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Health and Human Services Committee
March 14, 2013

[LB240 LB276 LB309 LB330]

The Committee on Health and Human Services met at 1:30 p.m. on Thursday, March 14, 2013, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB276, LB240, LB309, and LB330. 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 welcome to the hearings for the Health and Human Services Committee. I'm Kathy Campbell and I serve District 25 in east Lincoln and eastern Lancaster County. And we're awfully glad you're here today. I'm going to go through some procedures for the Health Committee, before we introduce the other senators. First of all, if you have a cell phone, would you double-check your cell phone and make sure that it's on silent or is turned off. And if you're planning to testify, would you hold that thought, because we have to get Senator Nordquist in here as quickly as we can because he has to run back. So we'll hold on the procedures. Just turn off those cell phones and we'll be good to go for a little bit. So we'll open the hearing on LB276, Senator Nordquist's bill to change reimbursement provisions under the Early Intervention Act and require a Medicaid state plan amendment. Senator Nordquist, glad to have you.

SENATOR NORDQUIST: (Exhibit 1) Thank you, Madam Chair, members of the committee. My name is Jeremy Nordquist, for the record. I represent District 7 in downtown and south Omaha. LB276 intends to accomplish three things: to broaden the scope of services provided in schools that are reimbursable by Medicaid when delivered to Medicaid-eligible special education students; two, to protect the funding stream for the Early Intervention Act, which provides services coordination for infants and toddlers with disabilities; and three, to allow some of those federal Medicaid reimbursements to be returned to schools to help them pay for special education services they are already providing. The Medicare Catastrophic Coverage Act of 1988 amended the Individuals with Disabilities Education Act, IDEA, to permit Medicaid payment for medical services provided to children under IDEA through a child's individualized education plan, or IEP. Federal Medicaid law allows for several other types of services to be delivered in school settings as part of an IEP to Medicaid-eligible children. As provided in current DHHS rules and regulations, school districts may only seek Medicaid reimbursement for three types of services--physical therapy, occupational therapy, and speech therapy services--delivered to Medicaid-eligible students with an individualized education plan. This bill, LB276, would add the following services to the Medicaid reimbursable array for children with an IEP. That would include audiology services, counseling, psychology, behavioral services, nursing, nutrition, personal assistance, social work, transportation, and vision services. Most of these services are currently either mandatory or optional services under Section 68-911. Currently many schools are already providing these services to special education students, but are not allowed to seek Medicaid

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reimbursement. Thus, we are missing an opportunity to draw down federal...the federal match for services that are being provided and are currently being funded by state and local dollars. LB276 also attempts to adjust how these federal Medicaid dollars are used once they are drawn down. Currently, with the exception of a small percentage which is allowed to go back to the schools for administrative purposes, the great majority of the funds are used to fund the Early Intervention Act. LB276 protects the current funding stream for the Early Intervention Act, creating the cap that is around the amount of current funding. LB276 anticipates a growth in the amount of federal Medicaid dollars being drawn down to the state as a result of expanding the services that would be reimbursable. The bill creates a distribution formula that would allow more of the Medicaid funding to actually make its way back to school districts in a proportionate amount to the original Medicaid claims. I provided a diagram which I hope helps provide a little clarification on how the funding flows. The bill creates, as I said, a distribution formula. And behind me will be testifiers detailing how the process currently works and how we envision it working under this bill. But in a nutshell, schools are providing many of these services right now as part of an individualized education plan to Medicaid-eligible services. The school submits claims to the federal...claims for those services that are currently eligible to the federal government, and they receive a federal match. The district then tells NDE how much they received and that amount, minus about 11 percent that's used for administrative purposes, that goes back to the school. The rest of the money they receive in federal reimbursement is subtracted from their special education allotment. This bill helps...attempts, as I said, we expand the services so we're going to be drawing down more federal funding that we're already...services that we're already paying for, largely with local dollars. We make those Medicaid eligible. We bring down the federal funds. We protect the \$3 million that's going to the Early Intervention Fund every year, and the additional new money that's coming in goes to schools to help them continue to meet the needs of the children in their district. So there is no direct state impact. There is, I believe, on the fiscal note, an additional staff member that would be needed through Medicaid. But outside of that, there's no cost for the services to the state, and we would just be leveraging the dollars that we're already having just to expand the services that would be Medicaid eligible in the schools. Thank you, Madam Chair. And with that, I'd take any questions. [LB276]

