to some questions? [LB579]

SENATOR KRIST: Senator Karpisek, will you yield? [LB579]

SENATOR KARPISEK: Yes, I will. [LB579]

SENATOR PRICE: Thank you very much, Senator Karpisek. Just want to make sure--read the bill, read the amendment--we want to go from...down to a lower number of people who would be primarily dedicated to liquor control, correct? [LB579]

SENATOR KARPISEK: Well, right now, Senator Price, we have roughly nine people doing that, at least the hours. What I'm trying to do is put a floor in that if the Patrol gets lower and lower on numbers that they won't go below six. I'm hoping that if this bill does pass that they would still have nine, maybe even ten, that are dedicated to it, but the bill would say that they could not drop below six any time in the future. [LB579]

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SENATOR PRICE: Okay, so what we're saying is then that there...I think I can be...I can conceptually support this, so I...just so you know up front. What we're saying is we're not hiring new bodies? [LB579]

SENATOR KARPISEK: We would be hiring new bodies under this to kind of replace who we're going to put over there full time. The... [LB579]

SENATOR PRICE: Okay. [LB579]

SENATOR KARPISEK: Part of this bill coming was some Byrne dollars going away from the feds, which was mainly drug enforcement. I know this has nothing to do with it, but it did take the funding for 15 FTEs away. [LB579]

SENATOR PRICE: Okay, so we're...we kind of have a...and I don't mean to belittle, but we're doing an FTE shuffle where we're going to take some on paper and dedicate them to liquor control activities the majority of the time and then try to backfill those with new hires or whichever way those...are we going to take new hires and put them in or we just don't really care, they're State Patrol-certified officers and that's who were taking? [LB579]

SENATOR KARPISEK: What I would envision is that they would use trained officers, experienced officers,... [LB579]

SENATOR PRICE: Right. [LB579]

SENATOR KARPISEK: ...who are more used to doing the alcohol things. [LB579]

SENATOR PRICE: Yeah, okay, I get you. So we don't want to take a newbie and put them right into that. That's fine. [LB579]

SENATOR KARPISEK: I would really rather not do that... [LB579]

SENATOR PRICE: Sure. [LB579]

SENATOR KARPISEK: ...because part of it is just the newness and being a little gung-ho, maybe. [LB579]

SENATOR PRICE: Well, there's that, and there's a lot of sophistication to it. Okay, so walk with me as I try to build this picture. So we currently have nine people who can be detailed. How often are all nine detailed at the level of majority that you use in the bill right now? [LB579]

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SENATOR KARPISEK: I would say most of the time. Again, the...it's nine FTE hours. [LB579]

SENATOR PRICE: Sure, sure. [LB579]

SENATOR KARPISEK: So there might be 15 people out today, maybe 6 out tomorrow. [LB579]

SENATOR PRICE: No, I understand. [LB579]

SENATOR KARPISEK: But we have six troops headquartered in the state. The six would give at least each one, one person to do a majority of their time. [LB579]

SENATOR PRICE: I understand the FTE concept there. So what we're basically saying is, if I add 6 more people to the 9 that...9 FTEs we're going with, is that not a total of 15? [LB579]

SENATOR KARPISEK: No, it is not, Senator. The six is just saying we won't drop below that. [LB579]

SENATOR PRICE: So can...and okay, I'm getting tripped up here. If I have nine now and I want to make sure I don't go below six, why are we going to hire more people? Because I already have those. I mean, is...I'm out...I'm lost. [LB579]

SENATOR KARPISEK: Because the troop number is dwindling through attrition, some grant money going away. So, yes, they are there, but at...tomorrow something could happen and the colonel could decide, I don't have enough bodies to do nine, I'm going to do five. [LB579]

SENATOR KRIST: One minute. [LB579]

SENATOR KARPISEK: This would say, no, you have to at least have six. [LB579]

SENATOR PRICE: And I agree that it would say you have to have six. But in the construct, it would say, we're guaranteeing you have the six, we want to hire those. Are you...am I...are you following me there? [LB579]

SENATOR KARPISEK: Yes, I am. [LB579]

SENATOR PRICE: Okay. [LB579]

SENATOR KARPISEK: Senator, it is kind of a dual reason bill to try to get a few more troopers and fund them and also to make sure that we stopgap at six. Because we had

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12 at one time and now we're down to 9, I'm scared we're going to drop even lower. [LB579]

