[LB8 LB220 LB343 LB507]

The Committee on Health and Human Services met at 1:30 p.m. on Wednesday, February 20, 2013, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB8, LB220, LB343, and LB507. Senators present: Kathy Campbell, Chairperson; Bob Krist, Vice Chairperson; Tanya Cook; Sue Crawford; Mike Gloor; Sara Howard; and Dan Watermeier. Senators absent: None.

SENATOR CAMPBELL: Good afternoon, and I'd like to welcome you to the Health and Human Services public hearings this afternoon. Before I begin my usual procedures talk, I want to remind anyone who is looking at a bill for tomorrow that hearings tomorrow will be postponed. There will be no hearings in the Health and Human Services Committee nor any committee tomorrow afternoon due to the weather. Okay. I do not know when those hearings will be rescheduled, so you're going to have to kind of watch the legislative Web site. The Speaker will probably announce those. I would surmise that those hearings will move to a morning, someday, a morning time slot. I want to introduce myself. I'm Kathy Campbell and I serve the 25th Legislative District. And before we have the senators introduce themselves, just some procedures to go over. If you're planning to testify today, you need one of the orange sheets which is located on either side. Please print as legibly as you can. When you come forward, you can give them to the clerk, Diane Johnson, at my far left. And any handouts that you have you can also give to Diane and she and the pages will make sure they are distributed. If you just want to leave a comment but you're not planning to testify, you can also leave a comment on any of the white sheets that's located on either side. As you come forward and sit down, we will ask you to state your name for the record and spell it so that the people in the transcribers office as they listen can hear the correct spelling of your name. So we need it both written and spoken. We do use the light system in the Health Committee. You'll start out with five minutes, and it will be green for what you think...I'm doing swell because it'll be green for four minutes; and then it will go to yellow, and you only have a minute left. And when it goes to red, we'd ask that you wrap up so that the first testifier today has as much time as the person who's going to come at the very last in the last hearing. We'll do introductions and I'll start on my far right, Senator.

SENATOR WATERMEIER: Dan Watermeier from Syracuse.

SENATOR COOK: I'm Tanya Cook from 13 in Omaha and Douglas County.

MICHELLE CHAFFEE: I'm Michelle Chaffee. I serve as legal counsel for the committee.

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

SENATOR CRAWFORD: Good afternoon. Sue Crawford, District 45, that's eastern

Sarpy County, Bellevue, Offutt.

DIANE JOHNSON: And I'm Diane Johnson, the committee clerk.

SENATOR CAMPBELL: And the pages are Deven and Kaitlyn, and if you have any questions or need assistance they'll be glad to help you. Senator Howard is opening on a bill in Judiciary and so will return to the committee when she is finished there. So we'll open our first hearing today, Senator Krist's bill, LB8, to provide for coverage of children's day services under Medicaid and social services. Glad to have you. [LB8]

SENATOR KRIST: And I'm Bob Krist from District 10. Thank you. [LB8]

SENATOR CAMPBELL: Excellent. Thank you. [LB8]

SENATOR KRIST: (Exhibit 1) Good afternoon, Senator Campbell and fellow members of the Health and Human Services Committee. For the record, my name is Bob Krist, B-o-b K-r-i-s-t, and I represent the 10th Legislative District in northwest Omaha, along with north central portion of Douglas County which includes the city of Bennington. I appear before you today in introduction and support of LB8. I bring LB8 to you today for two reasons. One reason is that as a parent of a beautiful special-needs daughter, my wife and I are acutely aware of the importance to parents of the care and services provided by the Children's Respite Care Center and their importance to the children themselves as well as the parents. Children's Respite Care came about in a manner that speaks the best of our society and about its founder, Terri Fitzgerald. As Terri will tell you today, some years back she saw a great unmet need for a service that did not exist at the time, so she created it. And parents here today will tell you of the critical role of the Children's Respite Care Center in their lives and their family's lives. The other reason I'm bringing this bill is that I am at a loss to understand the convoluted manner in which CRCC is reimbursed by the Department of Health and Human Services Division of Medicaid and Long-Term Care. There are those here today who do not understand the veritable rat's nest of reimbursement they are forced to operate under and will attempt to explain that to you. All I can say is that I hope that you can relate to it better than I can. But in any case, this is no way to run a railroad or to reimburse a vital community service to children with disabilities with families...in their families. You'll probably hear also what a task it would be to straighten out the present "Rube" Goldberg reimbursement method and replace it with a unified and understandable rate. But I would submit that the difficulty of this process or the work involved is not a legitimate reason for the Legislature not to direct that it be undertaken, and LB8 does that. If making sense of this present situation requires new regulations, new practices, and/or a Medicaid waiver, that is after all what we pay our DHHS to do. Other states have found it possible to be imaginative and creative enough to take on the task of establishing children's day-care services as a service in the Medicaid program and to reimburse them in a way that at least makes sense. I'll be very surprised if you hear

today that the children's day health services are not needed and important. What you will hear from DHHS is that they don't fit neatly into any of our present little boxes. Thank you, and I'd be happy to take any questions. I would note for you that I have handed out a late disclosure which is the state of Florida that does a wonderful job of providing just these very services. And I'd also like to apologize to those who have given me this bill, brought this bill to me, and those who will be testifying, but I'm up in Revenue very quickly, so I'll have to depart. I'm hoping to make it back for closing. [LB8]

SENATOR CAMPBELL: Okay. Thank you, Senator Krist. Any questions? We certainly know where to find you, so... [LB8]

SENATOR KRIST: Thank you. [LB8]

SENATOR CAMPBELL: ...if the committee has questions. Thank you. How many people plan to testify in favor of this bill? One, two, three, four. Okay. And how many in opposition? And how many in a neutral position? Okay. Thank you very much. We will start with our first proponent. Welcome. [LB8]

THERESA FITZGERALD: Hi. Thank you. [LB8]

SENATOR CAMPBELL: Yeah, I know. It's kind of a shock, isn't it? [LB8]

THERESA FITZGERALD: (Exhibit 2) Theresa Fitzgerald, T-h-e-r-e-s-a F-i-t-z-g-e-r-a-l-d. Thank you very much for your attention today and allowing me to speak. I'm testifying in support of LB8. And I thought it was...it'd be helpful for the committee to learn a little history about Children's Respite Care Center, CRCC, the first of only two children's day health services in the state. And I think to understand what we saw out there that motivated me to create an organization with these services, it's important to understand my journey to this room today. My journey began as an educator of many classes of fifth grade students. I think a career destined since I understood and appreciated the impact my fifth grade teacher, Sister Mary Robert--I still remember her name--had on our lives. It was during my teaching career that I also observed many children with extraordinary challenges who didn't have any options for the specialized services and the supports that they needed and deserved to be the best they could be. I believed we, as a community, could do better. So in 1988, the business degree complete, the Nebraska work ethic, and an entrepreneurial spirit, my sister and I set out to do something about it. We really wanted to fill that need for the specialized services for children with medical, cognitive, and behavioral impairments. So let's say a kiddo has a cognitive impairment and it requires feeding tube, central line care, physical therapy, and care while the parents work. All of those services are coordinated by the different disciplines in one location. And (inaudible) research validated that as medical technology has improved the ability to sustain life earlier and earlier at gestational stages, the number of special-needs and chronically-ill children increased. But the

advances in social services haven't always been coincidental to those advances in technology. So, consequently, there's a growing population of people whose needs were not being met. And you add to that the conditions outside of premature birth, plus the preventable consequences of abuse and neglect, and that population increases even more. In the 22 years since we've started, we haven't witnessed a decrease. So we envisioned a place with services that habilitate to the child's maximum functional capabilities and would be able to sustain their medical issues. We wanted it to support the family to provide the care for and to help maintain that child in the home. We wanted providers and caregivers to...we wanted them to have the ability to sustain meaningful employment. And we also wanted to help preserve and strengthen the family unit. So we envisioned a place where nurses don't wear white, and our teachers work with the schools, where integrating typical kids as peer models is seen as a strength for our program, and where a philosophy of preserving dignity and listening to the family's needs would be paramount. So in the two years it took to open the center, we kind of chipped away at the community's lack of awareness. And we met with HHS staff, physicians, hospital administrators, parents, donors, support groups, and then we visited a few places we could find across the country that served this population, and we filed away the good things and then we discarded the rest. So finally in November of 1990, we opened our first center with one program--day services. Now because of our uniqueness, there was no category, no box, we fit into. Fortunately, we did meet with two HHS resource specialists with the vision to understand what we were trying to do and the importance for the children of Nebraska. So even though our level of services were higher, contracts and funding sources were limited to existing boxes. So we began with a special childcare contract and as a nursing provider with Medicaid. We've since then have opened a second location, and we serve about 170 kids a month. We still struggle with people's misconception of the word respite in our name. We named our organization before the state of Nebraska officially defined the term. Respite means relief, and relief means different things to different people. For some, it means peace of mind knowing my child is being cared while I work. For others, it might be just a short break from continuous care requirements. So the majority of kids that we serve utilize our center's 40-plus hours a week. So we decided to seek the health-service category for few reasons: several years of being overlooked for provider increases when other health providers were receiving them; lack of validity of our services after a cost-benefit analysis showed a huge cost savings to the state was summarily dismissed by the department; and escalating costs of providing these services. Legislation was approved in 2010, regulations were developed, and we became the first CDHS in the state. CRCC exists 21 years later because there's a very real need. And the work we do will, sadly, always be needed in one form or another. So I began my teaching career teaching children, and now the journey has come full circle. These kids teach me more than I teach them. They teach me resilience. They teach me perseverance. They teach me patience, and they teach me resourcefulness. So they're just amazing kids. Thank you. [LB8]

SENATOR CAMPBELL: Thank you. Questions from the senators? Ms. Fitzgerald, could you tell me how many children you have at the center? [LB8]

THERESA FITZGERALD: One hundred seventy a month, but we serve close to two hundred and...or three hundred, probably closer to three hundred in a year. [LB8]

SENATOR CAMPBELL: Oh, okay. So that they are staying with you for about six months or... [LB8]

THERESA FITZGERALD: Some. I'd say about 40 percent of our kids after the services and the therapies and they improve, then they're transitioned to an environment that best suits their needs. [LB8]

SENATOR CAMPBELL: Okay. [LB8]

THERESA FITZGERALD: But I would say 60 percent of those kids will stay with us till they're 21. [LB8]

SENATOR CAMPBELL: Okay. So on the medical model, is this augmented by what parents pay? Do you have pay... [LB8]

THERESA FITZGERALD: We do have a category charity care and private pay, but it's with the level of service and the professionalism. Most people on their own could not afford it, so we do subsidize those who do not have any other supports. [LB8]

SENATOR CAMPBELL: Okay. And do you subsidize them through donations... [LB8]

THERESA FITZGERALD: Um-hum. [LB8]

SENATOR CAMPBELL: ...through donors? [LB8]

THERESA FITZGERALD: Yes. [LB8]

SENATOR CAMPBELL: Okay. Other questions from the senators? Thank you for the history. That was very helpful. [LB8]

THERESA FITZGERALD: Thank you. [LB8]

SENATOR CAMPBELL: Our next proponent. I think they're all on this side of the room, but...good afternoon. [LB8]

AMBER HAFER: (Exhibit 3) Good afternoon. I'm Amber Hafer, H-a-f-e-r, mother of Taylor Holzapfel, and I'm here in support of LB8. I'm the parent of a child with significant

special needs. My son Taylor had encephalitis, an infection of the brain tissue, as an infant. As a result, he has suffered uncontrolled seizures since he was six months of age. He's on multiple medications for various reasons, four of which currently relate to seizure treatment. Taylor underwent surgery three years ago to implant a vagal nerve stimulator, or VNS device, which is used for seizure treatment. He has suffered numerous falls, contusions, and broken bones as a result of seizure activity. Taylor wears a protective helmet to reduce the risk of serious head injury which could result from seizure-related falls. Taylor has also been classified as failure to thrive, meaning on his own he has not been able to maintain a healthy body mass. Last year, he underwent surgery to have a G-button placed in his stomach. He is now primarily tube fed with nutritional supplements through his button as the amount of oral nutrition he intakes is not sufficient. We also administer medications through his button to ensure he's receiving all his medications and his levels stay within the appropriate therapeutic range. The damage inflicted on Taylor's brain by encephalitis has severely impacted his development. Taylor is currently nine years old, but functions at the level of an 18 to 24 month old. He is nonverbal and unable to communicate through sign language, picture cards, or any of the other various methods we have tried over the years. It seems the damage done to the language center of Taylor's brain was significant, and communication is a major developmental hurdle we still hope to overcome some day. Taylor is also autistic, displaying many of the classic symptoms of autism such as behavioral issues, tantrums, lack of social skills, and repetitive behaviors in an effort to self-simulate. Taylor is 100 percent reliant upon his caretakers for all of his needs. He is still in diapers as we have been working on potty training for several years and have never given up hope that he will learn this skill. He is unable to dress, feed, or bathe himself. He requires constant supervision and assistance from skilled caregivers or close family members. Taylor has attended Children's Respite Care Center for several years. Because of his comprehensive medical and developmental care needs, it is crucial he receives day care in an environment where there are nursing staff and other skilled caregivers present. While at respite care, the nursing staff administer Taylor's tube feedings and monitor and treat his seizure activity. Taylor has a magnet that is used to activate his vagal nerve stimulator if he suffers from a seizure. The staff at CRCC are able to recognize, monitor, and treat his seizure activity through the use of his magnet or administer a dose of Valium to stop seizure activity that continues for longer than a few minutes. The information they provide back to our family assists Taylor's physician's in determining the correct neurological therapies for Taylor's treatment. In addition to his medical needs, Taylor also requires specialized care for his developmental and behavioral issues. All 18- to 24-month-old children require constant supervision. The behavior you would expect from a young toddler is the same you would see in my son. If you can imagine these behaviors exhibited by a nine-year-old body, it's easy to understand the dangers and challenges we are constantly faced with. He needs caregivers who understand the potential for dangerous and harmful situations Taylor can easily be exposed to. He enjoys throwing objects, but doesn't understand how this can hurt himself or others. He likes kicking and hitting but doesn't understand

why he can kick a ball outside but not a chair across the room inside. He enjoys the stimulation of spinning objects, but doesn't understand the danger of spinning a pencil around on the table. Attending CRCC allows us the comfort of knowing there are staff always present who are aware of the potential for harm where others may not see it. They help us carry consistency from home to day care to school and back so that Taylor's attention is directed away from unsafe behaviors and directed towards safe and productive play instead. Taylor's attendance at CRCC has provided us a network of people who understand our situation and have the common goal of providing the best possible life experience for children like my son. Through CRCC, we have the comfort of a safe and caring environment for Taylor. They have experienced nursing staff and caregivers who help us find solutions to the challenges of raising a child with special needs. There are other parents to share problems, information, or sometimes a much needed laugh with. Through their summer program, Taylor gets to experience activities others may take for granted, like going horseback riding or playing at an indoor soccer complex. Without the services of respite care, these may be things he would never have the opportunity to otherwise experience. Without the services of CRCC, and they've been jeopardized several times, we would be faced with some very difficult and heartbreaking decisions. I'm not aware of any other day care options for Taylor that would provide the level of care, transportation, and support that he requires. If we didn't have respite care as an option, I would be forced to quit my full-time job of ten years so that I could stay home to care for him and transport him back and forth to school. This would be completely devastating to our family, resulting in the loss of our home, a vehicle, our sense of security, and stability. It's difficult to imagine how we would function. The needs of our child are comprehensive and long term. The harsh reality is that he will be reliant upon others for care for the rest of his life. The support system of respite care providers, specialized programs at school, and a network of parents and professionals we've built makes it possible for us to keep Taylor living in our home and under our care. He's an amazing child who faces challenges and dangers that most people will never have to consider. As bleak as our situation may seem at times, we continue to have hope and experience small, slow periods of progress. This would not be possible without the support and services of the professionals in Taylor's life. Children's Respite Care Center is a major factor in not only Taylor's life, but our whole family's as well. I encourage you to support LB8 so that families in our situation have the sense of security knowing we can entrust the care of our children to skilled and caring providers, have the opportunity to pursue careers, and provide homes for our families; and maintain a sense of stability and feeling of hope in our lives. [LB8]

SENATOR CAMPBELL: Questions for Ms. Hafer? Any questions? Thank you, Ms. Hafer... [LB8]

AMBER HAFER: Thank you. [LB8]

SENATOR CAMPBELL: ...and particularly for sharing your life story with your son.