SENATOR CAMPBELL: Are there any questions for Senator Nordquist? And we know you're flying back to Judiciary. [LB276]

SENATOR NORDQUIST: Yeah, if I'm able to come back I will. Otherwise, I will follow up with you all later with any...if there are any other questions. [LB276]

SENATOR CAMPBELL: Okay. That sounds great. Thank you, Senator Nordquist. [LB276]

SENATOR NORDQUIST: Thank you. [LB276]

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SENATOR CAMPBELL: We'll finish talking about the procedures here while the first testifier comes forward. If you're planning to testify today, you need to complete one of the orange, bright orange sheets, print legibly, and bring that with you. If you have handouts, you can give them to the clerk or to the page and they will distribute them for you. As you come forward and take the chair to testify, we will remind you that the Health Committee works on a light system and you have five minutes in total. When it's green, you have four minutes. When it goes to the yellow, you have one minute. And when it goes to red, I'll most likely be trying to get your attention somehow because we'd like you to wrap it up. We have a full room today. We want to make sure that the first testifier gets their due time as well as the very last testifier this afternoon, so it's a fairness issue to those people that follow you. With that, I think we'll introduce the senators. Senator, would you mind starting for me? [LB276]

SENATOR WATERMEIER: Dan Watermeier, Syracuse, Nebraska, District 1.

SENATOR CAMPBELL: Senator Cook.

SENATOR COOK: Oh, I'm sorry. I am Tanya Cook and I represent Legislative District 13 in Omaha and Douglas County.

SENATOR KRIST: Bob Krist, District 10 in Omaha.

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

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

SENATOR CRAWFORD: Sue Crawford, District 45, Bellevue, Offutt, eastern Sarpy County.

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

SENATOR CAMPBELL: And our pages today are Deven and Kaitlyn, two of the very best. We like them a lot. If you need help, they will be glad to get copies for you or answer any questions. With that, welcome. [LB276]

JOHN SPATZ: Thank you. [LB276]

SENATOR CAMPBELL: Go right ahead and start. [LB276]

JOHN SPATZ: (Exhibits 2 and 3) Thank you very much, Madam Chair and other members of the Health and Human Services Committee. My name is John Spatz, J-o-h-n, and believe it or not it's spelled S-p-a-t-z, but it is pronounced Spots

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(phonetically). I represent the Nebraska Association of School Boards. I'm a registered lobbyist and their executive director. And it is a great pleasure to be in front of the Health Committee. It's not a committee that we frequent very often, so this is kind of fun. What I'm going to try to do in my five minutes is discuss something. In all reality, what we want to do is pretty simple; but the problem is the statutes, as drafted, are complex and the issue is complex and how the money flows is all very complex. But what we're talking about here is MIPS--Medicaid in Public Schools. And at the risk of confusing the issue, I want to talk about MAC for a second, that's not addressed in this bill--Medicaid Administrative Claiming. In 1998, this Legislature adopted MAC which enabled schools to ask for reimbursement for Medicaid services from the federal government for outreach services, and since then we have returned \$220 million to Nebraska schools since 1998 under MAC. It is operated through the Nebraska Association of School Boards Medicaid Consortium. It's an interlocal agreement that's made up of the school districts that are listed on the handout that I provided you, and I think it's 221 school districts that represent the consortium, and like I said, since 1998, has returned \$220 million. And when that was drafted, it went through the Education Committee. So as we began asking for the MIPS legislation, which is what we're dealing with today, it started out in the Education Committee. And actually, Senator Adams had an interim study this last year where we had a hearing on this particular issue. And as we looked at MIPS, some of the initial questions that we got with respect to MIPS is, what's the state match if we were to add these services? And the answer is zero, because if you're a school district and you pay for services for somebody that's providing transportation services, for example, and the cost is \$100 to the school, the school is paying somebody \$100 for transporting a Medicaid-eligible student, that essentially is the state match. What we're asking for is the ability for that particular school district to get reimbursement from the federal government. The federal government says, we will provide you reimbursement for these services. But right now, the state of Nebraska only allows schools to ask for reimbursement for three, and that's speech, occupational therapy, and physical therapy. And there's eight additional services. They include transportation, nutrition, personal services, nursing services, counseling, social work, vision services, and audiology. The way it works right now, when a school district performs an eligible service, like speech pathology, and bills the federal government for reimbursement, when that money...it comes back to the school district. And then at the end of the year the state keeps 89 percent of that by reducing the special education reimbursement to that school by that amount. The school gets to keep 11 percent of that reimbursement, but that's also an accountable receipt under TEEOSA, under the state aid formula. So essentially, the state gets that as well. So what we're asking for...and I should have said the money is being used for the Early Intervention Act, which is a very noble and worthy cause. What we're asking for is for the state to enable us to get reimbursement for all 11 services and we would still continue to fund the Early Intervention Act. But everything above and beyond that, that is claimed by the school districts, that money should go back to the school districts. It really seems like a no-brainer, in all honesty, because the money is on the table. We're providing the services currently. We're going to continue to provide