SENATOR PRICE: Well, thank you very much, Senator Karpisek. I appreciate you helping me after we shift gears here so quickly. I'll try, maybe, to talk a little more on this but, just to let you know, I'll be asking questions about what do we sacrifice when we don't have them, if they take us below that floor of six. It'd be interesting in future conversations so we can size the impact, so. [LB579]

SENATOR KRIST: Time. [LB579]

SENATOR PRICE: Thank you. [LB579]

SENATOR KRIST: Thank you, Senator Price and Senator Karpisek. Senator Mello, you are recognized. [LB579]

SENATOR MELLO: Mr. President, members of the Legislature, I wanted to weigh in here a little bit on the dialogue that had appeared between Senator Larson and Senator Karpisek. As I mention on most bills, the fiscal note...the original fiscal note of this bill had roughly 15 troopers and which Senator Karpisek and myself have been having an ongoing conversations where he understands that the original fiscal note amount he came out with likely would not be able to be the final fiscal note to be able to pass the body, if it passes at all. I know the amendment right now is to move his bill to six troopers, which dramatically reduces the fiscal note. But ultimately, as Senator Karpisek and myself have discussed, that number, like all fiscal notes with bills that are more appropriations-related matters, are and need to continue to be flexible. And Senator Karpisek understands that in the conversations we've had. Ultimately, though, in my understanding of this issue a little bit, is that there is a policy decision here. It's not purely a matter of whether or not the Legislature wants to create five new positions or six new positions in the State Patrol. There is some policy here in regards to regulation and oversight in regards to our liquor industry. So I just want to make sure that the body is fully well-aware of that. Yes, as I have mentioned before, there are significant amounts of fiscal notes for everyone's priority bills, committee priority bills, and Speaker priority bills, which we will not get to. But the reality is this is one in which Senator Karpisek has openly acknowledged that he understands the number is flexible, the number of positions are flexible, and he ultimately has expressed to me that there is an underlying policy here that he wants to make sure does not get lost in the dialogue and conversation. With that, thank you, Mr. President. [LB579]

SENATOR KRIST: Thank you, Senator Mello. The Chair recognizes Senator Nelson. [LB579]

SENATOR NELSON: Thank you, Mr. President, members of the body that are still in

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attendance. Senator Price has covered some of the things that I intended to ask, but I still do have a question or two for Senator Karpisek, if he would yield. [LB579]

SENATOR KRIST: Senator Karpisek, will you yield? [LB579]

SENATOR KARPISEK: Yes, I will. [LB579]

SENATOR NELSON: Thank you, Senator Karpisek. You mentioned that some drug enforcement money went away. Did that affect the State Patrol directly? Were they receiving the money for that or the Liquor Commission, or can you explain that? [LB579]

SENATOR KARPISEK: It was the State Patrol. It was 15 FTEs from a Byrne grant, a federal grant that did drug enforcement,... [LB579]

SENATOR NELSON: So... [LB579]

SENATOR KARPISEK: ...which has really nothing to do with this bill, Senator, other than I'm saying they lost that much money, and so that...hence, lost that many more troopers. [LB579]

SENATOR NELSON: So they did lose 15 troopers as a result of that? [LB579]

SENATOR KARPISEK: Yes, yes. [LB579]

SENATOR NELSON: So that was an attrition loss? I mean, did they have... [LB579]

SENATOR KARPISEK: Yes. [LB579]

SENATOR NELSON: ...to fire troopers or did they just... [LB579]

SENATOR KARPISEK: No, they have gone through attrition to absorb that. [LB579]

SENATOR NELSON: Oh, okay. Could you tell me what the enforcement involves, I mean, as far as all the inspections? And there are numerous inspections that have been increasing. What does the person who inspects do? [LB579]

SENATOR KARPISEK: Well, they have to go out and inspect the premises if it's a new establishment. They have to do background checks for new license holders. They have to go out and maybe do investigations if there are complaints toward a liquor license holder, do all those sort of things, go out, be on site, make sure that there aren't any things going on that shouldn't be. There's all sorts of rules about you can't receive glasses for free, those sort of promotional things. So if you see, maybe, someone giving a TV away at a grand opening at a new grocery store, you want to make sure that that

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wasn't donated by a liquor company because if there is a complaint...that was one example. There's just all those sort of things--make sure that minors aren't being served, try to make sure that people aren't being overserved--all those sort of issues. [LB579]