Thank you. [LB8]

AMBER HAFER: Thank you. [LB8]

SENATOR CAMPBELL: Our next proponent. Good afternoon. [LB8]

JEANEE WEISS: (Exhibit 4) Hello. Good afternoon. My name is Jeanee Weiss, and it's J-e-a-n-e-e, Weiss, W-e-i-s-s, and I'm here to support LB8. I wanted to first take an opportunity to thank you for providing this forum for me to support LB8. For over a year, my daughter, Rowen, has been providing or attending CRCC, Children's Respite Care Center in Omaha, Nebraska, and has benefited from their many supports and services. CRCC is a children's day health service facility. On June 22, 2011, Rowen made her appearance into this world seven weeks early. Prior to her birth, through an ultrasound that was performed at week 24, my husband and I learned that Rowen had a birth defect with her small intestine. However, we were unsure how impaired her intestinal system would be until the day she was born. They were to perform a surgery to explore her intestines. So early in the morning of June 22 as we prepared for Rowen's birth and the surgeons were on call, weighing in at 3 pounds and 14 ounces, she was...found herself on a surgery table when she was less than two hours old. Once the operation began and they began to explore her intestines and determine the extent of the birth defect, they soon discovered that she also had multiple birth defects in regards to her internal organs. One of the most life-threatening birth defects affected her airway, her trachea. It had formed in a way that it was extremely narrow, but was also constructed in a way that it was not going to grow with her as she grew. So as she grew and gained weight, her airway would continue to be very small, and she would continue to struggle to breathe. Through a whirlwind of visits to the NICU at Children's Hospital, in conversations with specialists, four days later she was life flighted from Omaha to Cincinnati Children's Hospital for a lifesaving surgery. Over the next three months, she and myself lived in Cincinnati as she went through the reconstructive surgery and the following rehab. Upon release from Cincinnati, Rowen returned back to Children's Hospital and resumed a stay at the NICU where she then had further surgeries on her intestines that had been halted due to the airway concerns. Fortunately, all of her surgeries were successful with very few setbacks. She stayed in extended...she had an extended stay of a total of five months in the NICU. But due to the fact that she had been in NICU for so long and had been unable to swallow feed during that time, she lost her swallow reflex. She also had been confined to her crib for five months and had not been able to go beyond five feet of her crib for the first five months of her life due to all the monitors, etcetera, that were connected to her. Due to these pieces, she experienced severe developmental delays. Rowen lost not only the ability to feed, but often much of the muscle formation strength that babies experience as they feed, she's lost that, so she has difficulty with forming words, making sounds, etcetera. She also was unable to perform daily tasks such as sitting, lying, or rolling onto her tummy. She lost...or was lagging in her fine motor skills because babies often learn their fine motor

skills through picking up small pieces of food. But because she wasn't feeding, she wasn't doing that. So she had difficulty grasping objects, manipulating objects, etcetera. So given the complex care and daily...that was needed daily by...once released, we found Children's Respite Care. Under their watchful eyes and careful professional development, Rowen provided...was provided physical therapy, occupational therapy, speech therapy, and skilled nursing care that is needed to this day. Without their coordination of services provided by CRCC, I would be unable to maintain my full-time job as it would be spent shuttling Rowen from therapy to therapy. Therefore, the comfort of knowing my daughter's needs are met in an environment that's supportive of her physically, emotionally, and cognitively allows me to go to work every morning with the confidence that CRCC will be instrumentally ensuring that she will have a healthy and productive life. I am glad to report that Rowen, at 19 months of age, finally took her first steps just a couple of weeks ago during the Super Bowl. She's also graduated from physical...or, I'm sorry, from occupational therapy, and now takes small amounts of food and liquid by mouth. She continues to lag with verbal skills, but has been taught sign language through the CRCC staff and communicates that way. So we...so those are services she will continue to require for swallowing and language as well as their skilled nursing services, as any time she gets a cold or sinus infection or respiratory illness, it quickly often results in her being in the hospital due to the after-effects of the reconstructive surgery. My husband and I are very grateful to the care and the love CRCC provides Rowen on a daily basis. Without their continued education and support, Rowen would not be the happy, energetic, curious girl she is today. Therefore, I urge you to please move LB8 out of committee and advocate for financial support of the state's children's day health services. Thank you for your time. [LB8]

SENATOR CAMPBELL: Okay. Any questions for Ms. Weiss? Thank you very much for coming... [LB8]

JEANEE WEISS: Thank you. [LB8]

SENATOR CAMPBELL: ...and providing your story. Our next proponent. I just will warn you all how fast your five minutes go. (Laughter) Good afternoon. [LB8]

LINDA SHADOIN: (Exhibit 5) Good afternoon. Thank you for letting me testify. My name is Linda Shadoin, spelled L-i-n-d-a, and Shadoin, S-h-a-d-o-i-n, and I am here also to speak in support of LB8. I am the director of operations for Children's Respite Care Center, and I've been with the organization for the last 11 years; and I've had the privilege of serving families with comprehensive and complex healthcare needs, therapeutic needs, and behavioral health needs, much like the stories you've heard about from the two families, brave family members, who spoke here today. I'm going to try to be as succinct as possible, and I provided some handouts to explain what Senator Krist has said is a convoluted sort of system for funding, and try to bring out the salient points for why we need this funding. Children's Respite Care Center currently has two

locations in Omaha, both licensed as children day health services. In 2012, we served 232 children with special needs through the children's day health service that met that criteria at the combined locations. We serve more children, but they don't meet that specific criteria. To give you an idea of the complexity and extensive needs of the population, I included a list of the diagnoses and medical conditions of the children today who are currently being treated by one of our two locations in CDHS. That's the first handout that you'll see. This is just the kids that we currently have, and a list of their diagnoses. We don't expect that you will be able to read this, but this is just how complex the situations are of the kids that come to our care. So this list comprises 160 kids who are...actively have a plan of care, either behavioral health plan of care, a nursing plan of care, a therapeutic plan of care, and often those are...it's a comprehensive plan of care, all of those plans of care integrated together and coordinated; and not only coordinated with that, but coordinated without outside services as well: with the schools, with their primary providers, and then with the specialists with the families...the patients are working with, the clients are working with. So this list conveys why our organization needs the children's day health services category. The care required to treat these children so that they might achieve or maintain maximum health outcomes and developmental progress while staying in the least restrictive setting, their homes, which is our ultimate goal; or in some cases their substitute home, which is a foster care home or an adoptive home oftentimes specialized for a child with special needs...that it takes a lot of coordination and expertise, more than just a skilled nursing service alone. But our goal is to keep the children in their homes and so that the parents can handle the stresses and maintain their child for as long as they can in their home and help the children developmentally progress as much as they can. The ultimate goal is what we'd love for every child is for them to be able to graduate out of their need for our service at all, but that's not always possible. Like you heard in the story for Taylor. Taylor is likely to be a long-term client needing services. In a typical day, I'm going to explain just what a children's day health services might provide, our regular staff might provide some additional things besides the skilled nursing services. They're going to provide life skills training, positive behavioral supports, crisis intervention, toilet training, diaper changing, assistance with daily activities, safety monitoring, donning and docking of braces, orthotics, or other supportive devices, feeding. And when we're talking feeding, there's multiple ways to feed a child--through a tube, through the belly, through the nose, supplementing very carefully through the mouth. There's different forms of liquid and different forms of textures of food that a child may take. Then we're going to reinforce communication through many ways that they might communicate: through sign language, picture exchange systems, even iPads are a wonderful form of communication. And then we're going to try to interpret the communication that they're giving to us oftentimes through a tantrum and trying to understand what that means. The CDHS category provides validation of the complexity of the services we offer and allows and provides regulatory oversight to ensure standards and scope of practice guidelines are followed. The CDHS designation is a fantastic match to our services. The next thing that you'll see as a

handout is our current license of a CDHS. This is for one of our centers. And if you look over to the far right, it lists all the things we are licensed to do. It's beyond just nursing services; it also includes the therapy services, intravenous therapy services, personal care aids, transportation services, and mental health services is also in that category as well. Currently we receive funding for different parts of these services in bits and pieces from a variety of different sources. You have a handout that tries to simplify the various funds the clients at CRCC might access to pay for just one part of their service, but we have to piecemeal it together. And the administrative cost to try to pull that all together and help each family figure out what they may or may not be qualified for is extremely daunting and extremely expensive alone. Right now, there's a T-code in which we're reimbursed in Medicaid, and that's very problematic for the managed-care organizations that often approve this. And that's one of the problems that we have right now is the confusion in getting reimbursed because they can interpret it in many different ways. Our funding entity interprets it very inconsistently. And then there's our whole level of service that's not even covered under there. Our mental health services: there's no way for our mental health services to be covered under this T-code right now, but yet we're regulated to provide a licensed-level of care with the supervision and professional license persons to do so. [LB8]

SENATOR CAMPBELL: And I'm going to stop you there. [LB8]

LINDA SHADOIN: Okay. [LB8]

SENATOR CAMPBELL: Are there any questions from the senators? [LB8]

SENATOR KRIST: Can you (inaudible)? [LB8]

SENATOR CAMPBELL: Can I...oh, go right ahead. [LB8]

SENATOR KRIST: Can you explain... [LB8]

SENATOR CAMPBELL: Can you give us a little explanation of this? [LB8]

LINDA SHADOIN: Sure. This just gives you an idea of the children who attend children's day health services, that they...the different funding sources that they might tap into for their nurse care needs throughout...now there is one category here, the children's waiver, and that is under the DD services, and that covers habilitative day-care services. And then there's Title XX that covers specialized day-care services for special-needs children. And then there's Medicaid. And so each one has a different way that it's going to pay for a piece of one of these services on the license. Some of it's going to be skilled nursing services, some of it's going to be specialized day care, but none of it's going to take in the comprehensive services that are required by each of these funders and expected by the funders in order to even get the authorizations to

continue. In order to get a reauthorization, we have to provide proof that we're...have a comprehensive care plan and that that service isn't being provided by the school system and that we're coordinating with the schools systems and the doctors, so. [LB8]

SENATOR CAMPBELL: Thank you. That helps. Senator Howard. [LB8]

SENATOR HOWARD: Thank you, Chairwoman Campbell. And thank you for your testimony. Do you assist families with enrollment in these programs? [LB8]

LINDA SHADOIN: Oh, absolutely, yes. [LB8]

SENATOR HOWARD: Okay. [LB8]

LINDA SHADOIN: That's a good piece of our administrative overhead is the time it takes. [LB8]

SENATOR HOWARD: Okay. Thank you. [LB8]

SENATOR CAMPBELL: Any other questions? Senator Crawford. [LB8]

SENATOR CRAWFORD: You mentioned a comprehensive care plan. Now is that required by one of these funders or is that required for your license? [LB8]

LINDA SHADOIN: It's required by the license now. [LB8]

SENATOR CRAWFORD: Okay. [LB8]

LINDA SHADOIN: But it is also required by Medicaid and has been required by Medicaid, but it's required by almost all of these funders in order to get their piece of their dollar. [LB8]

SENATOR CRAWFORD: And then you mentioned that...so mental healthcare is not in this pie. Is that what you're telling us? [LB8]

LINDA SHADOIN: Right. [LB8]

SENATOR CRAWFORD: But it's required on your comprehensive plan for licensure but it's not provided by any of these funders here. [LB8]

LINDA SHADOIN: Yes. Prior to this, we were providing behavioral supports programs and behavior management because like the story of Taylor, he would have behaviors that might cause problems. And so we would introduce that. Well, when the children's day health service regulations came about, mental health services were added in there

and there was the whole level of mental health supervision, a licensed mental health practitioner, and a supervising practitioner. So that brought it up now to the level of many day programs, day treatment service programs in the mental health area. So we're licensed to achieve those levels and have treatment plans to that level, but we're not reimbursed at all. [LB8]

SENATOR CAMPBELL: Okay. Any other follow-up questions? Thank you very much for the information and your charts. [LB8]

LINDA SHADOIN: All right. Thank you for your time. [LB8]

SENATOR CAMPBELL: Our next proponent. Good afternoon. [LB8]

BRIAN ALLISON: (Exhibit 6) Good afternoon. Senator Campbell, members of the committee, my name is Brian Allison, B-r-i-a-n A-l-l-i-s-o-n, and I'm here today representing Children's Hospital and Medical Center in support of LB8. Throughout our region, there are a number of medically-fragile children who require around-the-clock attention. Many families try to sustain this level of care by themselves and turn to private-duty nursing for assistance. While in-home nursing has been a good option, the demand for these services continue to outpace the supply of available personnel. This means that many families must face an agonizing decision about whether to continue to provide care by themselves or, oftentimes, institutionalize their children in extended-care facilities while waiting for private-duty nursing services to become available. The former decision taxes already stretched-thin family resources, while the latter removes children from the nursing care and support and development that only parents, siblings, and peers can provide. In response to the needs of such families, Children's Home Healthcare introduced Children's World to provide specialized care for infants and children with disabilities and/or developmental delays, including orthopedic, neurological, respiratory, cardiac, and gastrointestinal disorders. The center is staffed by registered and licensed nurses, trained childcare providers, and activity therapists. The center, which opened in September 2002, is a licensed childcare and respite care facility under the Nebraska Department of Health and Human Services and is open seven days a week. Care is provided based on authorization from payer source for covering parent's work time, sleep time, and respite time. For many of our families, this care will mean that a parent can reenter the work force and provide for their family's financial needs. For others, it will mean that their children will get the necessary medical care so that the parents can get adequate rest in preparation for another day of home-based care. Such was the example of Ethan from Stuart, Nebraska. While Ethan's mom and private-duty nurses provided excellent care to him each week for his complex heart condition, she found nursing coverage unavailable on weekends. As a single mom of two other children, she longed for relief of Ethan's complex needs on weekends and would load Ethan and his medical equipment in the car on Friday afternoon and drive from Stuart to Omaha so Ethan could attend Children's World for

the weekend, returning on Sunday evening, logging 870 miles a weekend for these necessary supports. As in another example, on a summer night in June, Miguel placed his then-two-year-old son Jesse into the front seat of his pickup truck unrestrained. But that wasn't the worst of it. Jesse's father was intoxicated and crashed the pickup moments later at the intersection of 12th and Douglas in Omaha, critically injuring Jesse. Jesse's broken vertebrae would lead to partial paralysis and Jesse unable to walk again. Jesse's mom feared losing her job if she assumed total responsibility for Jesse's care. She says that if it weren't for Children's World that could care for his medical conditions, she was not sure what other options she would have. Today, Jesse is about to turn seven and has attended Children's World daily since his accident five years ago and is now attending school. Children's World currently provides approximately 4,000 hours of care each month to over 60 children in our region. Over the past year, our center has worked extremely hard to meet the requirements of the new children's day health service regulation without any assurances of adequate reimbursement that will cover the necessary and reasonable costs for providing such services. To this end, our program ended our fiscal year with a $583,000 loss. It simply isn't reasonable that providers sustain such losses long term in the provision of their services to vulnerable populations, and certainly a population that could otherwise likely be institutionalized. I testify before you today as a voice to the children and families like Ethan and like Jesse and ask you to carefully consider pursuits such as ours in providing the best experience for care of children throughout Nebraska. Thank you for your consideration and for your service to the state. I'm happy to answer any questions you may have. [LB8]

SENATOR CAMPBELL: Thank you, Mr. Allison. Questions from the senators? Senator Gloor. [LB8]

SENATOR GLOOR: Thank you, Senator Campbell, and thank you, Mr. Allison. I have a question for you. What are by definition necessary and reasonable costs? [LB8]

BRIAN ALLISON: Well, as previous testimony shared with you, necessary and reasonable cost would be our personnel costs which don't only include the nursing care, but the care provided by activity therapists, by childcare partners, by administrative staff that are supporting the program. Other reasonable costs are just in the operation of the facility; the activities that are provided at the facility; transportation costs related to some of those programs. There are a number of costs that go into running a medically-fragile day-care facility such as ours and Children's Respite Care Center. [LB8]

SENATOR GLOOR: How about kitchen facilities, capital expenditures for equipment that has to be purchased? [LB8]

BRIAN ALLISON: Absolutely, absolutely. We do provide meals for when children are in attendance at the center, and those facilities have to meet all of the state standards

under the food code. [LB8]