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the services if we get the reimbursement. And then if the federal government says we're no longer going to be providing that reimbursement, we'll still continue to provide the services, because most of them are under IDEA and we're, by law, required to provide these services. And as most of you probably know, the special education reimbursement from the federal government was promised at 40 percent many years ago, and it's around 19 percent last I heard. So this is one effort the federal government has made to offset some of the costs that schools have with respect to working with IDEA-eligible students. And on this particular list that I handed out, it was asked for...this list was asked for by somebody on the Education Committee. It shows the surrounding states and the Big 10 states and which services that they enable reimbursement for. And almost all of them, as you can see, asked for far more than the simple three that we are asking for. And I see my red light is on, but... [LB276]

SENATOR CAMPBELL: It is. [LB276]

JOHN SPATZ: ...I'd be thrilled to answer any questions if you had any. [LB276]

SENATOR CAMPBELL: If I hadn't been sneezing, I'd a been... (Laughter) Questions for Mr. Spatz? Senator Krist. [LB276]

SENATOR KRIST: Thanks for your testimony. [LB276]

JOHN SPATZ: Yeah. [LB276]

SENATOR KRIST: I'm going to go in a little bit of the weeds here. [LB276]

JOHN SPATZ: Okay. [LB276]

SENATOR KRIST: When you're talking about special services, like OT, PT, etcetera,... [LB276]

JOHN SPATZ: Yep, uh-huh. [LB276]

SENATOR KRIST: ...you're usually talking about children with special needs of some kind. [LB276]

JOHN SPATZ: Yes. Yep. [LB276]

SENATOR KRIST: And I'm aware of opportunities for special needs children, who are not necessarily in the public school system,... [LB276]

JOHN SPATZ: Uh-huh. [LB276]

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SENATOR KRIST: ...to receive those services, no matter where they are, from their home district. [LB276]

JOHN SPATZ: Uh-huh. [LB276]

SENATOR KRIST: Does this also extend to those who are not necessarily in the public school system? [LB276]

JOHN SPATZ: In the private school system? Does the reimbursement, does this particular reimbursement allow private school students? I'm not aware. I don't know the answer to that. [LB276]

SENATOR KRIST: No, does it...somebody out there does. The question is, if Courtney Krist is a special needs... [LB276]

JOHN SPATZ: Uh-huh. [LB276]

SENATOR KRIST: ...person and she is at Madonna School,... [LB276]

JOHN SPATZ: Right. [LB276]

SENATOR KRIST: ...because her IEPs were dropping and we took her out of the public schools and put her there, and she needs OT, PT, and etcetera, and she is maintained within the school district of OPS,... [LB276]

JOHN SPATZ: Yes. [LB276]

SENATOR KRIST: ...can those funds that you're asking for go to a child who is not in public school system, but in the district? [LB276]

JOHN SPATZ: Well, first...yeah, first of all, if the school is paying for it and if that student is a Medicaid-eligible student,... [LB276]

SENATOR KRIST: I see. [LB276]