SENATOR NELSON: Well, I appreciate that, and that's very helpful. And I commend you for bringing this and trying to secure a specified number, as part of the intent of the bill, that they will be used for this. But I kind of come back to the question that I asked before. These sounds to me, like, for the most part, 90 percent of the time, they are administrative duties. And I'm just wondering why we need to use State Patrol for that, other than the fact that maybe it's necessary if there are sting operations and there might be some danger there. Are they doing sting operations, the State Patrol, in this area? [LB579]

SENATOR KARPISEK: They do, do some...they don't like to call them stings, but yes, I do. Another part is paying...they make sure that people are paying the excise taxes on the alcohol, which amounts to about \$30 million for our General Fund. And I would say the administrative part of this job, Senator, would be maybe opposite of what you're talking. It might be 10 or 20 percent. I would say about 80 percent at least is out in the field. [LB579]

SENATOR NELSON: All right. One thing that comes to mind: background checks. I think those are done out of an office by a special detail here, or perhaps civilians, for that matter. [LB579]

SENATOR KARPISEK: I did ask the... [LB579]

SENATOR KRIST: One minute. [LB579]

SENATOR KARPISEK: ...State Patrol that, Senator, and they said, no, that they do their own. [LB579]

SENATOR NELSON: All right. I sit on Appropriations, and I don't have any recollection that the State Patrol came in and asked for additional officers. Why wouldn't they do that if they needed it for this particular work? [LB579]

SENATOR KARPISEK: I think, Senator, my opinion is they're a code agency, and they're aware of the budget issues. [LB579]

SENATOR NELSON: All right, thank you very much, Senator Karpisek,... [LB579]

SENATOR KARPISEK: Thank you, Senator Nelson. [LB579]

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SENATOR NELSON: ...appreciate your answers. [LB579]

SENATOR KRIST: Thank you, Senator Nelson and Senator Karpisek. Senator Larson, you are recognized. [LB579]

SENATOR LARSON: Thank you, Mr. President. Senator Mello brings up an interesting point, you know. The fiscal note is...you know, can fluctuate, is a moving target. But we are faced with a policy decision, and I think we can ask ourselves, you know, is this good policy? Maybe. Personally, I'm not quite sure. But again, every one of you had priority bills that are, as well, policy decisions. That's what we do in the Legislature. We make policy decisions. But we have to prioritize those policy decisions when it comes to money. Senator Crawford has a bill that would have...put government contracts on Nebraska.gov. Senator Dubas and Senator Hansen prioritized it. It is a bill to have a sales tax exemption for repair and replacement parts on tractors. That's a policy decision. Now we can argue over the policy decision, whether or not this is the right thing to do. But in the end, when we are considering that policy decision, you have to consider the fiscal note that accompanies that policy decision and compare that to the fiscal notes that we'll be making on other policy decisions as they move through the Legislature. And personally, to me, I have my own priorities that I would consider when looking at the budget and looking at the money that we have to spend, that this falls below those other policy decisions. Again, nothing necessarily to Senator Karpisek. I agree with him on...as...on General Affairs a lot. Would Senator Karpisek yield? [LB579]

SENATOR KRIST: Senator Karpisek, will you yield? [LB579]

SENATOR KARPISEK: Yes, I will. [LB579]

SENATOR LARSON: I just caught...I was in a conversation with another senator, and I just caught a little bit of what you and Senator Nelson were talking about. Did...and please correct me because, like I said, I just caught a bit of it. The focus is...I understand that it ensures six people to the Liquor Control Commission. But I thought I heard somewhat that the State Patrol lost federal funding for drug enforcement, and this kind of...this would bring the State Patrol a little more whole. That's kind of more the policy reason for this? [LB579]

SENATOR KARPISEK: Well, I don't know if that's the policy reason. They did lose 15. Why I brought it is I think that the Patrol is too low. So the bill did, in my opinion, have a twofold reason: to bring them a few more people and also to make sure that they don't get below six liquor control inspectors. [LB579]

SENATOR LARSON: Right. Thank you, Senator Karpisek. I'd like to say two things regarding that. Senator Karpisek talked about a floor, so they won't go below six. Well, we can put the floor--and I would disagree with the floor, and I'll talk about that next--but

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we can put the floor in LB579 without adding the new troopers. So LB579 could...if we wanted that as a policy--let's not spend any money but put the floor in--we could do that. Now I would disagree with that as well on the simple fact that I don't think we should be putting a floor in at all. Again, I think Senator Nelson just talked about it in terms of Appropriations, and Senator Mello...and I'll kind of use the analogy. Fiscal notes can be flexible. Budgets are going to be flexible. Economic times are going to be flexible and fluctuating. We don't know where we're going to be in five years, where we're going to be in six years. You put a floor at six, all of a sudden State Patrol, god forbid that they continue to lose or they continue to lose troopers,... [LB579]