SENATOR GLOOR: How do we, from facility to facility, make determinations upon what appropriate costs are? Or is it just whatever it costs to run any facility that provides those expenses should be considered covered costs? [LB8]

BRIAN ALLISON: I think if you mirrored Children's Respite Care Center with Children's World, which we're the only two programs in the state that are licensed for this type of service, I think if you mirror those costs together they would be very similar in nature because of the type of services that we're providing. So I think that those programs would be able to give you a good base line of the costs that it...those programs incur in operating the service. [LB8]

SENATOR GLOOR: Well, you know, and some of this is to point out the predicament in talking about necessary and reasonable costs. If there's a difference between the two, do we split the difference? Do we pick the lower one? Do we pick the higher one? And are those costs going to be the same for a larger facility that gets established versus a smaller facility that gets established? I mean, if there are efficiencies in size, it may be that one that operates with half the children that are currently seen may have even higher costs just because they don't get the efficiencies of...that come from staffing and purchasing contracts and so on. I mean, if we pass this as a law, somebody is challenged to come up with a definition of necessary and reasonable cost. And that's what I'm trying to understand is, is it whatever people say when they operate their facility or is there any guidance that people are going to give us? And since you've got executive responsibilities, looking for some guidance from you about how we can define costs associated with such a facility. [LB8]

BRIAN ALLISON: And I'm happy to look into that and to provide you some more information as a follow up. [LB8]

SENATOR GLOOR: Okay. Thank you. [LB8]

SENATOR CAMPBELL: Other questions? Thank you, Mr. Allison, very much. [LB8]

BRIAN ALLISON: Thank you. [LB8]

SENATOR CAMPBELL: Our next proponent. Okay. Those who have come to testify in opposition to LB8. Good afternoon. [LB8]

VIVIANNE CHAUMONT: (Exhibit 7) Good afternoon, Senator Campbell and members of the Health and Human Services Committee. My name is Vivianne Chaumont, V-i-v-i-a-n-n-e C-h-a-u-m-o-n-t. I'm the Director of the Division of Medicaid and Long-Term Care for the Department of Health and Human Services, and I'm here to

testify in opposition to LB8. LB8 will increase Nebraska expenditures by adding children's day health services as a service category. Nebraska Medicaid already covers the services provided by children's day health services providers. However, Medicaid covers these services on an individual basis. For instance, Medicaid covers skilled nursing, behavioral health services, respiratory care, rehabilitation services, and other services listed in the licensing regulations for this type of provider. What Medicaid currently does not do is pay a bundled rate for all of these services for each of the children in the facility. It's been the position of the Centers for Medicare and Medicaid Services that Medicaid should not pay bundled rates for services but, instead, should pay only for the services required by each individual. Bundled rates can result in payment for services that the individual does not actually receive and may not even actually need. The consequence is higher Medicaid spending. The bill also requires a special reimbursement methodology for these providers. Pursuant to this bill, Medicaid would reimburse these facilities for, quote, all necessary and reasonable costs of providing services. We do not reimburse physicians all necessary and reasonable costs. We do not reimburse hospitals for all necessary and reasonable costs. We do not reimburse behavioral health providers, physical, speech, and occupational therapists, dentists, home health providers, or the other vast majority of Medicaid providers all necessary and reasonable costs. What would be the public policy behind giving children's day health service facilities preferential treatment? Additionally, cost reimbursement is labor-intensive and requires thorough examination of each submitted expense to assure the expenditure is reasonable and necessary. For all these reasons, the department opposes LB8. I'd be happy to answer any questions. [LB8]

SENATOR CAMPBELL: Questions from the senators? Senator Gloor. [LB8]

SENATOR GLOOR: Thank you, Senator Campbell, and thank you for your testimony. So I've got to get both sides of this argument. Once upon a time, and you're too young to remember this, Director Chaumont, but we used to reimburse... [LB8]

VIVIANNE CHAUMONT: I'm liking this so far. (Laughter) [LB8]

SENATOR GLOOR: ...we used to reimburse physicians necessary and reasonable costs and hospitals and occupational therapists; and in a few cases, like long-term care, we still reimburse based upon costs. So it is possible, and I don't argue the fact that it has some degree of labor intensity and calculations that have to go on, but it's possible to come up with a cost-based reimbursement system, is it not? [LB8]

VIVIANNE CHAUMONT: We currently do reimburse nursing homes on a cost-based reimbursement system, although we do not reimburse them for all... [LB8]

SENATOR GLOOR: Necessary... [LB8]

VIVIANNE CHAUMONT: ...necessary and reasonable costs. [LB8]

SENATOR GLOOR: Okay. So the difference is there can be a cost-based reimbursement system, but the devil is in the language here necessary and reasonable and how that's defined. [LB8]

VIVIANNE CHAUMONT: That's correct. So you would have to define what those are. You would have to define what a reasonable administrative load would be. You would have to define what kind of capital things at the department that Medicaid would pay for. There would be all kinds of definitional issues and all of which are subject to interpretation and litigation and everything else, not to mention staff time. [LB8]

SENATOR GLOOR: Okay. Thank you. [LB8]

SENATOR CAMPBELL: Other questions? Senator Crawford. [LB8]

SENATOR CRAWFORD: Thank you, Senator Campbell, and thank you for your testimony. Could you talk about if there's a policy reason or reimbursement rule reason why mental healthcare in these facilities would not be paid in this sort of piecemeal way these other items are paid? [LB8]

VIVIANNE CHAUMONT: What we are talking about is that we reimburse for each individual service. [LB8]

SENATOR CRAWFORD: Yes. [LB8]

VIVIANNE CHAUMONT: If they bring a mental health provider, they would reimburse for that therapy necessary for that particular child for that particular session. That's how if you...if they have a physical health... [LB8]

SENATOR CRAWFORD: Sure. [LB8]

VIVIANNE CHAUMONT: ...sorry, a physical therapist, you would reimburse for that physical therapist session for that child for that particular day. There's not an overall bundled rate... [LB8]

SENATOR CRAWFORD: Correct. Yeah. [LB8]

VIVIANNE CHAUMONT: ...for all of that because some children don't need the behavioral health services, and yet if you bundle the rates, you're providing everything to everybody. That's why CMS doesn't like it. [LB8]

SENATOR CRAWFORD: Sure, sure. But there's no...so if that...if there were mental

healthcare being provided in this kind of facility, then you're saying it could be reimbursed through those rules. [LB8]

VIVIANNE CHAUMONT: By an appropriate mental health provider and...who met the... [LB8]

SENATOR CRAWFORD: And that would be defined as? [LB8]

VIVIANNE CHAUMONT: As in the Medicaid behavioral health regs... [LB8]

SENATOR CRAWFORD: Okay. [LB8]

VIVIANNE CHAUMONT: ...who can provide what kind of care. [LB8]

SENATOR CRAWFORD: Okay. [LB8]

SENATOR CAMPBELL: Any other follow up, Senator? [LB8]

SENATOR CRAWFORD: No. [LB8]

SENATOR CAMPBELL: Okay. [LB8]

SENATOR CRAWFORD: Thank you. [LB8]

SENATOR CAMPBELL: Senator Howard, did you have a question? [LB8]

SENATOR HOWARD: Yes, thank you, Chairwoman Campbell. And this is actually piggybacking off of Senator Crawford. CMS recommends bundled payment rates for Medicare, correct? [LB8]

VIVIANNE CHAUMONT: I'm sorry, what? [LB8]

SENATOR HOWARD: CMS recommends bundled care quality improvement rates for Medicare, right? [LB8]

VIVIANNE CHAUMONT: I'm really sorry, I still didn't hear. CMS recommends, and I missed it after that. [LB8]

SENATOR HOWARD: Recommends bundled care quality improvement rates for Medicare. [LB8]

VIVIANNE CHAUMONT: CMS has started, for special programs, running pilots just to do that. [LB8]

SENATOR HOWARD: Okay. But they don't recommend it for Medicaid at this point. [LB8]

VIVIANNE CHAUMONT: There are special pilots that may be for Medicaid, not...but currently for state plan services, just regular home- and community-based services they are...well, for the home- and community-based services they basically say no. So... [LB8]

SENATOR HOWARD: Okay. And they're not doing any pilots in this field. [LB8]

VIVIANNE CHAUMONT: Not that I know of in this area. [LB8]

SENATOR HOWARD: Okay. Great. Thank you. [LB8]

SENATOR CAMPBELL: Other questions? Do we have other providers, Director, that have as multiple areas that they have to apply for? I mean, just to give you just visually, you don't have to...trust me, I can hardly read it and I'm right in front of it. (Laughter) But it's listing, you know, all of the different services that they have to apply for for an individual person. Do we have providers that have that many particular areas that they have to singly apply for? I mean, I think part of what they're trying to tell us here is that they have so many multiple things that they have to apply for rather than just being able to submit one. [LB8]

VIVIANNE CHAUMONT: Well, that's the whole point. They need to submit for every service that they provide. They need to submit a bill to whatever program is funding them, whether it's private insurance or Medicaid or...I mean, that's...do I know of any other providers who have to bill a whole bunch of different people? Yes. Probably every other Medicaid provider bills, you know, different private companies, Medicare, Medicaid, Social Services Block Grant. Yeah, that's not uncommon for providers. [LB8]

SENATOR CAMPBELL: So you might see a provider having to apply for five different areas for one patient. That's probably what they're trying to illustrate here. And I was trying to think. I was trying to think of other providers that might have that multiple of range. It's not to say that aren't out there, but. [LB8]

VIVIANNE CHAUMONT: Yeah. I'm drawing a blank. [LB8]

SENATOR CAMPBELL: Well, some hospital patients would probably come under different areas, would they not? [LB8]

VIVIANNE CHAUMONT: Well, if by different areas you mean different payers. [LB8]

SENATOR CAMPBELL: Yes. I mean, well, I think that they're trying to talk about that; but they have, you know, a behavioral health, and then they have a physical, and they have, you know, all of these different areas that they're trying to collect from, and you're saying any provider would have that because of the... [LB8]

VIVIANNE CHAUMONT: Well, any...every other Medicaid provider has to bill for the actual service they render to an individual Medicaid client. Yes. [LB8]

SENATOR CAMPBELL: Okay. Any other questions? Senator Crawford, you look quizzical there. [LB8]

SENATOR CRAWFORD: So I just want to go back and ask the question again. We had talked about long-term care facilities might be an exception to that rule. [LB8]

VIVIANNE CHAUMONT: To what rule? [LB8]

SENATOR CRAWFORD: The rule of every...having to apply for every single type of Medicaid service provided. [LB8]

VIVIANNE CHAUMONT: No. Long-term care services, nursing facilities, if that's what you're talking about, also have a rate that they pay; but there are other services that they have to provide and they do provide outside of that rate. [LB8]

SENATOR CRAWFORD: Okay. [LB8]

VIVIANNE CHAUMONT: For instance, you have someone that needs dental. You have someone that needs behavioral health. None of those things...some durable medical equipment if I recall, some, you know, depending on the drugs, there are...they have to bill all of the different places depending on...that are not included in the rate. That is not at all unusual. [LB8]

SENATOR CRAWFORD: Okay. [LB8]

SENATOR CAMPBELL: Any other questions? Thank you, Director. [LB8]

VIVIANNE CHAUMONT: Thank you. [LB8]

SENATOR CAMPBELL: Anyone else who wishes to testify in opposition to LB8? Anyone in a neutral position for LB8? Senator Krist. [LB8]

SENATOR KRIST: I handed this out to you earlier, and I'd like to draw your attention to it and put it on the record: Florida, 59G-4.260 prescribed pediatric extended-care services. This rule applies to all prescribed pediatric extended-care services, PPEC,

service providers enrolled in the Medicaid program. (2) All Medicaid enrolled prescribed pediatric extended-care service providers must be in compliance with the Florida Medicaid prescribed pediatric extended-care service coverage and limitations handbook, February 2007, incorporated by reference, the Florida Medicaid provider reimbursement handbook, CMS-1500, which is incorporated into Rule 59G-4.001, F.A.C. Both handbooks are available from the Medicaid fiscal agent's Web site at, da-da, da, da, da. Click on provider support and then on handbooks. Paper copies of the handbooks may be obtained at 1-800. Specific authority 409.919 FS--Florida state--law implemented 409.905, 409.908, Florida history, and further. I guess what it means is if you want to make it available, if you want to do it, it is possible to do it. So what I think the department is here to tell us is they don't want to expand Medicaid. And I think we've heard that before over and over again. The Florida Medicaid program pays a rate for a combination of extended medical and personal care for kids with high needs--bundled. That's the definition of bundled. If little Andy Campbell, who we have talked about many times, falls down and breaks his arm severely, there will be some bundled care because he has a situation that has happened in his life that he may need ER, X-ray tech, orthopedic surgeon, therapists, etcetera, etcetera, etcetera, until he's back at school throwing a baseball. These kids we're talking about don't get well. They don't get their arms fixed and they go back to playing baseball. They've got a long-term care problem, and we are making it as difficult as we can for those care providers to do what they need to do to care for these kids. I want to move this out of committee as soon as we can, and I ask for your support. Thank you. [LB8]

SENATOR CAMPBELL: Any other questions as a follow up for Senator Krist? [LB8]

SENATOR HOWARD: Senator Krist. [LB8]

SENATOR CAMPBELL: Senator Howard. That's all right. [LB8]

SENATOR HOWARD: Thank you. Have you been watching the bundled care programs that Medicare has been doing... [LB8]

SENATOR KRIST: Right. [LB8]

SENATOR HOWARD: ...and Medicaid as well? [LB8]

SENATOR KRIST: Right. [LB8]

SENATOR HOWARD: They just started them this year. [LB8]

SENATOR KRIST: Right. [LB8]

SENATOR HOWARD: And they're going really well. Do you feel that that's something

that could be modeled here as well? [LB8]

SENATOR KRIST: If we want to do it, if we show the resolve to do it, I think it can be done very well, and I think we just move down that path slowly to get there. But we have to want to do it. And I think you heard that any Medicaid expansion is bad. [LB8]

SENATOR HOWARD: Thank you. [LB8]

SENATOR KRIST: Yes, I think we can. Thanks for the question. [LB8]

SENATOR CAMPBELL: Any other questions? Thank you, Senator Krist. That concludes today's hearing on LB8. If you are leaving after this hearing, would you leave as quietly as possible and move all conversations to the hall so that we can get started on our next bill. Our next bill is Senator Avery's LB220, a bill to change children's eligibility provisions relating to the Medical Assistance Act. Senator Avery, I think this might be the first time. Is it the first time this year? [LB8]

SENATOR AVERY: It might be the first time this year, but I've... [LB220]

SENATOR CAMPBELL: Oh, no. You've been a regular here. [LB220]

SENATOR AVERY: Yeah, I have. Multiple appearances. [LB220]

SENATOR CAMPBELL: And not in a bad way. [LB220]

SENATOR AVERY: No, no. It's a friendly committee. We care about the same things. [LB8]

SENATOR CAMPBELL: You can go right ahead and start. [LB8]