JOHN SPATZ: ...so in Nebraska I believe it's 200 percent of poverty. So if that student is a Medicaid-eligible student and it's an eligible service being provided by the school district, then I'm sure they could probably ask for that reimbursement. But that's a great question. I'm sure we can find somebody to get that answer to you. But I'm guessing if the school is writing the check and it's a Medicaid-eligible student, Medicaid-eligible service, then I don't know why that wouldn't be reimbursable... [LB276]

SENATOR KRIST: Yeah. [LB276]

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JOHN SPATZ: ...well, if we adopted the new law. [LB276]

SENATOR KRIST: Yeah. I currently know that you're providing...that the Omaha Public Schools system is providing OT, PT... [LB276]

JOHN SPATZ: Uh-huh. Yep. [LB276]

SENATOR KRIST: ...to qualified students that are in a private institution. [LB276]

JOHN SPATZ: Right. [LB276]

SENATOR KRIST: And so I'm trying to make sure... [LB276]

JOHN SPATZ: Yes. [LB276]

SENATOR KRIST: ...that if we do this,... [LB276]

JOHN SPATZ: Yes. [LB276]

SENATOR KRIST: ...all of those other things are going to follow into that same bucket. [LB276]

JOHN SPATZ: That's a great question, and I'm assuming it would, but we'll look into that and get an answer for you. [LB276]

SENATOR KRIST: Thank you very much. [LB276]

JOHN SPATZ: That's a good question. [LB276]

SENATOR CAMPBELL: Other questions? Senator Crawford. [LB276]

SENATOR CRAWFORD: Thank you, Senator Campbell. And thank you for your testimony. I was trying to follow the money moving discussion (laugh) and there was one part that I didn't quite catch. [LB276]

JOHN SPATZ: Yeah. [LB276]

SENATOR CRAWFORD: You said something about you're wanting the schools to be able to keep some money that's on the table,... [LB276]

JOHN SPATZ: Yes, okay. [LB276]

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SENATOR CRAWFORD: ...and I didn't quite understand what you meant by that component, about the money on the table part. [LB276]

JOHN SPATZ: Okay. And thank you for allowing me to clarify that, because this is very complex. What we're asking to do is simple. But right now the federal government says to the school district, we will reimburse you, for example, for audiology services;... [LB276]

SENATOR CRAWFORD: Sure. [LB276]

JOHN SPATZ: ...we'll provide you that reimbursement. [LB276]

SENATOR CRAWFORD: Sure. [LB276]

JOHN SPATZ: So they're putting it on the table. But our state won't allow us to simply capture that reimbursement. [LB276]

SENATOR CRAWFORD: Oh, but you mean the types of services that we could get reimbursed for... [LB276]

JOHN SPATZ: Yep. Yes. [LB276]

SENATOR CRAWFORD: ...is what you meant by money on the table. [LB276]

JOHN SPATZ: Yes. Yes. [LB276]

SENATOR CRAWFORD: Okay. Thank you. I appreciate that. [LB276]

JOHN SPATZ: That's correct. [LB276]

SENATOR CRAWFORD: Thank you. [LB276]

JOHN SPATZ: Thank you. [LB276]

SENATOR CAMPBELL: Well, that was quick. [LB276]

JOHN SPATZ: Yeah, that was. [LB276]

SENATOR CAMPBELL: Other questions? Thank you, Mr. Spatz. Good to see you. [LB276]

JOHN SPATZ: Thank you for this. This is a nice committee. It's nice to be in front of the Health Committee. [LB276]

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SENATOR CAMPBELL: Yes. [LB276]

SENATOR KRIST: We're friendlier. [LB276]

JOHN SPATZ: Maybe I'll be here again sometime. [LB276]

SENATOR CAMPBELL: We're really much more fun than anyone, actually. [LB276]

JOHN SPATZ: That's what I hear. Thank you very much. [LB276]

SENATOR CAMPBELL: Our next testifier and proponent. Good afternoon. [LB276]