SENATOR KRIST: One minute. [LB579]

SENATOR LARSON: ...all of a sudden they have this statutory floor of six that they can't drop below. But they have to cut troopers because we as a Legislature have made policy decisions, whether it's in the Appropriations Committee or the body as a whole, that they need to cut troopers but they can't cut it in this area because it's in statute. That offers no flexibility to us and no flexibility to the State Patrol. So I guess what I'm saying is twofold. One, we can have the policy, without the fiscal note, of a floor. But I would disagree with that policy as well because we have to have flexibility, we have to be able to fluctuate, we have to have the ability to make these decisions both as an Appropriations Committee and as...on the floor of the Legislature, to decide where our priorities are as a state, and putting this in statute is not necessarily the answer, in my opinion. And everything is a policy decision. That's what we get sent here to do. It's time we prioritize those policy decisions, when it comes to fiscal notes and money, and move forward. Thank you, Mr. President. [LB579]

SENATOR KRIST: Thank you, Senator Larson and Senator Karpisek. Senator Price, you are recognized. [LB579]

SENATOR PRICE: Thank you, Mr. President, and for your indulgence. Would Senator Karpisek yield to some more questions? [LB579]

SENATOR KRIST: Senator Karpisek, will you yield? [LB579]

SENATOR KARPISEK: Yes, I will. [LB579]

SENATOR PRICE: Thank you very much, Senator Karpisek. As we were talking before, I'd kind of like to get a scope and an idea of what do we...not just what do we gain but what do we lose when we don't do this because, you know, when we...I sat on General Affairs with you for a couple years. And I've talked with commissioners and there's a lot going on and we've had...we did a bill here recently, in the last few years, to...for the university. And we have more people out there, and we're trying to do a lot of the, I'll use the word, "policing" action but trying to check it. So can you describe for me if...what

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we lose as they pull away law enforcement officers? [LB579]

SENATOR KARPISEK: Well, we would have much less patrolling, as you said, or policing to go out and check these businesses. Another thing is it might increase the time to get a new license. Right now, we're right about the right time that is in statute that they have to get these turned around. But if we get too low, they won't be able to get out and do the inspections and the background checks and all those sort of things to get people in businesses. [LB579]

SENATOR PRICE: Okay. [LB579]

SENATOR KARPISEK: I think what we lose is just the oversight. [LB579]

SENATOR PRICE: Okay, I was trying to dig down to some numbers, like, how many permits do we have? How many citations are written? How many...how much time does maybe an officer have to take? I understand that...if they write a citation, do they have to go to the hearing that's held, like you would for a traffic ticket or something like that? Or do they need to go before the commission when there is an issue? [LB579]

SENATOR KARPISEK: I think, typically, yes, Senator Price. [LB579]

SENATOR PRICE: Okay, because I was just trying to understand, you know, the impact as we pull people away and we have a limited pool of... [LB579]

SENATOR KARPISEK: Okay. [LB579]

SENATOR PRICE: ...law enforcement officers to draw from. And it sounds like what you've said is we have a pool of nine that can be available but they're not always going to be available and, therefore, you wanted to put this floor under it because at some number we start regressing, I guess, and we're not actually doing what we intend to do when we have a Liquor Control Act. Is that kind of a close approximation? Well, being that it was, I thought I still had him. But without that, I'll tell you what, I'll yield the balance of my time, Mr. President, to Senator Karpisek if he would like it. [LB579]

SENATOR KRIST: Senator Karpisek, you're yielded two minutes. [LB579]

SENATOR KARPISEK: Thank you, Mr. President, and thank you, Senator Price, and thank you for the good questions. I guess you were paying attention when you were in General Affairs Committee, weren't you? I'll be darned. We need these people out there. These are state dollars, tax dollars, that are coming in. The alcohol industry creates \$30 million a year to bring into our General Fund, \$30 million. They have about a \$1 million budget at the Liquor Control Commission. That is pretty good return on investment. We need people out there to make sure that these establishments are,

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number one, getting their licenses when they need them so they can get open. You think maybe it's a little hectic when it's getting close to the first Husker game, people trying to get their new licenses? Yes, it is. [LB579]

SENATOR KRIST: One... [LB579]

SENATOR KARPISEK: I know it's also very hectic sometimes around Czech Days in Wilber,... [LB579]