SENATOR AVERY: All right. Thank you. For the record, my name is Bill Avery, B-i-l-l A-v-e-r-y. I represent District 28 here in south central Lincoln. I am bringing to you today LB220 which would simplify and streamline the administration of our State Children's Health Insurance Program, otherwise known as SCHIP. What it does is restore continuity in healthcare services for children eligible to participate in what we call Kids Connection in Nebraska. LB220 reinstates statutory language that was taken out of state law in 2002 because of budget limitations. It would reinstate statutory language. And I stress that because this is not something new to the state of Nebraska. It is something we used to do, but no longer do since 2002. Reinstates language to extend healthcare coverage from 6 to 12 continuous months for children who are eligible to participate in the SCHIP program. And it requires the Department of Health and Human Services to implement additional enrollment options available under Title IXX and Title XXI of the Social Security Act, such as presumptive eligibility, express lane eligibility,

and ex parte renewals. You all are familiar with those terms, so I don't need to go into them. This essentially consists of limited reviews between annual reviews, which are required. Should there be any changes in family circumstances between the annual reviews, then there could be limited reviews in between those two. The background on this, of course,as I already suggested, is that in 2002 the Legislature, responding to then-Governor Johanns' call of the special session, where he asked the Legislature to make a number of cuts in social programs in order to deal with a budget shortfall. This program was limited. And in 2009, I introduced, and the Legislature approved, the expansion of SCHIP to families who are at the 200 percent of the federal poverty level. That number is about $44,000 for a family of four. The measure in 2009 was wrapped into LB603 with which you are familiar. That, of course, was the comprehensive bill that we passed to address the safe haven crisis that we had at the time. I am happy to report that as a result of the legislation, LB603, and the measure that we included on SCHIP, about 5,600 additional children have healthcare available to them. At that time, my original bill included a provision to replace the language that was taken out in 2002 and to reinstate continuous coverage. However, I had to reluctantly agree to that being amended out because of the cost that LB603 entailed. So I did agree to that on the hope and the expectation that I would be back before this committee to see if we could reinstate that. The programs that were in the LB603 were just a start. I believe that LB603 has been successful. I've been on the oversight committee now since the beginning, and I believe I got reappointed. I don't know about that for sure, but I certainly wish to be. It is my intent today to see if we cannot expand this participation in SCHIP. I believe it's a very worthy program and a very necessary program. According to Kids Count, a Nebraska report last...well, in 2011, they found that 27,000 uninsured kids still exist in this state; and of those, 18,000 are low-income kids who are eligible, but not enrolled in SCHIP. That's a large number, and I think we can do better. LB220 would help keep more children under a continuity of coverage and maintain stability for these children. They will be able to continue to visit their...the same doctors who know and understand their specific medical history. We're currently fostering what I think is a patchwork system of bouncing eligible kids in and out of the healthcare system, supplementing those sporadic appointments with emergency room visits. That doesn't seem to me to be very rational, nor does it make much sense. Professionals call this churning, and that's not good for kids. Our low-income kids deserve a stable healthcare plan so they can get their immunizations, their developmental assessments, preventive medical care, and other services like dental and vision care. It is my understanding that the Affordable Care Act requires that states conduct annual renewal reviews no more than every 12 months. However, this would not be the same as the 12-month continuous eligibility that's contained in this bill. With a 12-month renewal period, but without the state imposed 12-month continuous eligibility provision, families must report changes that may impact their ongoing eligibility which will result in disruptions in their coverage. Continuous eligibility guarantees that the kids remain eligible regardless of changes in income or family size, at least for a one-year period. I'm sure there are people here who know more about the implications of the Affordable Care Act and what

it means for bills like this who will be testifying after me. I would call your attention to the fiscal note, although I'm reluctant to do that because it's an (laughter) eye-popper. The Department of Health and Human Services has consistently resisted expansion of any type of healthcare access. I remember back in 2009, they opposed an expansion of SCHIP then, and they continue to do that. But I would say that it's never a good time to shortchange the children of our state. This bill says let's not forget the impact of our programs on our children and see if we can do more for them. Remember that these provisions were taken out of law a decade ago under a critical budget cutting special session. Now we have an opportunity to enroll more kids in SCHIP to keep them there for a sustained medical coverage during their developmental years. I think it's a commitment that this Legislature needs to make to help our children succeed as happy, healthy, successful children in the classroom and beyond. So thank you. [LB220]

SENATOR CAMPBELL: Thank you, Senator... [LB220]

SENATOR AVERY: I urge your support. [LB220]

SENATOR CAMPBELL: Thank you, Senator Avery. I didn't mean to interrupt. Questions from the senators? Senator Howard. [LB220]

SENATOR HOWARD: Thank you, Chairwoman Campbell, and thank you, Senator Avery, for this bill. I want to build a little bit of legislative intent when you talk about limited reviews after the child has been covered for a year, what that...what your view of limited reviews are. How many reviews is that in a year? [LB220]

SENATOR AVERY: Well, right now the department is, I believe, conducting these reviews about every tenth month. [LB220]

SENATOR HOWARD: Yeah. [LB220]

SENATOR AVERY: Tenth or eleventh month. So they're actually not doing it every six months as we expected after the passage of LB136 in 2009. So we're only talking about, in actuality, extending the program by about two months. And limited review, and I'm not as familiar with these programs as some people in the room are, but it says to me that they use available information in their system. If they don't see any changes that have been taken...that have occurred in the family's circumstances, then there is an automatic extension. [LB220]

SENATOR HOWARD: Okay. Thank you. [LB220]

SENATOR CAMPBELL: Other questions? Thank you, Senator Avery. Will you be staying? [LB220]

SENATOR AVERY: I cannot because my committee is about to go into Exec Session. [LB220]

SENATOR CAMPBELL: Okay. [LB220]

SENATOR AVERY: And I wouldn't want them to do that without me. (Laughter) [LB220]

SENATOR CAMPBELL: Absolutely not. Take care. Thank you, Senator Avery. Our first proponent. Good afternoon. [LB220]

M. SCOTT APPLEGATE: (Exhibit 8) Good afternoon. My name is Dr. Scott Applegate, S-c-o-t-t A-p-p-l-e-g-a-t-e. I'm a private practitioner of pediatrics here in Lincoln. I'm also the immediate past-president of the American Academy of Pediatrics, Nebraska Chapter; and I'm speaking in support of LB220. For those of you that I have met before, thank you and good to see you all again. LB220 is a bill that the academy supports and so do the pediatricians of Nebraska. And what happens here is that the current legislation calls...back in 2002, calls for more frequent eligibility reviews. The result has been disruption of care for our children. I take care of about 300, personally take care of about 300 Medicaid patients. And what happens is when their eligibility is disrupted, the children are simply uninsured at that point. And the complications that ensue go not only to the parents of the children who neglected to renew their eligibility, but the children themselves--which is probably the most important; but then also some of the onus of that goes onto the providers of care, the pediatricians, the dentists, the doctors, the allied health personnel as such. The children will have the loss of eligibility for weeks or even months. And during that time, they don't seek care or they avoid care or they postpone care or they wind up in the emergency room where they can kind of sneak in and out. And the reason I say sneak in and out is that at my office and many offices, what we do at the beginning of every week is we go through and look at who's on the schedule. We ask the question if they're covered by Medicaid, and we actually check on their eligibility for them; and if they've lost it or are in the process of going to lose it during that week, we contact them and we let them know. When we let them know that, what happens is that they're either going to get a bill for the service...and keep in mind these are people on Medicaid, it's not that, oh, they're out a couple hundred bucks that they would have ordinarily had to go on vacation with...they simply don't have the money to do it. So they're unable to seek that care, and so it gets postponed or it doesn't happen or, again, they go into the emergency room where someone's not checking immediately. They're taking care of it and then sending them on their way and trying to postpone that confrontation. So what happens is they don't get them. They don't get their vaccines. They don't get their healthcare on time, and in some cases vaccines are time dependent. In addition, they're often assigned to a different doctor. And so what happens when they reapply is they get signed to a different primary care provider. This disrupts or interrupts their medical home, and disrupts their care as well. And in the process of that, we get loss of continuity of care; and that's bad for kids. Our

Medicaid savings should not be made in the form of making it difficult for people who qualify for Medicaid to actually meet those qualifications requirements or fill out the paperwork. I'm all for savings in Medicaid. We just don't want to do it by making it so hard that they choose not to or are simply unable to fill out the paperwork. And as such, the pediatricians of Nebraska, including myself, are in support of LB220. [LB220]

SENATOR CAMPBELL: Thank you, Dr. Applegate. Questions? Senator Krist. [LB220]

SENATOR KRIST: You said you actually go through the process of looking at the schedule at the beginning of the week. I would imagine it's time consuming. [LB220]

M. SCOTT APPLEGATE: It is. [LB220]

SENATOR KRIST: How do you verify? Is there a master list that you're provided? [LB220]

M. SCOTT APPLEGATE: We're able to do it on-line, so we're able to check on Medicaid eligibility on-line for each of our patients. [LB220]

SENATOR KRIST: Do you then advocate for folks who are about to lose it? Can you go back and help them with the process or do you... [LB220]

M. SCOTT APPLEGATE: There's only so many resources I have. And so what we do is we simply contact the patient. We let them know that it's about to happen. Most of the time they were completely unaware. And then we encourage them to contact the ACCESSNebraska, which is where they call at this point, to do that. They usually get a letter in the mail. Often it's a fairly short period of time before that. Sometimes they have access to that letter, which gives them instructions. I don't have the resources to sit down and work on the paperwork with them... [LB220]

SENATOR KRIST: Right. [LB220]

M. SCOTT APPLEGATE: ...or advise them on how to proceed. [LB220]

SENATOR KRIST: I know you were here for the prior bill and ACCESSNebraska... [LB220]

M. SCOTT APPLEGATE: Sure. [LB220]

SENATOR KRIST: ...in terms of these organizations that we talked about, both Children's Hospital and CC, both of them, spend an inordinate amount of time on the phone. I understand how time-consuming that can be. But thank you for all the other things you do. It's wonderful. [LB220]

M. SCOTT APPLEGATE: You're welcome. Thank you. [LB220]

SENATOR KRIST: Thanks. [LB220]

SENATOR CAMPBELL: Questions? Senator Gloor. [LB220]

SENATOR GLOOR: Thank you, Senator Campbell, and thanks for taking the time out of a busy schedule. I feel guilty when I see you here testifying because I know there are patients you could be seeing. I don't suppose that there's any specialty that I know of that sees as large a percentage of their patient load being Medicaid than pediatricians. And trust me, this isn't a test. There isn't legislation I'm going to hit you over the head with. But what percentage of your patient population for your group would you say is Medicaid? [LB220]

M. SCOTT APPLEGATE: My group right now is about 25 to 30 percent Medicaid. And that's going to change pretty drastically from geographic location in Nebraska. When you get west of Lincoln, it goes up quite a bit from there, and so that can be upwards of 40 percent for the folks west of me. And it also changes depending on how long someone has been in practice. So the longer folks...so pediatricians, say, in Lincoln or Omaha has been in practice for an extended period of time, they'll tend to close off to Medicaid because of the reimbursement and the difficulties with the things we're talking about today, and their percentage will tend to dwindle with time. A newer person might...with a little bit more motivation, might take on a larger percentage. [LB220]

SENATOR GLOOR: Well, and your patient population has a tendency to move out of being pediatric patients. [LB220]

M. SCOTT APPLEGATE: They do. They outgrow us. (Laughter) [LB220]

SENATOR GLOOR: They outgrow you actually. Thank you, Dr. Applegate. [LB220]

M. SCOTT APPLEGATE: Thank you. [LB220]

SENATOR CAMPBELL: Other questions? Senator Crawford. [LB220]

SENATOR CRAWFORD: Thank you, Senator Campbell. I think you raise a very important point is if we are...if part of being approved is being placed into a medical home and assigned a provider, then that's a whole other dimension of the churning and inconsistency of care. Now if a...if you have someone who's a patient of yours, is there any mechanism that happens so that you get any of those children back, or can you request them back or... [LB220]

M. SCOTT APPLEGATE: No, there isn't. The mechanism is that when they reenroll, they're asked to pick a provider. And if they do, if they understand, but keep in mind we're talking about a person who didn't know that they needed to reenroll to begin with. So in order to appropriately fill that out, they've got to kind of know how that works. So they would be asked. If they're asked, then they pick me, then they would be back with me. But there's another level of complication in your question, and that's managed-care organizations. So what happens is they're also randomly assigned to potentially a new managed-care organization... [LB220]

SENATOR CRAWFORD: Okay. [LB220]

M. SCOTT APPLEGATE: ...for their Medicaid who then assigns a pediatrician or a different doctor as well. And so those things can happen. They do attempt to try to put siblings with the same doctor, but oftentimes what will happen is all the siblings will fall off on the same renewal date. And so it requires them, the parents of these families, to do it all over again. So there is a process, but it slips through the cracks. [LB220]

SENATOR CRAWFORD: All right. Thank you for describing that. That's very important for us to understand in terms of implications journey. Thank you. [LB220]

SENATOR CAMPBELL: Other questions? Thank you, Doctor. And I appreciate--goodness--serving all those kids. That's great. Our next proponent. [LB220]

JAMES GODDARD: (Exhibit 9) Good afternoon. My name is James Goddard, that's J-a-m-e-s G-o-d-d-a-r-d, and I'm the director of the economic justice and healthcare access programs at Nebraska Appleseed. I'm here today to testify in support of LB220. I do want to start out by thanking Senator Avery for his continued support of increasing access to healthcare for children in Nebraska. It's a really important issue, and we really appreciate that. Many in Nebraska share the common belief that children must have access to quality, affordable healthcare to have a healthy start in life. With that care, these children are simply at a disadvantage. They may not be able to get preventative care, and that can cause bad health outcomes that can be long term and really prevent them from having the opportunity in life that they'd like to have. As a result, we have to strive to ensure that children in Nebraska have the coverage that they need to grow up healthy. Medicaid and CHIP really do a good job of that as it currently exists. They cover literally thousands of children in our state. But as we've already heard, there's more work to do. We have to do a little bit more to guarantee that all of the kids that are eligible for these programs are on them and are getting the services that they need. And that's what LB220 aims to do by ensuring children already eligible for services are able to access coverage. And I do want to emphasize that point. We're not talking about an expansion of Medicaid here. What we're talking about is increased enrollment and maintenance of coverage. These are children that are already eligible for the program; and we're either making sure they get on the program, or we're keeping them in it.

LB220 could simplify enrollment through presumptive eligibility as well as Express Lane. And I do want to talk a little bit about the components of the bill. As you might know, presumptive eligibility is for children that are under 19 that can be determined to be presumptively eligible by a particular provider. That means that they can immediately access the services they need. Instead of having to wait around as many as 45 days or more, they can get the services they need immediately which, obviously, is helpful to them to get the care quicker. Express Lane is something that was created, I think, by CHIPRA in around 2009. It allows states to borrow information from other agencies or programs, such as SNAP, Head Start, or potentially the Department of Revenue, and based on that information make an eligibility determination for the child and enroll them. This also creates an efficiency for ACCESSNebraska because it would expand the ability to verify information from sources other than the clients. We don't need folks to submit paper or pay stubs. They can verify information from other sources in an efficient manner. In addition, LB220 could ensure children can maintain coverage and remain on the program by restoring continuous eligibility and establishing autorenewal. Continuous eligibility, as we heard from Senator Avery, is something that we used to do in the past. It allows children under 19 to be eligible for as many as 12 months, even if circumstances in their life changes. This, as we've just heard from the doctor, improves their continuity of care. In addition, the automatic renewal is another administrative efficiency that could be helpful with ACCESSNebraska. It would allow electronic verifications in prepopulated forms when children go to renew their benefits. And this can prevent the sorts of churning that we've heard about where you have a child that loses eligibility; not because they're ineligible, but because they miss a letter or they just don't renew in time. And they remain eligible so they reapply quickly and they go to the back of the line, then they have to wait another 45 days in some cases. So this holds the potential to prevent that sort of churning. In conclusion, Medicaid and CHIP play a powerful role in ensuring coverage for children and, consequently, play a great part in the development of children and in the progress of our state as a whole. LB220 could extend the protection of these programs to more children that are already eligible. We would urge the committee to advance the bill, and I would be happy to answer any questions if I can. [LB220]

SENATOR CAMPBELL: Questions for Mr. Goddard? Senator Gloor. [LB220]

SENATOR GLOOR: Thank you, Senator Campbell. And Mr. Goddard, thank you for your testimony. I think you've answered this question, but I want to make sure. When I read the bill, Section 2, and it states--where shall I start--the department shall apply for and utilize to the maximum extent possible with the limits established by the Legislature, any and all options as allowed under Title IXX, Title XXI, of the federal Social Security Act as amended to simplify enrollment and redetermination of eligibility for children's medical assistance. So Express Lane...specifically express lane is one of those things when you mention Express Lane... [LB220]

JAMES GODDARD: Yes. [LB220]

SENATOR GLOOR: ...that fits under that. [LB220]

JAMES GODDARD: I believe it was created under CHIPRA in 2009. [LB220]

SENATOR GLOOR: Okay. [LB220]

JAMES GODDARD: So, yeah, I believe that's where that comes from. [LB220]

SENATOR GLOOR: So that...when we read the bill, that's the component that speaks to speeding things up. [LB220]

JAMES GODDARD: Yes. [LB220]

SENATOR GLOOR: Fast track. Thank you. [LB220]

SENATOR CAMPBELL: Any other questions or clarifications? Senator Howard. [LB220]

SENATOR HOWARD: Thank you, Chairwoman Campbell. Thank you for your testimony. I'm looking at the bill, and I'm trying to find where they can work with the Department of Revenue in order to meet Express Lane eligibility through CHIPRA. [LB220]