JOHN WURDEMAN: Good afternoon, Chairwoman Campbell and Senators of the Health and Human Services Committee. My name is John Wurdeman, that's spelled J-o-h-n W-u-r-d-e-m-a-n. I am a board member on ESU 7 in Columbus. I'm a former board member of Lakeview Community Schools and currently serve as chairman of the Nebraska Association of School Boards Medicaid Consortium. This consortium is created under the Nebraska Interlocal Act, as Mr. Spatz mentioned, so the consortium is a public body subject to the open meetings laws. It's run by a seven-member board made up of five school board members and two superintendents. In addition to myself, the school board members are Brian Holcomb from Coleridge Community Schools, Marilyn Bohn from Ravenna Public Schools, Brent Gollner from Hastings Public Schools, and Jon Anderjaska from Wauneta-Palisade Public Schools. The superintendents on the board are Lee Sayer from Stapleton Public Schools, and Marlene Uhing from Norfolk Public Schools. The main duties of our consortium are to meet at least once a year, hire our vendor, and to sign a contract with the Department of Health and Human Services and also to perform an audit for the federal receipts of the program, which is called an A-133 Audit. As Mr. Spatz mentioned, we have 221 member school districts in our consortium, and school districts and ESUs from across Nebraska, and it's been in existence in its current form since 2009. As a local ESU board member and as chairman of the NASB Medicaid Consortium board and also as a taxpayer, it concerns me that we are leaving these federal reimbursement dollars for services that schools are already mandated to perform, we're leaving this funding on the table. This is mandated under the IDEA, as was mentioned. And as Senator Nordquist mentioned, since we're already providing these services, why not take advantage of the federal reimbursement funds that are available? Our board looks at this bill as an excellent opportunity to partner with the state to bring in millions of federal reimbursement dollars to help school districts and ESUs across Nebraska. I brought along our informational binder for our consortium, and rather than burden you with a copy yourselves, I thought I'd just give you...show you...highlight some of the items that are in this. We have the listing of our NASB members, as John already passed out to you, our board of directors. We have the contract with the Department of Health and

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Human Services, our membership agreement with NASB. We also have a management contract with NASB and then our vendor contract and the other information. We also have our audit, and this is a loose copy of the audit. And I wanted to point out that our auditing has been awarded to the...it was put out for bids, and it was awarded to CliftonLarsonAllen, a well-known and experienced accounting firm from North Carolina. And that's...this is an example of our audit. That's our 2011 audit. We are currently undergoing our 2012 audit. In conclusion, I'd like to encourage you to support LB276, and I'd be happy to answer any questions. [LB276]

SENATOR CAMPBELL: Senator Krist. [LB276]

SENATOR KRIST: You may not know the answer, but I'll bet you do. Are there strings that go along with these other services? For example, if we allow the schools...if we expand it to allow you to ask for transportation and those are federal dollars coming, is that going to require anything special to the bus, to the driver? Are there any strings that come along with the federal money in those other categories? [LB276]

JOHN WURDEMAN: No, I believe there might be somebody else that could answer this better that will be testifying, but my understanding is no. And I've met with our vendor several times and had several discussions, and we've never had any...been made aware of any types of strings that would be attached to these funds, so. [LB276]

SENATOR KRIST: Okay. Well, the question stands if anybody else could answer it as well. Thank you very much. [LB276]

JOHN WURDEMAN: Anybody else? [LB276]

SENATOR CAMPBELL: Any other questions? Thank you, Mr. Wurdeman, very much. [LB276]

JOHN WURDEMAN: Thank you. [LB276]

SENATOR CAMPBELL: Our next proponent. Good afternoon. [LB276]

JEFF RIPPE: Good afternoon. My name is Jeff Rippe, J-e-f-f R-i-p-p-e. I'm the assistant superintendent with Bellevue Public Schools. Senator Campbell, thank you for the opportunity, and the rest of the committee, thank you to have the opportunity to speak on LB276. If I can just answer two questions real quick to Senator Krist, the first one...well, first, your last question. There would be no additional strings attached. Those are all things that are required right now that we have to do. And in Bellevue Public Schools, we're doing all of those services listed, and so it would be no additional work or responsibility on the Bellevue Public Schools. And then to your first question, we do have to support private schools with those services and, if they're eligible, we do get

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reimbursement from those, and Omaha would as well. [LB276]