SENATOR KRIST: One minute. [LB579]

SENATOR KARPISEK: ...someone trying to get a new license. They make sure they pay the excise taxes. They make sure that everything is going right. If there are complaints, which there are many complaints,...if anyone remembers, Senator Howard, Senior, had many issues in Omaha about alcohol being sold, people sitting outside, drinking. There are many issues, the Whiteclay issue. So as we think about this...and I've heard on the floor, well, this isn't very glamorous, I don't think it really raises to that point. Boy, I don't know. I hear a lot of it in General Affairs, where people are very concerned about underage drinking, drinking and driving, overserving, all those issues, so we need people out there. Thank you, Mr. President. [LB579]

SENATOR KRIST: Senator Karpisek, you are next in the queue. You can continue on your time. [LB579]

SENATOR KARPISEK: Is there anyone behind me? [LB579]

SENATOR KRIST: There is one: Senator Bloomfield. [LB579]

SENATOR KARPISEK: Thank you, Mr. President. I got...said most of what I wanted to say with Senator Price's time, but I again want to go over these numbers with you. In 1986, when the inspectors were moved from under the Liquor Control Commission over to the State Patrol, that was taking 12 of them over, there...and if we compare that to today, where we're doing it with roughly 9, there are 1,306 more annual licenses today. So, in 1986, each inspector would have had 345 licenses. Today they have 605 each--doubled, just about. In 1986, compared to today, there are 3,763 more special designated licenses. Those are the ones that if somebody is having a...catering a tailgate for a Husker game and they move their liquor permit from their bar to the tailgate. Back in 1986, 19 per investigator then. Today it's 443 per investigator. I can't do that kind of math in my head, but it's a lot more than double, 19 to 443. Those are the ones, too, that we want to make sure that people aren't being overserved, not serving minors, all of the things that we hear about every day in the General Affairs Committee. I could not agree with Senator Larson or Senator Mello more that there is the budget to consider. I haven't heard a whole lot of bills not make it on to second

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round because of a fiscal note. I have not heard that. I would like to get this bill to Select, and then it can stay and not do anything until we see what the budget is. I do think that this is very needed, but I do also understand that there might be more pressing issues and I'm okay with that. However, if we at some point have to drop below six liquor control investigators, who is going to be doing all this? Who is going to go out and make sure that everybody is doing things by the rules? Who is going to make sure that they're bringing in the \$30 million of taxes that we collect a year? We get this money; we have to police what we do. Again, there's many ways to do this. I don't want to micromanage the Nebraska State Patrol on liquor violations or liquor investigations. That's not what I'm trying to do at all. I'm trying to say, you need to have 6, I wish that you would have 10, I wish that you would have 15, however, if your budget keeps getting lower and lower and lower, I don't want you to ever go below 6 because we can't function in a professional manner like we need to, especially when we're bringing in \$30 million a year to our General Fund. We have a lot more issues going on than we did back in 1986, and every year is a little more. [LB579]

SENATOR KRIST: One minute. [LB579]

SENATOR KARPISEK: I am in favor of things like The Yard and the arena going in here in Lincoln, the arena in Omaha. Great venues, but they need to be watched. They need to be policed and patrolled. Those are the sort of reasons why we need to make sure that we still have these people there. And, as Senator Larson said, I don't want to just say, you have to have six of the guys that you have now...or, sorry, not guys, but troopers. I don't want to do that. That is micromanaging. That is taking six people away and not letting them do really anything else. I want to give them six new ones--they can decide who it is--to go out and do basically only...more...over half of their time liquor enforcement. Thank you, Mr. President. [LB579]

SENATOR KRIST: Thank you, Senator Karpisek. Senator Bloomfield, you're recognized. [LB579]

SENATOR BLOOMFIELD: Thank you, Mr. President. I rise again in support of AM1032, and I'm probably going to repeat some of what Senator Karpisek just said. If we don't put a floor under this and the Patrol gets cut down more, what's going to stop that local small bar from selling to the 15-year-olds? There's not going to be anybody there to look at them. Why not stick a few more dollars in the till? Send them out of there with a 12 pack. Shoot, they probably won't get drunk on the way home, run over anybody, or crash and be killed themselves. We don't need to inspect them. And this is coming from a man that hates expanded government--and that's what we're doing here; we're expanding by five--but we have to keep some inspections on the liquor people. We can't just unleash the retailer of the alcohol to his own devices. The nine we have now are doing a fine job as far as I can tell, but there's nothing says we're always going to have them. If the Patrol feels the need to do away with them, I believe they can, and at that