JAMES GODDARD: That is what I believe Senator Gloor was referring to under CHIPRA. Under Express Lane, as I understand it, provides more authority for states to connect with different groups that they may...or agencies that they weren't talking to expressly before that. It could be SNAP. It could be Head Start. It could be our local Department of Revenue. It depends on the sorts of, you know, agreements that you come to interagency. So it's not express in the bill, but that's one of the potential sources of information that I think we could utilize. [LB220]

SENATOR HOWARD: Thank you. [LB220]

JAMES GODDARD: Thank you. [LB220]

SENATOR CAMPBELL: Any other questions? Thank you, Mr. Goddard. [LB220]

JAMES GODDARD: Thank you. [LB220]

SENATOR CAMPBELL: Our next proponent. Good afternoon. [LB220]

AUBREY MANCUSO: (Exhibit 10) Good afternoon, Senator Campbell, members of the

committee. My name is Aubrey Mancuso, A-u-b-r-e-y M-a-n-c-u-s-o, and I'm here on behalf of Voices for Children in Nebraska. We're in support of LB220. And as this committee is acutely aware, our healthcare system is about to undergo significant changes in the coming year. And that's why we feel that now is really the time to restore continuous eligibility for children to ensure more stability for children in our healthcare system as these changes go forward. Almost a third of our state's children rely on the Medicaid program for their health insurance, and they make up about 70 percent of Medicaid enrollees. There are 23 other states that currently guarantee this type of ongoing eligibility, including Iowa and Kansas. To date, there's also been limited public information on how our state's Medicaid program will interact with the new federal exchanges. And so, because we don't know really, for what this means for kids who are on that borderline eligibility between being eligible for our Kids Connection and eligible for the exchange, this would be a way of guaranteeing greater continuity of coverage. We appreciate that there's a significant fiscal note on this bill, but would like to draw the committee's attention to a few things about that. One is that studies in other states have found that children who are moved off the Medicaid program often reenroll in a few months. In a three-year period, California spent an estimated $120 million to reenroll 600,000 children who left Medicaid and then returned. Most of these children returned to the program within four months. Another analysis found that the longer children are enrolled in Medicaid, the lower their average monthly expenditures are. And this is partly because they had more regular preventative care and partly because new enrollees may have pent-up healthcare needs that are more costly to treat. Analysis on states that have 12-month continuous eligibility have also found reduced administrative costs, increased average months of coverage for children, reduced average cost per enrollee, and delayed disenrollment procedures. The fiscal note also appears to assume that we would enroll nearly every eligible child in the state by 2014, and we would love that to be the case. But we're not certain that that is a realistic assumption. Voices for Children believes that every child in the state should have ongoing access to quality, affordable healthcare, and that this is critical to healthy development, educational performance, and long-term success. We hope the committee will advance LB220 and I'd be happy to take any questions. [LB220]

SENATOR CAMPBELL: Questions from the senators? Thank you for your testimony today. [LB220]

AUBREY MANCUSO: Thank you. [LB220]

SENATOR CAMPBELL: Our next proponent. Those who have come to testify in opposition to LB220. Those in a neutral position. Okay. (See also Exhibits 11-16) We will close the public hearing on LB220. If you are leaving, try to leave as quietly as you can. Madam Clerk, before we move on, did you get the letter of support from the Nebraska Planning Council on Developmental Disabilities? Would you pass that down to her. Okay, but you did receive the letters for the Hall (phonetic) Center? Anything that

you handed me, Health Center Association; Behavioral Health Organization; Nebraska Child Healthcare Alliance; NASW, Nebraska Chapter; and the Nebraska Hospital Association. Okay. All right, I just want to double check that. Senator Coash? Someone from Senator Coash's staff here? She probably went to get him. How many people are planning to testify on Senator Coash's bill? One, two, three, okay. All right, well, we'll wait just a minute for him. [LB220]

BREAK

SENATOR CAMPBELL: Senator Coash. [LB343]

SENATOR COASH: Sorry I'm late. Senator Avery usually has many more opposition testifiers to his bill. (Laughter) [LB343]

SENATOR CAMPBELL: Well, today he escaped that. [LB343]

SENATOR COASH: They are usually lined up for his bills. [LB343]

SENATOR KRIST: Will you be here all week performing? [LB343]

SENATOR GLOOR: One minute, Senator. [LB343]

SENATOR CAMPBELL: Take your time, we're fine. We will open the public hearing on Senator Coash's bill, LB343, to change the terminology related to mental retardation. Senator Coash. [LB343]

SENATOR COASH: (Exhibit 17) Thank you, Chairwoman Campbell, members of the HHS Committee. My name is Senator Colby Coash, C-o-l-b-y C-o-a-s-h, I represent District 27, right here in Lincoln. And I want to thank you for giving me the opportunity to introduce this pretty simple, but highly meaningful piece of legislation. And I'm passing out a...well, let me start with this, this is what this bill does: our statute is full of references to people with intellectual disabilities, and they reference it in our current statutes with the term "retarded." And in some places they reference it as a "retarded person," which is also a problem. And what this bill does is simply takes all the places that we find in the statute that use that term and replaces it with "person with intellectual disability." Since I originally introduced the bill, we found one more spot that we missed, and that triggered a bunch of other spots with regard to ICF IDs or previously ICF/MRs. And so wanted to give the committee a white-copy amendment. It's pretty thick, but it was easier to do it this way than to try to amend it. But we think we've caught them all. But because it's a 65-page bill, you can see that our statutes are full of this word. And we have to do this kind of thing from time to time. And the reason we have to do this, if we didn't do this from time to time, our statutes would be full of the term "idiot," "moron," and "imbecile." Those are three terms that the medical community used to label a

person with developmental disability about a hundred years ago. Well, what happened to those terms? Well, obviously, "idiot," "moron," and "imbecile" turned into terms that were not meant to be very complimentary if you used those terms. And so the provider community, the medical community, state law reflected that, and changed those terms to "mild mental retardation," "moderate mental retardation," and "severe mental retardation." That's how we got "idiot," "moron," and "imbecile" into mental retardation. Well similar things happened, and the word "retardation" has also been hijacked by our slang; and now that is not a term that, unfortunately, is used to just describe someone's condition, but it's used as a put-down. I've had a couple of people ask me, not in a disparaging way, but asked me the question: Senator Coash, why does this matter? These are just words. But if you've been on the other end of a word that hurts, these are more than just words. So that is the reason that I brought this bill. I'll just give you a little bit of a narrative on this. Again, take a look at the white copy. Some very thoughtful stakeholders brought to my attention various ways that we could improve this bill by making all the language, in addition to changing from "retardation" to "intellectual disability" we can make this "people first." For example, a term such as "intellectually disabled person" will be changed to "a person with an intellectual disability." This change...the changes affected more statutes than the original bill, so we did a white-copy amendment. Now the "people first" language is something that I have experienced in teaching to a lot of people across the state. And here is the reason why that's important. If you say to a person, you're an intellectually disabled person; you're defining them by their disability. Put it in this context. If you had a relative who had cancer, you wouldn't describe them as a "cancerous person." You would describe them as a person who had cancer. Cancer doesn't define a person who has cancer. Neither does a disability define a person who has a disability. So we put the person first, and we say it's a person with an intellectual disability. In summer of 2010, Nebraska had the honor of hosting the National Special Olympics. We welcomed people with disabilities and their families from across the nation. Nebraska has been lauded for its kindness and respect, and we had the pleasure of extending that to the athletes and their loved ones. And it is now time, I think, that our statutes reflects that kindness and respect within our laws. And a quote from the Special Olympic Web site explains it best: "The 'R' word or 'retard,' is slang for the term mental retardation. Mental retardation was what doctors, psychologists, and other professionals used to describe people with significant intellectual impairment. Today the 'R' word has become a common word used by society as an insult for someone or a stupid thing. For example, you might hear someone say: that's so retarded; don't be such a retard. When used in this way, the 'R' word can apply to anyone or anything. It is not specific to someone with a disability. But even when the 'R' word is not said to harm someone with a disability, it is hurtful." That's a quote from Special Olympics. So I hope you'll support this bill so that we can join the federal government, actually got ahead of us on this for one time, and at least 44 other states, so we have the opportunity not to be last, in promoting the dignity of all people in our state with disabilities by removing this word "retarded" from our statutes and replacing it with more respectful "person first" terminology. And at this time I'll close, and

we've got some very well-spoken self advocates who are going to follow. And I would encourage your indulgence of them as well. [LB343]

SENATOR CAMPBELL: Are there any questions for Senator Coash? Will you be returning to Judiciary? [LB343]

SENATOR COASH: Nah, that's boring over there. I'm going to stick around. [LB343]

SENATOR CAMPBELL: Just thought maybe Senator Avery was going to...since you're... [LB343]

SENATOR COASH: No, I'm going to stay here. [LB343]

SENATOR CAMPBELL: ...joking with Senator Avery today. Thank you, Senator Coash. Our first proponent for LB343. Good afternoon. [LB343]

HALEY WAGGONER: (Exhibit 18) Hi. Good afternoon, Senators. My name is Haley Waggoner, H-a-l-e-y W-a-g-g-o-n-e-r. I'm testifying today in support of LB343 for the Nebraska Youth Leadership Council and as a member of the Nebraska Planning Council on Developmental Disabilities. The words "mental retardation" are being used in regular language and entertainment as an insult. The word "retarded" is a degrading word and is in the same classification as every other minority slur. In high school someone called me that name, and I have never forgotten it. Another time a person I thought was my friend even called me this. It made me feel bad, and I realized she wasn't my friend. She said it was her free speech, but it is never right to call another person a hurtful name. I know this law cannot stop people from using this word overnight, but it will show people in Nebraska that this language is not acceptable. As a young Nebraska leader, I see it as part of my mission to advocate the community that all people, regardless of their ability or disability, should be treated with respect and equality. Thank you for your consideration. [LB343]

SENATOR CAMPBELL: Thank you for your testimony today. Are there questions? I would like to complement the Nebraska Leadership Council because you distributed a position paper, a packet of bills that you were considering, thinking about, whatever; and that was just a really well put together document. So thank you very much. Gave us an idea on a range of bills. [LB343]

HALEY WAGGONER: Thank you. [LB343]

SENATOR CAMPBELL: Thanks for coming. Our next proponent. Good afternoon, Director. Glad you could make it. [LB343]

JODI FENNER: (Exhibit 19) Thanks. Good afternoon, Senator Campbell and members

of the Health and Human Services Committee. I'm Jodi Fenner, J-o-d-i F-e-n-n-e-r, the director of the Division of Developmental Disabilities. And I'm here to support LB343. On October 5, 2010, Rosa's Law was signed into federal law, removing the terms "mental retardation" and "mentally retarded" from federal health, education, and labor policy and replacing them with people-first language such as "individual with an intellectual disability" and "intellectual disability." Currently, all but seven states have taken action to reduce or eliminate the use of the "R" word in their state's laws. Decades ago, the terms "moron," "imbecile," and "idiot" were acceptable clinical terms used to describe people with developmental disabilities. These terms, similar to the terms "retard" or "retardation" have devolved in our common language and are generally used as offensive slang and insults. Unlike the terms "moron," "imbecile," and "idiot," however, we still use the term "mental retardation" to describe people with developmental disabilities in Nebraska. People with developmental disabilities in Nebraska have true value to our society. They are cherished family members and friends. They have meaningful jobs, and contribute through volunteer and social activities in our communities. They are people, just like you and I, who deserve to be treated with dignity and respect. Often, people who use the "R" word do so without really understanding that they are hurting others. A recent survey done by the Special Olympics Global Collaborating Center showed that 86 percent of youth today hear their friends or others at school using the "R" word. And almost 40 percent of those youth either participated in the offensive conduct or failed to respond, while only 33 percent took a stand and told the person that it was wrong to use the "R" word. It was clear from the survey that most of the youth understood that the use of the "R" word was intended to demean or bully the person being called retarded. And that the use of the word was offensive to people in their schools who have disabilities. In Nebraska, we have taken a strong stand in our schools and in our communities against bullying, yet we continue to accept the use of this term. As long as "mental retardation" is an acceptable clinical term for people in Nebraska with intellectual and developmental disabilities, our youth will continue to taunt others by calling them retards. The word hurts, even if it is not directed at a person with intellectual and developmental disability. For too long, people with intellectual and developmental disabilities have had to overcome the challenges society has put forth through stereotypes. And it is time for a change. The Nebraska Legislature has repeatedly expressed their support for people with developmental disabilities through significant commitments of financial resources. Now you have an opportunity to support people with developmental disabilities for no cost at all. By removing the "R" word from Nebraska law, you will be recognizing the value of people with developmental disabilities and honoring them with the respect and dignity that they are so often deprived of. And for these reasons we ask for you to advance LB343. [LB343]

SENATOR CAMPBELL: Senator Krist. [LB343]

SENATOR KRIST: Thank you for coming. Thank you for your testimony. And,

particularly, thank you for your responsiveness in regards to the BSDC issues. They're tough issues that we often may disagree to agree...or agree to disagree, but you've always been responsive and you've always been here to advocate for that, and I really appreciated you coming today. [LB343]

JODI FENNER: Thank you. [LB343]

SENATOR CAMPBELL: Any other...I would add my thanks too. Thanks, Director, for coming and all the work, and please convey that to your staff. [LB343]

JODI FENNER: I will. Thank you for your support. Thanks. [LB343]

SENATOR CAMPBELL: Our next proponent for LB343. Good afternoon. [LB343]

BRAD MEURRENS: (Exhibits 20, 21, 22, 23) Good afternoon, Senator Campbell, members of the Health and Human Services Committee. For the record, my name is Brad, B-r-a-d, Meurrens, M-e-u-r-r-e-n-s, and I'm the public policy specialist at Disability Rights Nebraska. As the designated protection and advocacy organization for Nebraskans with disabilities, we strongly support LB343 for a host of reasons. First, the language change proposed in this bill is necessary and overdue. The term "mental retardation" is an antiquated term that no longer comports with the current understanding and definition of disability. Such language changes as proposed in this bill are not unprecedented. As we've heard before, we have made changes in our language, in our statutory language, to reflect the fluid and adaptive experiences in terms of our understanding of what an intellectual disability is. LB343 would also align Nebraska's statutes with other states, organizations, and federal agencies that have done the same. Forty-three states, approximately, have replaced this term. In 2010, Rosa's Law was passed which changes references in federal statutes and regulations. Furthermore, the term "mental retardation" easily mutates into other terms that are demeaning and derogatory towards people with intellectual and developmental disabilities. While Nebraska's statutes may not contain the specific pejorative derivatives, the statutes do contain the root word and it stymies efforts to change our culture's assumptions, attitudes, and language about people with intellectual and developmental disabilities. Retaining the term "mental retardation" and its derivatives in Nebraska's statutes sends a mixed signal and gives tacit justification for the continued use of that term and its derogatory derivatives. I would refer you to a video on You Tube from the New Jersey Self-Advocacy Project from The Arc of New Jersey; and the link is contained within my written testimony. In this video, people with disabilities talk about how they are affected by the use of the term "mental retardation" and its pejorative derivatives. The most poignant responses include: "Made me feel like two cents." "Feel like I've been put away; not wanted; like I'm not a person." "I'm a person first, my disability is second." When asked what term would be preferable, the common response was: "people with intellectual disabilities or people with developmental disabilities;" i.e.,

the people-first language, which we applaud Senator Coash for addressing in this bill as well. I think Governor Jay Nixon of Missouri encapsulated this issue in his remarks as he signed into law very similar, if not the same language changes that we are considering in this legislation: "More than 100,000 Missourians have an intellectual or developmental disability, and many more have family members with a disability. This legislation helps to ensure that, as a state, our words, actions, and laws do not promote discrimination. Words that are hurtful or hateful have no place on our books and in our hearts. This legislation is about dignity, practicality, and the need to ensure access and equality for Missourians with disabilities." And for...I stand at the end of my testimony. I'd be happy to answer any questions the committee may have. [LB343]

SENATOR CAMPBELL: Any questions for Mr. Meurrens? We much appreciate the handouts that you provide. [LB343]

BRAD MEURRENS: You're welcome. [LB343]

SENATOR CAMPBELL: You're pretty thorough every time you come. You bring information for us to read, and I appreciate that. [LB343]

BRAD MEURRENS: Well, we try to be as prepared as we can, yes. [LB343]

SENATOR CAMPBELL: Absolutely. Any other questions? Thank you for coming today. [LB343]