SENATOR KRIST: Okay. [LB276]

JEFF RIPPE: So hopefully those answer your questions. [LB276]

SENATOR KRIST: Perfect. Thank you, sir. [LB276]

JEFF RIPPE: Again, we're here in support of this bill. As mentioned earlier, there's really two different sides to the Medicaid issue: first, the MAC, which has been talked about before, and we are a member of that. We have not been a member real long; we have, I think, for two years now. But we received over a half million dollars through reimbursements in the last two years through that side of Medicaid, and we appreciate the Nebraska School Boards organizing that and being a part of that. But what we're here really to talk about today is the additional money, which is through the MIPS. And again, we are very supportive of this bill because we are providing all those services. As been mentioned before, there is, in our opinion, being money left on the table where we could capture that money which then would come back to the school district, at least part of that, and reimburse us for some of the cost, because we're having to hire or contract for all these employees anyway to provide those services that were mentioned. And so any money coming back to the district then does...would free up additional dollars to benefit all students, because right now we're using General Fund money to provide all these services to the children who qualify. So again, we see it as a benefit to all school districts that we could capture additional dollars for the services that are already being provided. I also want to touch briefly on a pilot that Bellevue is participating in through Go Solutions. And prior to this pilot that just started basically in January, it was all paper. Our OTs, PTs, they were having to capture all this stuff on paper, get signatures, and just a very cumbersome paper trail to collect this information, which in return was for the reimbursement. We have now gone to an on-line system, which has been a huge time savings for us and really I think is producing more dollars as well, because of the time. And really since January, I think Bellevue has just over \$182,000 in reimbursements through that system. So I just want to speak on that, that that system is very beneficial to our school system and I think would be beneficial to all school systems because of the on-line, and it just requires less time on our part to get the reimbursement. So again, Bellevue Public Schools would support this bill, and we appreciate the opportunity to be here today. [LB276]

SENATOR CAMPBELL: Okay. Senator Krist. [LB276]

SENATOR KRIST: There is also a category of money that I think you receive for the active duty dependents of folks at Offutt Air Force Base. [LB276]

JEFF RIPPE: The federal money, correct. Yes. [LB276]

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SENATOR KRIST: The federal money. I'm surprised that within that federal contract and the money that you...what is that called? [LB276]

JEFF RIPPE: That's Impact Aid. [LB276]

SENATOR KRIST: Impact Aid, okay. I'm surprised with those programs that the federal government is not requiring you to provide those 11 if you have a child who's a dependent of an active duty member. [LB276]

JEFF RIPPE: Well, we are required to provide those services, which we are providing. Is that what your...was that your question? [LB276]

SENATOR KRIST: Right. There's dollars that come with that, aren't there, that are supposed to be...? [LB276]

JEFF RIPPE: Well, under this new...I mean this, what in my understanding this bill would do is to allow us to be reimbursed for those additional services that we already are providing. [LB276]

SENATOR KRIST: In addition to the Impact Aid money. [LB276]

JEFF RIPPE: Correct. [LB276]

SENATOR KRIST: Okay. All right. Thank you. [LB276]

SENATOR CAMPBELL: Any other questions, Senators? Thank you very much. [LB276]

JEFF RIPPE: Thank you. [LB276]

SENATOR CAMPBELL: Our next proponent. Good afternoon. [LB276]

JOHN BONAIUTO: Good afternoon, Senator Campbell, members of the committee. John Bonaiuto, J-o-h-n B-o-n-a-i-u-t-o. I'm a registered lobbyist and today I'm representing just the Nebraska Council of School Administrators, because normally I represent both school boards and school administrators. But John Spatz was here and did such a nice job of testifying, I will just do Administrators for this hearing. One of the things that was touched on was the fiscal note for this bill. And to make this work like the administrative claim program works, in that bill...and I could tell you that 15 years ago I sat down with Senator Ardyce Bohlke and asked to have the administrative claiming bill introduced, because up to that time Nebraska was asking for none of that money. And \$3 million from the claims come off the top and go to HHS for administration. So I would say that for this fiscal note that if the service claiming is