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point we're left with zero. I believe we need to put a floor under there so there is at least someone to go out and look around. Thank you. [LB579]

SENATOR KRIST: Thank you, Senator Bloomfield. Senator Schumacher, you are recognized. [LB579]

SENATOR SCHUMACHER: Thank you, Mr. Chairman, members of the body. I understand we may be getting close to some type of a compromise on this issue, and I certainly hope that's the case this evening. One thing that did underscore the issues that we are facing is that the Patrol is down on personnel and, so far, is doing a very good job of compensating by working the existing officers the best they can in order to cover the state. That's worrisome when our economic situation puts us in the position where we might be running low on help at the essential services that the Patrol provides to this state. And to the extent, somewhere along the line here, we can try to mitigate those losses of officers and try to make sure that we have a force that is at full force, or at least adequate force, to the extent we can do that, this body owes a responsibility to the state to do that. It does strike me at times that we probably do not need to have a fully uniformed officer, fully equipped for all kinds of violent interaction, to be doing our everyday liquor inspections and everyday compliance checks. And maybe this is one of the things that, over time, a partnership can be developed between the Liquor Commission and folks like the Department of Revenue inspectors that inspect the things like the sales tax enforcement, sales tax certificates, pickle card enforcement, things like that, to be able to share those inspections. There's no real need at times, it would seem to me, for an enforcement inspector to then be followed by the next few days with a fully equipped officer. We're getting these numbers down on this particular bill to a point where it probably isn't near as big an issue as it was when we were looking at 16 officers being hired or 15 officers, whatever the original number was and, with AM1032, we're down to 6 officers operating at maybe 51 percent of the time. So we're getting close, and hopefully the negotiations that are now going on, for which we're talking a little bit to provide some time for those negotiations and hopefully be fruitful, we will come up with a plan that is sensible and a plan that is good for the Patrol and good for the folks in the liquor enforcement business. Liquor enforcement probably takes on its major function as a revenue generator because the liquor taxes that are imposed are significant taxes that we have placed on the folks that are involved in the liquor business. And those are an ever-increasing group of people, whether they're in the individual bars or in grocery stores and 7-Eleven-type activities. So it's important that we're able to enforce those particular regulations so that we can collect the taxes that are due to the state and meet some of our budgetary needs without an overall tax increase. I think that this is something that we've got to deal with on an administrative level, and I believe that Senator Karpisek is trying to do his best in order to balance the interest of the Patrol and balance the interest of the liquor inspectors, keeping an orderly system there that generates the tax revenue to us. And hopefully we can come up with a commonsense solution and compromise in the next... [LB579]

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SENATOR KRIST: One minute. [LB579]

SENATOR SCHUMACHER: ...few minutes that will enable us to do what is necessary in this particular area. I think that we're at 5:07 now, and hopefully the time is coming close to the point where we're going to be able to look at a compromise situation that will be in everyone's best interest. Thank you, Mr. President. [LB579]

SENATOR KRIST: Thank you, Senator Schumacher. Senator Coash, you are recognized. [LB579]

SENATOR COASH: Thank you, Mr. President. Here's the challenge that we have here with regard to Senator Karpisek's bill that we're debating today. I've got a bill sitting in the Appropriations Committee that added a couple of troopers for a whole different purpose, which was enforcement of sex crimes involving children. And the real challenge is we weren't able to get testimony from the troopers on their ability to meet those needs. And to my knowledge, we've got the needs Senator Karpisek is bringing, we've got the needs that I've been bringing. But there are other law enforcement needs out there, and what we don't know is where our troop staffing levels are in relation to meeting those needs. So I have a thought, and I wonder if Senator Mello would yield? [LB579]

SENATOR KRIST: Senator Mello, will you yield to a question? [LB579]

SENATOR MELLO: Yes. [LB579]

SENATOR COASH: Thank you, Senator Mello. Senator Mello, on the Appropriations Committee, you've spent five years. Has the Appropriations Committee got a good handle on the law enforcement needs in relation to the troopers available to meet those? [LB579]

SENATOR MELLO: That's a good question, Senator Coash, and I would give you an answer of saying that every two years it's an ongoing issue within the committee in respects to what are the actual needs of the State Patrol in light of, over the last two biennial budgets, we've actually reduced the State Patrol work force due, in part, to attrition and vacancy savings they mete up for their budget cuts. [LB579]