BRAD MEURRENS: You're welcome. [LB343]

SENATOR CAMPBELL: Our next proponent for LB343. Good afternoon. [LB343]

LYNN REDDING: (Exhibit 24) Good afternoon, Senator Campbell and members of the Health and Human Service Committee. For the record my name is Lynn, L-y-n-n, Redding, R-e-d-d-i-n-g, and I strongly support LB343 to change the word "mental retardation" to "intellectual disability." While "mental retardation" may be a technical term used in medicine, applied the labels to individuals with developmental and other intellectual disabilities over the years, that term has in everyday language evolved to the shortened version of "retard," which is very hurtful. I am a person with a developmental disability. I have been on the other end of that word. When I was in high school, I was a little slower than my classmates. Not only was I trying to adjust to high school like any other kid, I was trying to make friends and trying to fit in. Every day I was bullied; every day I was called a "retard." I was thrown into lockers; having my peers tell me to...go home, retard, you don't belong here. It got so bad that I had to transfer schools three different times. I felt humiliated. I wasn't good enough to be anywhere near them, and all I wanted to do was fit in. [LB343]

SENATOR CAMPBELL: That's fine, Ms. Redding, just take your time. [LB343]

LYNN REDDING: But instead, I got excluded and degraded. I realize this happens every day to someone to the point that it shouldn't happen to anybody. Later on, it was my support staff using that term. It was a really big blow to me to hear it from the people that I trusted and who I thought should have known better. I felt betrayed, isolated, and segregated all over again. And I crawled into a social role that their language created for me, a shell that I'm just now breaking out of. Persons with intellectual disabilities don't deserve to be treated this way. I, and many other people with disabilities, have been treated this way for so long. That is why I support LB343. When Nebraska's laws outdated the terminology, they should be updated. When Nebraska laws use terminology that gives legitimacy to the language used to put down people with disabilities, they should be changed. LB343 would send a strong public signal that the Legislature, leading by example, is committed to seeing people with developmental and/or intellectual disabilities not as a medical diagnosis or as a second class citizen and that it's okay to treat differently. I support LB343 because it's about time that the Nebraska law shed the outdated labels applied to the persons with intellectual disabilities. It's awfully difficult to improve the image of people with intellectual disabilities and our society's assumptions about them when our law relies on those labels. Achieving a culture that is more informed, tolerant of, and compassionate towards people with developmental or intellectual disabilities is not impossible. The first step is updating our official language. [LB343]

SENATOR CAMPBELL: Thank you, Ms. Redding. And thank you for the courage to tell your story. If you just stay right there for just a minute. Senator Gloor has a question for you. [LB343]

SENATOR GLOOR: Thank you, Senator Campbell. Well, Lynn, the last couple of times I've seen you, you've been making speeches. [LB343]

LYNN REDDING: I'm getting better. [LB343]

SENATOR GLOOR: You're not only getting better, one of the reasons people ask you to speak is you express yourself very well. And so as difficult as it was, you do a good job and it helps us make our decisions. So thanks, Lynn. [LB343]

LYNN REDDING: Thank you. [LB343]

SENATOR CAMPBELL: Any other questions? Ms. Redding, before you leave, I take it from your testimony that you have finished high school. [LB343]

LYNN REDDING: Yes. [LB343]

SENATOR CAMPBELL: And what are you doing today? [LB343]

LYNN REDDING: I now work at McDonald's, and I also work at Goodwill Industries in Grand Island. And now if we get rid of this word, maybe it would be...society would see...including, for example, my boss at McDonald's, it would...so she wouldn't use it. Maybe if she sees how bad it hurts people, maybe they wouldn't use it. [LB343]

SENATOR CAMPBELL: Absolutely. Well, we wish you just the very best and success. [LB343]

LYNN REDDING: Thank you. [LB343]

SENATOR CAMPBELL: Sounds like you're a very busy person with two jobs and speaking engagements, I don't know. (Laughter) But thank you for coming today. You told a great story. [LB343]

LYNN REDDING: Thank you. [LB343]

SENATOR CAMPBELL: Our next proponent. Good afternoon. [LB343]

SHERRI SHAFFER: (Exhibit 25) Good afternoon. Good afternoon, Senator Campbell and Health and Human Services. My name is Sherri Shaffer, S-h-e-r-r-i S-h-a-f-f-e-r. I'm here to show my support for the LB343 and the removal of the "R" word. All medical terminology, I believe that the paragraph (sic-phrase) "intellectual disabilities" is much better described. The "R" word is hurtful and degrading word. A friend of mine, who is like a sister, has always told me never to use this...never to use the "R" word because it is hurtful. Throughout my life this word has placed an undeserved label on my life and all the things that I have done. The use of the "R" word has held me back in many ways, as well as given me the drive necessary to push forward and provide (sic-prove) that I am not a label. The "R" word also limited not only my opportunities to work, but it has also held me back in pursuing my dreams. This label gives the impression that my abilities are limited, but the truth is I am not...I can do the same things that other people are capable of doing, sometimes even more. LB343 is long overdue. I believe that the State of Nebraska should hear the plea of my community and myself and the end of the "R" word should stand united as a state to set an example for the youth in our community and our local government and our nation. The continued use of the "R" word provides no benefit. Just as LB343 states, we should no longer keep language in use that hanks (sic-harkens) back to the days of the institutionalized explosions (sic-institutionalization and exclusion). Simply put, it is time to end the era of the "R" word. [LB343]

SENATOR CAMPBELL: Thank you, Miss Shaffer, very much. [LB343]

SHERRI SHAFFER: Thank you. [LB343]

SENATOR CAMPBELL: Could you just stay for just a minute. Are there any questions from the senator? Miss Shaffer, tell me where...where do you live? What community are you from? [LB343]

SHERRI SHAFFER: Grand Island, Nebraska. [LB343]

SENATOR CAMPBELL: You're also from Grand Island. [LB343]

SHERRI SHAFFER: Um-hum. [LB343]

SENATOR CAMPBELL: So have you met Senator Gloor before? [LB343]

SHERRI SHAFFER: Yes. [LB343]

SENATOR CAMPBELL: He gets around does he, and talks to a lot of people. [LB343]

SHERRI SHAFFER: Yes, yes. [LB343]

SENATOR CAMPBELL: We've noticed that. [LB343]

SHERRI SHAFFER: He's a very wonderful person. [LB343]

SENATOR CAMPBELL: Thank you. We think he is too. [LB343]

SHERRI SHAFFER: Yes. [LB343]

SENATOR CAMPBELL: Absolutely. Miss Shaffer, tell me what you do each day. [LB343]

SHERRI SHAFFER: I work at Goodwill, and then I work at the VA Hospital mowing lawns in the summer. [LB343]

SENATOR CAMPBELL: Oh my gosh, that's a big job. [LB343]

SHERRI SHAFFER: Yeah. [LB343]

SENATOR CAMPBELL: Our family owns a garden center and nursery business, so I know how much work that is. Fortunately, for me I don't have to mow as many lawns as I used to, so, I have other people to help me. [LB343]

SHERRI SHAFFER: It's a fun job. [LB343]

SENATOR CAMPBELL: It is a fun job isn't it, and it gets you outside. [LB343]

SHERRI SHAFFER: Yeah. And you get tired at the end, but...it gets you exercise. [LB343]

SENATOR CAMPBELL: So do you have a riding mower? [LB343]

SHERRI SHAFFER: No, I almost crashed into a tree one day, so I'm just using a push mower. [LB343]

SENATOR CAMPBELL: That's even harder work. [LB343]

SHERRI SHAFFER: Yeah, yeah. [LB343]

SENATOR CAMPBELL: Well, thank you for your job, and thank you for what you're doing. Senator Gloor. [LB343]

SENATOR GLOOR: Thank you, Senator Campbell. Sherri, I think it's probably worth sharing with folks your degree of independence and courage when it comes to doing things. Do you want to tell us where you recently came back from? [LB343]

SHERRI SHAFFER: Yes, sir. I have a dream that I've never thought I was going to be able to come true. I got to go to Los Angeles, California, this year, and I went to Las Vegas; and California was better than Las Vegas (laughter) because I got to...I'm into old movie stars and I got to do...see the old movies stars and things and it was better than Las Vegas. And there's a lot of things I need to tell you about Las Vegas, there's some things that...there's more educational there than they shouldn't have all the bad things that are happening in Las Vegas. They need more educational things there. [LB343]

SENATOR CAMPBELL: You know, Miss Shaffer, that's probably why they say, what happens in Vegas... [LB343]

SHERRI SHAFFER: In Vegas stays in Vegas, yeah. (Laughter) [LB343]

SENATOR CAMPBELL: I think you're explaining that point pretty well to us. [LB343]

SHERRI SHAFFER: Yeah, yeah. [LB343]

SENATOR CAMPBELL: Senator Krist. [LB343]

SENATOR KRIST: No, who's going to top that? [LB343]

SENATOR CAMPBELL: Who's going to top that? Thank you for coming today and testifying. [LB343]

SHERRI SHAFFER: Thank you. [LB343]

SENATOR CAMPBELL: Our next proponent. Good afternoon. [LB343]

MARLA FISCHER-LEMPKE: (Exhibit 26) Good afternoon, Chairwoman Campbell, and members of the Health and Human Services Committee. My name is Marla Fischer-Lempke, M-a-r-l-a F-i-s-c-h-e-r - L-e-m-p-k-e. I'm the executive director for The Arc of Nebraska. The Arc of Nebraska is a support and advocacy organization for and with people with developmental disabilities and their families. We're a state-affiliated chapter of The Arc of the United States, and we're a statewide organization with 13 local chapters and about 1,000 members. The Arc of Nebraska strongly supports LB343 that strives to eliminate the term "mental retardation" from state statute and replace it with "intellectual disability." As an advocacy organization that serves families and people with disabilities, it is at the core of who we are and what we do to ensure that all steps we take are in the direction of promoting dignity, equality, and full participation among all members of our society regardless of disability. At one time the term "mental retardation" was used to define a certain level of intellectual functioning. As time has gone on, the term has become something different. It's become the "R" word. Instead of just a diagnosis, it's become stigmatizing. It is used in taunts and bullying, not only among children, but among adults the term is used to humiliate as well. Many members of The Arc have a disability, have family members with a disability, or are somehow connected to someone with a disability. The term is not hurtful only to the person with a disability, but to those who love and know the person. As some of you know, I have a younger sister with Down Syndrome. The "R" word is a part of her diagnosis, but it's not who she is even though some people have called her that. And like Lynn, it's been some people who have cared for her as well. I remember this. I remember this in the work that I do. I remember this when I've heard kids use it on the playground towards other kids with and without disabilities. It hurts me; it hurts my family. It just needs to go away. It degrades my sister. I always think about my sister, and I know that it...my mom has heard it. She also provides direct care for people, and it hurts her every time as well. I know it seems like an act of political correctness to change the term, but it means much more than that. It is about social justice; it's about human rights. Eliminating the "R" word from the law evens the playing field. Nebraska is overdue in changing the language in its laws. In 2010, Rosa's Law made this change to the federal law. Many states are doing the same. Just last month the Social Security Administration also did so; not because they had to, but because it was the right thing to do. LB343 moves us further toward ensuring people with intellectual disabilities live with respect and dignity in the community. I'd be glad to answer any questions that you might have. [LB343]

SENATOR CAMPBELL: Are there any questions from the senators? Thank you for coming today and your testimony... [LB343]

MARLA FISCHER-LEMPKE: Thank you. [LB343]

SENATOR CAMPBELL: ...and the work you do each day, I know. [LB343]

MARLA FISCHER-LEMPKE: Thank you. [LB343]

SENATOR CAMPBELL: Our next proponent. Anyone who wishes to testify in opposition to LB343. Anyone who wishes to testify in a neutral position. Seeing no one, Senator Coash, would you like to close on your bill? [LB343]

SENATOR COASH: Well, thank you, Senator Campbell, and members of the committee. I should just let everybody else speak behind me. But, here's the deal; words matter. And we deal in words in our work here in the Legislature. Our state right now calls people retards because that's in our statute. And I think our state statutes ought to reflect the values that we have. Changing these words is not going to stop the bullying. It's not going to stop hurtful people from doing hurtful things. But it will show that the state has their back; and we think about them, and we think about the words that are used. This is the respectful thing to do. We can lead on this issue. And I would ask the committee to help me move this forward so we don't be number 50 on this issue. [LB343]

SENATOR CAMPBELL: Senator Krist. [LB343]

SENATOR KRIST: Thank you. Would you mind terribly if we put an E clause on this? [LB343]

SENATOR COASH: No, no. You can...I'll leave that to the committee. [LB343]

SENATOR CAMPBELL: Okay. Any other questions from the senators or comments? Senator Coash, thank you so much, and thank you for your long advocacy. (See also Exhibit 27.) [LB343]

SENATOR COASH: You're welcome. Thank you. [LB343]

SENATOR CAMPBELL: With that we will take a five-minute break. [LB343]

BREAK

SENATOR KRIST: (Recorder malfunction) ...get started. We're now going to hear Senator Campbell's LB507, adopt the Step Up to Quality Child Care Act. Senator

Campbell. [LB507]

SENATOR CAMPBELL: Thank you, Senator Krist. My name is Kathy Campbell, K-a-t-h-y C-a-m-p-b-e-l-l, and I serve the 25th Legislative District. I want to start out by providing a little description before we talk about the intent of LB507. The first five years of a child's life lay the foundation for the future. The quality of a child's experience in the first five years affects school readiness, later academic achievement, success in life; and, yes, their physical health. In Nebraska, 74 percent of children under the age of six have all available parents in the work force, which means that a majority of children receive care outside the home at some point in their first five years of life. Because we have no systemic way to evaluate the quality of childcare programs, parents and the state of Nebraska are unable to determine the quality of care our children are receiving. According to DHHS, in FY '12 over $94 million in state and federal funds was spent on childcare. With so much at stake in these early years and with a significant amount of public dollars being expended on care for our at-risk children, it is the intent of LB507 to provide accountability and steps to improve the quality of our childcare system in Nebraska. It is the intent of LB507, the Step Up to Quality Child Care Act, to accomplish the following: to provide accountability for the significant amount of public dollars invested in childcare and early childhood education programs; to provide a path to higher quality, including incentives and supports to childcare and early childhood education program providers; to provide parents a tool by which to evaluate the quality of childcare and early childhood education programs; and, lastly, to improve child development and school readiness outcomes for children. The Step Up to Quality Child Care Act requires the Department of Health and Human Services and the state Department of Education to work collaboratively to develop, implement, and provide oversight for a quality rating and improvement system, also known as QRIS. With QRIS...shall assign ratings of quality to childcare and early childhood education programs on a scale of steps one through five based upon criteria to be determined by this collaborative effort between DHHS and NDE. Both of those agencies shall work collaboratively to create a system of incentives and supports to help programs increase their quality rating; including, but not limited to, tiered childcare subsidy reimbursements and incentive bonuses. Participation in the QRIS is voluntary unless a childcare and early childhood education program received or receives a significant amount of public dollars in the form of childcare subsidy payments. And as you will note in the bill, we are starting with those who receive over $500,000 in state and federal dollars. We have one provider in the state who receives $1 million or more, and then we have 15 who receive $500,000 or more during a year. The ratings of childcare and early childhood education programs participating in the QRIS shall be available on a publicly-accessible Web site beginning in 2017. The Step Up to Quality Child Care Act also requires the Department of Education to create the Nebraska Early Childhood Professional Records System to track and verify degrees and credentials of childcare and early childhood education professionals. Colleagues, this bill is not aimed, at least initially, to help Mrs. Smith down the block who provides childcare. And the committee has certainly had those

discussions. This is trying to improve those centers who receive a large, significant number of dollars; and as you will hear, care for a large number of children. I believe that no matter the resources of a child's parents--for most of us sitting around here who have had parents, we could afford to pay for quality childcare--I believe that a child should have quality childcare no matter the resources of his or her parents. It should be quality that we are concerned about. In this committee, we spend a lot of time talking about the safety of children, and we spent all last year with that as a prime emphasis in the child welfare system. But as important as that factor is, we all learned that as important is the child's well-being and their future. Quality childcare can provide that for Nebraska's children. There are a number of experts sitting behind me who are going to answer far more questions for all of you than I could, and so I'd rather get right to the testimony and take any of your questions at the end if that's okay, Senator Krist. [LB507]

SENATOR KRIST: Absolutely. You're the Chair. (Laughter) [LB507]

SENATOR CAMPBELL: Well, not in this position (laughter) probably. Thank you. [LB507]

SENATOR KRIST: Thank you. Can we have the first proponent? Thank you. Welcome. [LB507]

HELEN RAIKES: (Exhibits 28 and 29) Thank you. Good afternoon, members of the committee. I am Helen Raikes, it's H-e-l-e-n R-a-i-k-e-s. I'm from the University of Nebraska, and I support LB507. I'm going to tell you a little bit about the history of quality rating systems or quality rating and improvement systems, called QRS or QRIS, both in the country and tell you of all that has happened in the past five years in Nebraska in that regard. I'm sure you will agree with me, then, that we have done the important preliminary pilot testing and vetting to bring us to where we are in front of the Legislature here today. These systems involve a method, as Senator Campbell said, to assess, improve, and convey the quality of early learning programs. They involve assessing quality, in some ways like a hotel rating system--some states refer to them as a star system...using these as a road map to shape quality improvements, and then communicating quality of programs to empower parents to become savvy consumers. Typically, states rate four to six areas, such as staff qualifications, curriculum, interacting with children, parent engagement, health and safety. And these are specific elements that have features that research has already shown are related to other elements of quality or to aspects of children's development that can actually be observed and documented. The Alliance for Early Childhood Development reports that nearly half of all the states in the United States today and Washington, D.C., operate QRS or QRIS, and nearly all other states are planning them. The first was launched in Oklahoma in 1998. What about Nebraska? What have we done? In 2001, a consortium was formed by researchers in Iowa, Kansas, Missouri, and Nebraska comprising the

whole of U.S. Department of Health and Human Services Region 7. So we referred to this group as the Midwest Child Care Research Consortium. And with the assistance of the Gallup organization, we conducted a randomized stratified study of childcare providers in these four states. We learned, then, that a high percentage of providers were not providing high-quality child care as it was defined by a prevailing instrument for assessing quality, which was using rigorous assessment observation. However, about 30 percent were good quality. So there's variation in Nebraska as well as in the other three states. Next, the consortium launched a second set of studies in 2005 to implement a pilot quality-rating system. And we used linked, rigorous research methods again to evaluate these implementations across these four states again. The Nebraska QRIS was developed by about 20 representatives of the Nebraska Department of Health and Human Services, Department of Education, the University of Nebraska, providers, NAEYC, and others. The University of Nebraska then invited providers in one rural area, ten northeast Nebraska counties; and one urban locality, which was Lincoln; to participate in the pilot study. Thirty-four center-based programs and 47 family childcare providers agreed to be assessed pre and post on pilot criteria to receive feedback and training and participate in focus groups to talk about what it was like for them. And by our criteria, we saw significant improvement from pre to post with the training in the middle in quality for both centers, and highly significant improvements for family home providers. For example, in homes, the average for time one was 1.94 stars out of five, just to give you an example where the providers fell at time one; and by time two they were averaging 2.51, and that was a highly significant improvement over a period of a year. Greatest growth was in the area of health and safety and parent engagement in both centers and homes, and provision of learning environment in family childcare homes. In all, then, we learned that a QRS could be implemented; and that when providers receive feedback and training, scores could improve appreciably. I have a copy of the report that I will submit to the committee so you can see that. The pilot study led to recommendations. The state continued to explore how to implement and afford one. Our neighboring states all moved ahead and implemented QRIS's. And when the Race to the Top competition was announced with the QRIS as one of the requirements, the conversation was resumed in earnest here in Nebraska. Recommendations were approved by the Governor and advanced the system. Nebraska did not receive an award, but the QRIS discussion has continued in full force. And in these past few weeks even, focus groups on a more streamlined and less costly criteria and process are being held throughout Nebraska; and my colleagues will tell you more about that process. That brings us to today, and I'm happy to answer any questions you might have. [LB507]

SENATOR KRIST: Wow! Right at five minutes. (Laughter) Excellent. [LB507]

HELEN RAIKES: I was watching those lights. [LB507]

SENATOR KRIST: Any questions from the senators? Thank you...oh, I'm sorry. Senator

Gloor. [LB507]

SENATOR GLOOR: Thank you, Senator Krist. And I'm sorry, Ms. Raikes. Thank you for your testimony. I'm trying to decide how to formulate my question. Who does the ratings, the rankings? Is it based upon quantitative information that's gathered that...I mean, is there a... [LB507]

HELEN RAIKES: Right. [LB507]

SENATOR KRIST: ...my concern is that there is... [LB507]

HELEN RAIKES: Objective. [LB507]

SENATOR GLOOR: Yeah, objective, and that you don't end up with rater's bias and some of those issues that creep into these things. [LB507]

HELEN RAIKES: Right. It's a great question. And different states handle this in slightly different ways, but there's always an entity that's charged with doing the rating. So, first, the criteria are developed; and then the entity develops the procedures for collecting the information. Typically, the procedures involve some kind of objective assessment; but also a number of kinds of information that you can readily document and verify. For example, in Iowa, I believe it's Iowa State University has the assignment of doing the assessment. In other states, it's other groups. [LB507]

SENATOR GLOOR: Okay. [LB507]

HELEN RAIKES: Okay. [LB507]

SENATOR GLOOR: Thank you. [LB507]

HELEN RAIKES: Sure. [LB507]

SENATOR KRIST: Thank you, Senator Gloor. Thank you for your testimony. [LB507]

HELEN RAIKES: Thank you very much. [LB507]

SENATOR KRIST: Next proponent. Welcome, Natalie. [LB507]

NATALIE PEETZ: (Exhibits 30-32) Thank you, Senator. Vice Chairman Krist, members of the Health and Human Services Committee, for the record, my name is Natalie Peetz, spelled N-a-t-a-l-i-e P-e-e-t-z. I'm a registered lobbyist for First Five Nebraska, and I'm here testifying in support of LB507. And I'm actually here today pinch-hitting for Jen Goetemoeller from First Five Nebraska. I know many of you have had

conversations with her; and she'd planned to be here, and unfortunately she had a family emergency come up and so you're stuck with me. (Laughter) So I will offer into the record her testimony. And when I talked to Jen late last night, she really asked me to convey two key points to her testimony. One is that LB507 is about accountability of existing funds as it relates to the childcare subsidy. It's about getting our house in order, and it's about ensuring a good return on investment of taxpayer's funding. I hope some of you have had a chance to meet and visit and learn from Dr. Jack Shonkoff who's been in Nebraska on several occasions. He's director of the Center on the Developing Child at Harvard University. And he said it best. The most expensive thing in early childhood is poor quality care with no return on investment. That's really what LB507 is about--to make sure we put accountability into existing funds. I also want to share with you a letter from Jim Krieger, who wanted to be here today as well. And Jim is CFO and vice chair of Gallup. He's also taken on a new title as chair of the Nebraska Early Childhood Business Roundtable. If you've met Jim Krieger, you know he's pretty passionate about early childhood. Gallup has been a corporate leader for many, many years on this issue. I first met Jim probably 25 years ago when he was lobbying the Omaha Chamber at that time that the business leaders need to be more engaged on early childhood issues. He has carried this banner all cross the state. He's signing up business leaders and community leaders from across Nebraska. And I'd just like to do a quote from his letter. "Fifty percent of kindergartners start behind in school and typically stay behind. With today's economic research indicating that we can achieve up to a ten percent rate of return on investment when we reach kids most in need with quality, early education, we feel compelled to raise awareness of this important issue and participate in a solution." The business community gets it, most of them; not all of them, but we're getting there. If you would have told me two weeks ago that the state Chamber of Commerce would have had on its agenda early childhood and brought in a professor of economics who's nationally renowned to talk to business leaders about early childhood, I never would have believed that day would come. But it has. And I also know that we have a huge supporter in Senator Campbell's husband who's out there constantly singing praises about early learning. So we thank Jim Krieger for what he's doing. He's bringing great recognition. This really is important because this is our future work force. It's also important, and I think Gallup has done a great job of teaching employers that with the number of parents we have in the work force, we have to get this right; and we have to support them. And this is an important piece of that puzzle. I want to share with you, finally, a map. I know Jen has been in your offices with this picture; but I always believe a picture is worth a thousand words, and I think this one says a lot. And let me just go through some quick statistics, which I don't think we can repeat enough. There are nearly 60,000 Nebraska children ages zero to five who are at risk of failing in school. This estimate is an increase of 11,663 children just between 2000 and 2010. That's a very scary trend. I don't think we're going in the right direction here. Approximately 39 percent of all Nebraska children zero to five are at risk of failing in school; and of this at-risk population, the fastest growing sector is in rural Nebraska. I don't think anybody really thinks about that, but that's what the numbers show us.

Nebraska consistently ranks among the top-five states with all available parents of young children in the work force. In Nebraska, approximately 88 percent, it's a little higher than you used, Senator, so we'll have to reconcile that, of all parents are in the work force; which means a majority of our children are in someone else's care during the day. The best gee-whiz fact that I like to share is what kindergarten teachers are telling us, because they're our front line; and they tell us more and more often that they know the first day--first day--for sure probably the first week, which kids are most likely to succeed and which ones are going to fail. The ones who start school not ready to learn are most likely the ones that are 25 percent more likely to drop out of school; 40 percent more likely to become a teen parent; 60 percent more likely to never attend college; and 70 percent more likely to be arrested for a violent crime. So as you wrangle with all these difficult issues; you're firefighters, we want to prevent these fires from starting and we think we have the answer. And that is based on science, research of the brain, and what we know about early childhood. Finally, I'll leave you with what's really exciting about today's discussion, and there's a lot more folks behind me that know a lot more about this issue; but it's the private partners that we have in place. You've heard more about that. We have Educares in Omaha; at Winnebago. We have a brand new one opening up in Lincoln in April. We invite you to come see what we're doing and what we've learned. President Milliken is talking about early learning. We have a brand new institute; national recognition; $100 million. They've hired a nationally renowned person to run it who will make Nebraska in the spot light in terms of what we're doing for this issue. Business community, criminal justice, parents, grandparents; we have a lot of great partners that want to help, and we're here to do that. So thank you for your time. I'd be happy to try to answer any questions and, again, I wish Jen could be here. Also I wanted to recognize Dr. Helen Raikes. I had to giggle when I saw her here today. She was before the Education Committee in 2006. Her husband was chair; and we all giggled about that, and we knew that when we needed to get to the chairman, we needed to call Helen. And she has led this effort. She also is nationally recognized. She travels all over and we're so thrilled that she could be with us today. So thanks a lot, Dr. Raikes, for being here. Any questions? [LB507]

SENATOR KRIST: Any questions? When you come testify the next time, you start with three minutes. [LB507]

NATALIE PEETZ: Sorry. (Laughter) Thank you. [LB507]

SENATOR KRIST: I'm kidding. Next proponent. [LB507]

LISA ST. CLAIR: Good afternoon, members of the committee. I'm Lisa St. Clair, L-i-s-a S-t C-l-a-i-r, and I'm from the University of Nebraska Medical Center. I'm here to talk with you about measuring quality. So I can talk with you a little bit about some of the tools that are proposed for the Step Up to Quality. I'll talk with you first about the environment rating scales. This tool was revised in 1998. It's been used widely. It's the

most widely-used measure of broad program quality. Our team is a team of program evaluators. We evaluate such programs as the Early Childhood Grant Program for NDE, Sixpence, Educares, Learning Community, Early Childhood Services network, a project of Building Bright Futures, as well as after school programs across Nebraska such as the 21st Century Community Learning Center programs. We use tools such as the environment rating scales in our early childhood program evaluations. It includes infant-, toddler-, preschool-level ratings. It is a valid and reliable tool. The tool is...has an internal consistency of .92, which means it's almost a perfect one. It's very close. And as long as the process set up for re-reliability of the assessors, the team of assessors that do the ratings, the important thing is to make sure that team is reliably constructed. They must do re-reliability frequently. And our team maintains a standard of .9 reliability with each other. So as long as the process designed to support Nebraska's assessors is strong, the tool will be valid and reliable. Let me talk with you about the newer tool. That tool came out in 2008. It's called the CLASS, the Classroom Assessment and Scoring System. And it's actually the one I'm most excited about. This tool measures emotional support in a classroom, which you suppose would be important classroom organization; but what I love about it is, it added a stronger focus on instructional support. You can see really strong early childhood programs that have good care; really good nurturing care. But what you want to see continuously improving is that piece around instructional support. These children are born learning. They're learning from day one, so we need to give them thriving and challenging learning environments. The link between improving those interactions, their teaching and learning interactions, is proven. Student academic achievement goes up as you increase scores on the CLASS tool. Higher levels of instructional support are related to preschoolers' gains in pre-reading and math skills. Higher levels of emotional support contribute to preschoolers' social competence in their kindergarten year, and also associate with growth in reading and math achievement kindergarten through fifth grade. It's used nationally in Head Starts and in Nebraska. We use it with the Educare evaluation. We also use it with the learning community evaluation. These proposed tools will allow for a common lens and a dialogue around what quality is. People can speak the same language; and people like me who have to use evaluation instruments to measure the growth of quality over time, will have a consistent tool that we can be monitoring the progress in Nebraska. Do you have any questions for me? [LB507]

SENATOR KRIST: Any questions? Senator Gloor. [LB507]

SENATOR GLOOR: Thank you, Senator Krist. And thank you for your testimony. You use a tool, but is your team trained in use of that tool? [LB507]

LISA ST. CLAIR: Yes. [LB507]

SENATOR GLOOR: So you go through a training exercise with the teams. [LB507]

LISA ST. CLAIR: Yes. We use national trainers, so we get our training at Frank Porter Graham Institute in North Carolina who are the makers of the environment-rating scales. They have what they call a gold standard anchor, someone who trains someone; and then you go out with that gold standard anchor, and you have to have two occasions where you have greater than 80 percent reliability. Our team uses 90 percent. So we have a team of gold standard anchors who have anchored with North Carolina for the environment-rating scales. And on the CLASS tool, they have a national reliability process that's done on video. And then we do test/retest with our evaluators internally where we do video and live observation: Separate raters, have them separately score; and then see if they come up with the same scores within 90 percent. [LB507]

SENATOR GLOOR: When you're talking about teams, are you actually talking about teams that go on site or are you talking about teams that are both...aren't necessarily the folks who go to each center, but in fact are part of the evaluative process but perhaps stay elsewhere? [LB507]

LISA ST. CLAIR: I think that the state would have to come up with a plan for how they intend to do it. I can describe with you how we've routinely done it for 10 or 11 years. But I don't know for sure what the state's plan would be. I think they would have to look at processes like mine, processes like what UNL would use, and put together the best practices. We use live observation for all of the environment-rating scales observations, the broad program quality measure. We use video and live both, equally, for the CLASS observation. [LB507]

SENATOR GLOOR: Okay. Thank you. [LB507]

SENATOR KRIST: Any other questions? Thank you so much for your testimony. [LB507]

LISA ST. CLAIR: Thank you. [LB507]

SENATOR KRIST: The next proponent. [LB507]

JOHN CAVANAUGH: (Exhibit 33) Madam Chairman, members of the committee, my name is John Cavanaugh, J-o-h-n C-a-v-a-n-a-u-g-h. I'm the executive director of Building Bright Futures. I'm not-for-profit organization located in Omaha, Nebraska, and serving Douglas and Sarpy County. A major focus of Building Bright Futures is improving academic performance, particularly among high-risk, low-income children in our community. And our major commitment has been to early childhood services, and you will hear from Fawn Taylor who directs that program and a program that has been highly engaged with improving outcomes in childcare centers serving large populations receiving state subsidies; which is directly what LB507 is directed at improving the

quality of those standards for those providers and the quality of the services received by those children. This is truly a piece of landmark legislation. And I think, as Dr. Raikes and others have described the tremendous effort that's gone into the development of this legislation, Senator Campbell, you're to be commended for bringing all of this effort, really a ten year or more effort at moving carefully, cautiously, but decisively; and I would say now with some urgency, because every day that these children are in subquality services is a day lost in terms of their future. This bill is about accountability, it is about quality; but it is, ultimately, about the ability and the opportunity for children to exceed...succeed academically and economically in our society. And there's no...the harsh reality is that we're not serving those needs as we see the increasing effects of children arriving at kindergarten not ready. That's determined in the first three years and that's determined by the quality of care; and the quality of care is lowest for that part of our population who are the working poor and who are required to place their children in childcare centers that currently have no quality standards. We have provided you with a short summary of the impact of the legislation. As you can see, this is a very measured approach. It's a very step-by-step approach, but it is an approach that deserves all of the urgency that you can provide to it. We've waited too long to assert quality and accountability in the state of Nebraska, and we really can't wait any longer. I appreciate your opportunity to be with you today, and I'm happy to answer any questions. [LB507]