SENATOR COASH: Thank you, Senator Mello. As Chair of the Appropriations Committee, would you be willing to work with the Judiciary Committee, who oversees a lot of the duties of the Patrol, Senator Karpisek, who looks at duties of the Patrol as they relate to liquor enforcement, and try to find, through a study, a way to get the Legislature's hands around, in a little bit smarter way, all of the needs that we have from our troopers, breaking it down into needs for liquor enforcement, needs for child sex

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crime enforcement, as my bill addressed, and other needs and try to compare those individually and collectively to the current troop levels so that we could maybe bring LB579 back next year and say, look, we've got our handle on this. And it's not just liquor enforcement, but we need to know...we'd have a better idea of where the troopers' needs are, and then the Legislature can make a decision on that as a whole, once we have that data. What are your thoughts on that, Senator Mello? [LB579]

SENATOR MELLO: Senator Coash, I have an open-door policy with all senators and all committees when it comes to looking at policy issues when it relates to fiscal policy, in respects to whether or not certain agencies are performing at certain levels, of whether or not their appropriation is meeting the needs in regards to what Nebraskans or what the Legislature expects from those agencies. And I think, with what you're describing here, obviously, myself and the committee members are aware of, obviously, the bill that you brought forward that tries to address the state troopers...the State Patrol's need in regards to continuing their division in regards to children's sex crimes. And in speaking with Senator Karpisek, I understand as well that the issue in regards to liquor enforcement also is a concern. So I think bringing people together to explore and discuss this issue further can only help the Legislature, can only help us determine what has been the impact over the last four years of budget reductions in the State Patrol in relationship to the declining number of state troopers in Nebraska and, ultimately, what are the public safety sacrifices that may have been made due to budget cuts... [LB579]

SENATOR KRIST: One minute. [LB579]

SENATOR MELLO: ...over the last four years and what can be done moving forward. [LB579]

SENATOR COASH: Thank you, Senator Mello. I think a more holistic approach is warranted on here because what Senator Karpisek is trying to do with this bill and what I tried to do with my bill is we're just nibbling around the edges and trying to address concerns that have been brought to us with regard to law enforcement. But there are more needs out there. And in my short time left I will tell you that, where I am, we may identify a very large list of needs and a very large number of troopers that are needed to meet those needs, however, that doesn't mean we'll be able to do it. But it should give us, at least, a way to prioritize and to understand the duties of the Patrol and how they all fit together. And I would compare it to the waiting list on developmental disabilities. We know that there are people who need it, but we do the best that we can, at the time that we can, to address those needs, and I think a similar approach to that is warranted. And for that reason, if Senator Karpisek will take his time, because I know I don't have any, to address this, maybe we can move this forward, let it sit on Select... [LB579]

SENATOR KRIST: Time, Senator. [LB579]

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SENATOR COASH: Thank you, Mr. President. [LB579]

SENATOR KRIST: Seeing no other lights on, Senator Karpisek, you are recognized to close on your amendment. [LB579]

SENATOR KARPISEK: Thank you, Mr. President and members of the body. Again, the amendment would take the number of troopers from ten to six, which would be one per troop. Again, I am concerned about dropping below that number if the State Patrol really gets in a bind. I feel that we have to have liquor control enforcement out there, doing these things. What I would ask the body to do is get to Select File, and we will talk about the things that Senator Coash talked about. And as I talk to Senator Coash, if, when we get to the budget, to the end, and there is room there, I would hope that we could try to move the bill. I said earlier on the mike, if there's not the money in the budget at the end of the year, I understand that. If that is the case, then over the interim, as Senator Coash said, we get together, try to look at the State Patrol holistically, and see what we need to do--my bill, his bill, maybe other areas that we're not even talking about here. But I do want to say that, if there is room in the budget, I will still try to move this bill later. I don't want anyone to think that I have said that I won't, but I will promise to get it to Select and hold it there until we can get a better read on the budget and see where we're at. So I know we have a few members gone, so I really would appreciate your green light on getting this to Select File, as we've done with other bills that are going to cost some money. And then, when we...it comes time to shake everything out, we can shake it out. Thank you, Mr. President. [LB579]

SENATOR KRIST: Thank you, Senator Karpisek. You have heard the closing. The question is, shall the amendment to LB579 be adopted? All those in favor vote aye; opposed vote nay. Have all those voted that wish to? Mr. Clerk, please record. [LB579]

CLERK: 28 ayes, 0 nays, Mr. President, on the adoption of Senator Karpisek's amendment. [LB579]

SENATOR KRIST: The amendment is adopted. [LB579]

CLERK: I have nothing further on the bill, Mr. President. [LB579]

SENATOR KRIST: Senator Coash, you are recognized. [LB579]

SENATOR COASH: Thank you, Mr. President. I've got to tell you, what I love about working with Senator Karpisek is he makes the record clear, and what he says he's going to do he does. And if you ever want to know where he is, you just have to ask him. But I think he's made the record clear. What he'd like to do is, if there's money at the end of the budget, he may push for that. And I want to make the record clear from my perspective, and I will let each member make their own decision. This is what I'm

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going to do. I'm willing to move, as amended, LB579 to Select File. My preference is that it sits there and it gives the Judiciary Committee, Senator Karpisek, and the Appropriations Committee time to do a needs assessment of law enforcement for the state of Nebraska. And when I say needs assessment, I don't mean liquor control needs. I mean all law enforcement needs related to the Patrol. Then we can come back...this is where I'm going to be. I won't vote to move it past Select File. I want any additional troops that we add, whether it's through LB579 or any other mechanism, to be reflective of that needs analysis. If there is money left over, I won't be where Senator Karpisek is because I want the money to go where the needs analysis would tell us. So that's where I am and that's where I'll be when we talk about this at the next round of debate, hopefully, that, in my opinion, should be next year, when we've had time to look at that. And with that, I will urge my colleagues to move LB579 to Select File. Thank you, Mr. President. [LB579]

SENATOR KRIST: Thank you, Senator Coash. Seeing no other lights on, Senator Karpisek, you are recognized to close on your...on LB579. [LB579]

SENATOR KARPISEK: Thank you, Mr. President and members of the body and Senator Coash, for saying that you just have to ask me. I don't think you probably need to usually even ask me to find out where I'm at. But I do try to make myself clear because I don't want someone coming back later, saying, oh, you said you'd do that--try to do that Senator Chambers voice--and not do it. So again, I would appreciate to move this to Select, wait until the budget gets more clear. I've talked to Senator Mello about that just now. We understand each other on that. I'm not going to come in pitching a fit if there's not enough money to get this moved, however, I would really like to move it, obviously. But if that is just not the case, I'd like to get it to Select. It can sit there over the interim. As Senator Coash said, we can do a study, look at the State Patrol as a whole. Again, I think they do a great job. I think they are very understaffed. I don't think that when I see cherries in my rear view mirror, but right now I do. So they need some help. I think that the liquor control aspect is very important. Every time that we hear about a teenager dying in a car wreck and it was someone who served them that shouldn't have, those sort of issues, we hear, wow, why didn't something happen, why weren't they better trained, why weren't they better served on all these things. Those are the times then that we wish that we had more people doing this job. I don't always like what they do on some of it. Some of it, I think, goes too far. I don't like almost...I don't like the stings. I don't like those sort of things. It's people doing business. But it's things that we have to do with a \$30 million industry a year, to the General Fund of the state, to make sure that it's healthy and that it's a good industry. And I think that we've come a long, long way in the now-seven years that I've been in the Legislature and on the committee. So I appreciate everyone's help and understanding on LB579, and I would appreciate a green vote to get this to Select File. Thank you, Mr. President. [LB579]

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SENATOR KRIST: Thank you, Senator Karpisek. You have heard the closing. The question is the advancement of LB579 to E&R Initial. All those in favor vote aye; opposed vote nay. Have all those voted that wish to? Record, Mr. Clerk. [LB579]

CLERK: 26 ayes, 1 nay, Mr. President, on the advancement of LB579. [LB579]

SENATOR KRIST: LB579 advances. Speaker Adams for an announcement. [LB579]

SPEAKER ADAMS: Thank you, Mr. President. Members, it was my original intention that we would work between 6:00 and 6:30. The next bill up, Senator Nordquist's bill, is potentially rather complex and will take some time. And I think we need a break, so we will come back to this tomorrow. Thank you, Mr. President.

SENATOR KRIST: Thank you, Speaker Adams, thank you. Mr. Clerk.

CLERK: Mr. President, one item. Senator Crawford would like to introduce LR153. That will be laid over. (Legislative Journal page 1014.) [LR153]

And I do have a priority motion. Senator Nelson would move to adjourn the body until Thursday morning, April 18, at 9:00 a.m.

SENATOR KRIST: You have heard the motion. All those in favor, aye. Opposed, nay. We are adjourned until tomorrow at 9:00.