SENATOR KRIST: Thank you. Any questions? Seeing none, thank you very much. [LB507]

JOHN CAVANAUGH: Thank you. [LB507]

SENATOR KRIST: Thanks. Next proponent. Afternoon. [LB507]

FAWN TAYLOR: (Exhibit 34) Good afternoon, committee. My name is Fawn Taylor, F-a-w-n T-a-y-l-o-r. I am the executive director of Early Childhood Services, an organization in Omaha created out of the work of Building Bright Futures. We are committed to ensuring that every child receives the care and education they need to have a healthy start at life. We support LB507 because it provides a pathway for providers to achieve high quality while accepting Title XX, and will also allow for parents served through Title XX to choose quality care for their children. Early Childhood Services has established what we call the Network of Excellence, a network of childcare providers dedicated to effective learning experiences for children. The providers we work with all serve high populations of children through Title XX, and it is financially impossible in the current system for them to provide the highest quality of care based on what the subsidy pays and the instability of the system for reimbursement. Through our team of master early childhood coaches and private supports and incentives, the network enables these childcare providers to continuously improve their programs without increasing the costs for families by encouraging peer-to-peer growth, training opportunities, and access to additional community resources. LB507 would create a

similar system of incentives and supports to reach children far beyond our capacity while establishing public recognition and support for quality among all early childcare providers. In our first two years of work, we learned that participation in our Network of Excellence positively impacted children's language and social-emotional skills. The majority of children who were eligible for kindergarten were in the average range on a standardized measure of school readiness, with 55 percent being in the upper range to advanced range. We recently made changes to our coaching model based on our lessons learned through a rigorous evaluation process and evolving coaching research. In working so closely with providers who have been subsidizing their own quality up to this point, we know that we have a long way to go to achieve our goals; but we know firsthand that we will never be able to fully achieve them without drastic systems change and investment at the state level like that proposed in LB507. Some of the most important lessons we have learned are simple and true across all economic divides. Providers want to provide the best care they can within their means, and parents want the best care possible for their children. LB507 will address both of these goals. Through our Network of Excellence and the lessons we have learned, we are willing to support the QRIS in whatever means possible to help ensure that children served through Title XX have every opportunity to succeed in life and have a great start, and would be encouraged...and we would encourage your advancement of LB507. In addition to our Network of Excellence, we also have a teen and young parent program that works with teenagers, actually very young children from age 11 through 21. And a lot of these kids drop out of school. You know, it's...teen pregnancy is an epidemic throughout the country, and a lot of these kids are dropping out of school because they cannot find quality care. Within our teen and young parent program, we offer a menu of over 50 services, and none of those services include quality care for children. So this bill would be an excellent resource for very young parents, as well, who really don't have the ability or their frontal cortex is not developed for them to make informed decisions. So being able to have something to go by, at least a rating system where they can look at this and say, okay, a one is not good, you know, a five is great, and somewhere in between. Right now, they have no way of knowing what's good and what isn't. So thank you. [LB507]

SENATOR KRIST: Thank you so much. Any questions? No. Seeing none, thank you very much for coming. [LB507]

FAWN TAYLOR: Thank you. [LB507]

SENATOR KRIST: Next proponent. Afternoon. [LB507]

THELMA SIMS: Good afternoon. How are you today? [LB507]

SENATOR KRIST: Good. You? [LB507]

THELMA SIMS: I'm trying to get home before it snows, so I'm going to be short, sweet, and right to the point. [LB507]

SENATOR KRIST: You'll make it. Unless there's many more testifiers, you're going to make it. (Laughter) [LB507]

THELMA SIMS: My name is Thelma Sims, T-h-e-l-m-a S-i-m-s. I am the director of Salem Children's Center, which is one of the largest African-American early learning centers in north Omaha. As a director, I come in support of LB507. And as a director, one of my greatest challenges that I deal with on a day-to-day basis is the ability to not only find but support my staff in that continuing education. I have an overwhelming desire to operate my early learning center based on quality and not quantity. Quantity is trouble because there's always, they say one, but there's always five kids you leave behind when you focus on quantity. Quality, you have a personal relationship with every single child that you serve. My two sons say, mom, you have 125 grandchildren. And that's because their day-to-day care, and my compassion for their care, is based on quality. LB507, as I read the bill, would give us the opportunity to model; not only model, but promote the need for quality care for all children--low-income, high-risk, whatever label we want to put on those kids. Every child deserves the opportunity for good care. We have to move away from the old norms. I have 500 children in my center, and it's all about the money. I would care less if I had five kids in my center. If I could give them the care to make sure that they were ready for school and ready for adulthood, that's what this bill will give us the opportunity to do, is focus on the children and not the numbers. I live every day with those families, those young mothers who didn't get the opportunity or may not have had those role models that instilled that need to get your education, stay away from some of the ills of life; having children will come a little later, but not as soon as it happens. But even if it happens, you have to stay focused on where your kids are going and what their academic future is going to look like. So pretty much in a nutshell, I'm about the quality of care. I have been in this field for about 30 years, not particularly in early childhood, but I was a previous director for a Head Start Program. I was a grantee, or a contractor, with the National Head Start Program; traveled across the United States; and no matter where you go, you still see those issues. Head Start is an awesome program. And what I discovered in that journey, that if every early learning childcare center could operate under the functions or a high functioning, as a high-functioning Head Start Program, man, our future was just, it's silver and gold; because those little babies will look at life: What's my next level of education? What's my next accomplishment? What should I do? We shouldn't have to ask kids why they want to stay in school; they'd be asking us about going to the next level of school. [LB507]

SENATOR KRIST: All right. Thank you so much. Any questions? Seeing none, thank you for your testimony. Thanks for coming down. [LB507]

THELMA SIMS: Well, thank you. [LB507]

SENATOR KRIST: Any other proponents? Welcome back. [LB507]

AUBREY MANCUSO: (Exhibit 35) Thank you. Good afternoon. My name is Aubrey Mancuso, A-u-b-r-e-y M-a-n-c-u-s-o, and I'm here on behalf of Voices for Children in Nebraska. And in the interest of time, the Nebraska Children and Families Coalition of Nebraska also wanted to be on the record in support of LB507 today. We want to thank Senator Campbell for bringing forward this bill. An increasing amount of research has started to focus on what happens to children in the third grade when they switch from learning to read to reading to learn. And what they found is that children who failed to successfully make that transition continue to have problems down the line leading to things like dropping out of high school and being unable to be successful in a career. And what we now know is that those experiences start long before they enter their formal schooling. So in spite of the potential of early childhood and what we know about it, Nebraska is currently spending significantly less on young children than on their older peers. Nebraska is spending about 1 percent of the funding devoted to K to 12 education on early childhood. And while those investments in K to 12 education are critical, we do need to look at some resources being devoted to those early learning experiences. The National Institute for Early Education and Research ranks Nebraska 38th currently in the nation on the amount of resources that we do devote to early childhood. We hope that the time has come for Nebraska to invest additional resources in early childhood, and we believe that LB507 is an important piece of this puzzle. We need to help ensure that quality in early childhood is defined, and that providers are incentivized to improve the quality of the care they're providing. In addition to improving quality of care, we need to help ensure that parents can access this care, and we can do this by improving eligibility for our childcare subsidy program that remains the lowest in the nation. We hope that Nebraska will make both access and quality a priority in early childhood to ensure that we're giving our state's children the best possible chance for success. And, finally, one...on a personal note, as some of you know, I'm also a new parent and have recently gone through the experience of searching for quality child care in Nebraska. And I can tell you that even as someone who knows something about these issues, there aren't a lot of resources out there for new parents in helping to define what quality looks like and helping to ensure that where we're leaving our children is a quality-care situation. So thank you. [LB507]

SENATOR KRIST: Thank you for your testimony. Any questions for Aubrey? Thanks again. Any other proponents? Any opponents? Anyone want to testify in a neutral capacity? Welcome. [LB507]

TERRY ROHREN: Hi. Thank you. I am Terry Rohren, Terry, T-e-r-r-y, Rohren, R-o-h-r-e-n, and I'm an education specialist with the Nebraska Department of Education's Office of Early Childhood. I'm here testifying in a neutral capacity for the

Nebraska Department of Education. I've served as a stakeholder on the original planning and development of the QRIS pilot that Helen Raikes talked to you about in 2005-2006, and have most recently convened and facilitated the conversations with state agencies and other state organizations regarding their preferred design for a QRIS in Nebraska. There are currently at least 25 states that are working on QRIS across the country, and the oldest have been operating for at least 12 years or more. The types of organizations operating the QRIS in states vary. Some operate the QRIS through state agencies, some through nonprofit organizations, some through colleges and universities, and some through state professional development organizations or foundations. Some states offer an entirely voluntary QRIS system, some offer an entirely mandatory system, and some offer a mostly voluntary system with some programs required. As Senator Campbell stated, we're proposing that it would be a voluntary system with a few programs required to participate, particularly those that are high childcare subsidy-receiving programs. The five-step model that we're proposing is called a hybrid model because it requires programs to meet all standards in steps one and two, and then steps three through five would be a point system based on the criteria defined in the QRIS system. Step one would be for all licensed childcare programs, Head Start programs that meet Head Start performance standards, and the Department of Education Rule 11 programs. We wanted step one to be that, recognizing that people have already taken a step towards quality by meeting some defined set of standards, whether it's the childcare licensing ranks, the Head Start performance standards, or the Rule 11 standards. Step two would require programs to address the health and safety standards not currently covered by our childcare licensing regulations, and requires program directors to complete some very specific training to prepare them to Step Up to Quality. In steps three through five, we have five criteria areas that we're proposing for programs to work on, and it's on a 100-point scale. And child outcomes is one of those areas; curriculum and learning environments is another; professional development of the staff and director is another; family engagement is the fourth; and, finally, administration. Nebraska is currently conducting focus groups across the state, gathering input and feedback from all types of early childhood care and education programs. Participants at the focus groups have been childcare center directors, family childcare home providers, public school staff who work with early childhood education programs, Head Start programs, public health officials, parents, college universities, and professional development staff. To date, we've held six focus groups across the state. The most recent focus group was last night in Omaha. To date, we've had 92 people participate in the six focus groups, and an additional three focus groups are planned for next week. Just so you understand the breakout of the people participating in the focus groups: 33 percent have been from childcare centers, 15 percent from family childcare homes, 3 percent from public schools, 23 percent from Head Start, and 23 percent that are other. When asked if they had previously heard of QRIS, 67 percent said yes; 30 percent said no. Based on the initial presentation to describe their response to what we're proposing in the QRIS, 34 percent said they feel very positive about what we're proposing, and 38 percent said most positive, and only 7

percent said that they were mostly concerned or very concerned. When asked what supports they need and want to participate in the QRIS, they have a choice of training, professional development, scholarships, coaching, or all of the above; and 63 percent of the providers said we need all of the above. So, basically, what I want to share with you is that we're getting a very positive response out there. People like what we're proposing, and we think it will be helpful to programs. That's our goal, ultimately, is to help bring up the quality. If you have any questions, I'd be happy to answer those. [LB507]

SENATOR KRIST: What makes your statement neutral? [LB507]

TERRY ROHREN: Neutral is that the Department of Education is not taking an official position on this; we're just explaining the process we're going through to prepare if LB507 would pass. [LB507]

SENATOR KRIST: And then another question for you, did the Department of Education, the Department of Health and Human Services... [LB507]

TERRY ROHREN: Work collaboratively on this development? [LB507]

SENATOR KRIST: ...on the fiscal note. [LB507]

TERRY ROHREN: Melody... [LB507]

MELODY HOBSON: (Inaudible from audience) [LB507]

SENATOR KRIST: If you need to testify, you need to come up to the mike and give me...otherwise you can just give us an answer afterwards, that would be fine. [LB507]

TERRY ROHREN: Okay. [LB507]

SENATOR KRIST: I'm just curious about...because the fiscal note appears to be stand alone, stand alone, stand alone, and I just want to make sure we're blending fiscal note. Maybe Senator Campbell wants to talk about that in her closing. [LB507]

TERRY ROHREN: I have no understanding of how the fiscal note came together. I did some initial financial work, and then Melody took the work I did to come up with the fiscal note that came through the Department of Education. [LB507]

SENATOR KRIST: Okay. [LB507]

TERRY ROHREN: So that's what can tell you. [LB507]

SENATOR KRIST: You're welcome to come up to the mike and give us the information if you'd like to. You just need to get... [LB507]

TERRY ROHREN: Thank you. [LB507]

SENATOR KRIST: Thank you. Any other questions? I'm sorry. Thank you. Come on up. And just state your name for the record, and you know the question. [LB507]

MELODY HOBSON: Yeah. I'm Melody Hobson, M-e-l-o-d-y H-o-b-s-o-n, and I'm the administrator for the Office of Early Childhood at the Nebraska Department of Education. And the way it worked in our organization is that, you know, when bills come out that, you know, I'm sure you understand, they are sent to the appropriate administrator. And because we do work very closely with Health and Human Services on a number of issues in the Office of Early Childhood, but we...but I had the information from Terry for this. So the Department of Education's fiscal note came based on if this were something the Department of Education would be administrating simply because that's the area that I work in and those are the figures that I have for NDE fiscal notes. So that's... [LB507]

SENATOR KRIST: Okay. So they're independent. [LB507]

MELODY HOBSON: They're independent. [LB507]

SENATOR KRIST: Okay. [LB507]

MELODY HOBSON: So sorry. That was a long answer for yes. [LB507]

SENATOR KRIST: But...okay...we... [LB507]

MELODY HOBSON: Thank you. [LB507]

SENATOR KRIST: Thank you so much for coming up. And unfortunately you have to fill out an orange sheet. (Laughter) Any other questions or testimony? Okay. Thank you very much. And Senator Campbell to close. [LB507]

SENATOR CAMPBELL: Thank you, Senator Krist and colleagues. I, first of all, want to say that, certainly, the purpose of LB507 is to help our centers improve their quality. And that's why I think it's important that they are conducting the focus groups. I've been privileged to have the notes from them and we will provide copies to all of you. But I think you will see that people do understand that we need to work on quality. This is a complex bill. There's so much detail jammed in those small pages. We also have a section-by-section breakdown and I will make sure that you all get a copy of that because it will be easier I think for you. I certainly do want to thank Dr. Raikes. I've

known Helen for a long time, and it proves the fact that you don't have to be an expert from just 50 miles away. We are so fortunate to have Dr. Raikes in this community, and the dedication. I am just at the end of a very long trail. I mean, the people behind me have done so much work and so much effort over a long period of time piloting this and looking at it in order to bring this idea to the Legislature when they thought that they had put much effort into getting it ready for us. So I want to thank them. I'm just the lucky person that's at the end and can represent them. I also do want to compliment the two departments of DHHS and the Department of Education. When we had the physician that was here from Georgia last year that talked about development and some of us, he talked about how those two departments didn't even talk to one another, they had a lot...and in this effort you have seen two state agencies come together to give quite an effort to ensure that we have quality education for our children. And I really appreciate that effort and will be glad to provide the committee with any backup information you might need. [LB507]

SENATOR KRIST: Because I opened the can of worms, could you just quickly, the fiscal note we see, the legislative fiscal note tries to account for both of the independent notes and brings them together. Is that right? [LB507]

SENATOR CAMPBELL: I believe so. We need to go back, we will go back and double-check. I just saw the fiscal note early this morning because of a late hearing last night in another committee. (Laughter) Poor Senator Gloor. So I just had a chance to look at it, but I believe that Liz Hruska brought a lot of that together. I think that all the effort that's gone ahead in the years makes the fiscal note what it is. I mean, these folks know what their costs are going to be, they've really honed it down in these tiers so that we can deal with those who are receiving the most subsidy of the childcare from our state and federal funds. So I think that's why the fiscal note is probably as realistic, but we will double-check that with Liz Hruska. [LB507]

SENATOR KRIST: Great. Any questions for Senator Campbell? Okay. (See also Exhibits 36-40) With that, we are closing the hearings and...with LB507 and the hearings for the day. [LB507]