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allowed to be expanded, I think it would be very easy to build into the bill or the law an amount of money that would come off the top of the claims to pay any staff that would be necessary to administer the program. We want this to be fiscally neutral to the state and not have any General Funds expended or any of HHS's budget. Another point that I would make again, schools are providing these services. This, the special ed reimbursement, there's money that comes from the feds and we know that the fed's contribution to special education, although they said they would be reimbursing states at a higher level, they've never got to that, even 50 percent of what they said they would. The state has really struggled to put money into special ed funding, but it is a struggle. And this year I think you're going to be asked to increase special ed reimbursement by 5 percent. But I was in Appropriations the other night when a special ed director from Papillion was testifying and she was saying the Papillion school district, and they're probably the fourth largest district in the state, they receive...or their special education costs are a little over \$17 million. They get \$2 million from the federal government and then the remainder is \$15 million, and they get about 50 percent of that from special ed funding. So the other 50 percent is coming from the General Fund. It's coming from regular education to fund those services. So that's what we're talking about here, that this kind of reimbursement can really help schools to get some money for things they're already doing. I will tell you, as sure as I'm sitting here, if the money goes away, the services will continue to be provided, and we will not ask for that money to be replaced. We're going to get this from the feds while it's available, but it's at no time will we hope to get more than we would normally receive from the state in special ed reimbursement. The last thing I would say, from the experience we've had with the Administrative Claiming Program, that the School Boards Association will promise, through its vendor and through the consortium, support to the schools, training on how to accurately make these claims; number two, accountability. When John Wurdeman was up here talking about the A-133 Audits, that's not a requirement. That's voluntary. The consortium is saying we want every school participating to be audited to make sure that we're following the state plan, the requirements of CMS, and that every dollar you're receiving is a legitimate dollar so at no time should the feds come back on the state or the school districts. So that kind of support and accountability I think will be crucial to the success of this program, and that success has been demonstrated in the Administrative Claiming Program, and it does not require the state to do anything other than to receive the claims and process the claims. With that, I will conclude my proponent testimony. [LB276]

SENATOR CAMPBELL: Thank you, Mr. Bonaiuto. Senator Krist. [LB276]

SENATOR KRIST: I'm the only one that's asking questions today. Sorry. [LB276]

JOHN BONAIUTO: We appreciate that, Senator Krist. [LB276]

SENATOR KRIST: The...let me see if we can boil this down. [LB276]

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JOHN BONAIUTO: Sure. [LB276]

SENATOR KRIST: You're providing 11 services across the board. You're only being reimbursed from the federal pot of money for three of those services. What you want to do is change the state's restriction, to allow you to be reimbursed for the other eight. [LB276]

JOHN BONAIUTO: Yes. [LB276]

SENATOR KRIST: Okay. This fiscal note doesn't make any sense to me. [LB276]

JOHN BONAIUTO: We, I...Senator Krist, we sat in Senator Nordquist's office this morning and came to that same conclusion. And so... [LB276]

SENATOR KRIST: Well, oh good, I'm on the same sheet of music here. [LB276]

JOHN BONAIUTO: (Laugh) But we felt that because the program is complicated and the way the money flows that, number one, through this bill we're not trying to take money away from any group that's currently getting money. So the \$3 million that represents the early childhood match, it's still there. You just couldn't tell that by that fiscal note. [LB276]

SENATOR KRIST: So TEEOSA funds the school system, and within the formula so much money is out there. You now have unreimbursed categories within those services, eight of those services. We go back to the federal government and ask them for that money. This also tells me that DHHS is going to have to add...they always come up with FTEs. They're going to have to add people. But from what I understood from Mr. Wurdeman and now I'm asking you specifically, you're saying you're going to teach the school districts how to be accountable, and the ESUs are going to be accountable for the reimbursement of the program. [LB276]

JOHN BONAIUTO: Yes. [LB276]

SENATOR KRIST: Why would the Department of Health and Human Services have to add people to administer the additional...? [LB276]

JOHN BONAIUTO: Senator, and I think this is a standard response to bills like this from most departments, because I know the Department of Ed does the same thing when we're dealing with education bills. The way I envision this is that our third-party or the school boards' third-party vendor is going to do the training, help the schools do the claims. So really what HHS receives is the data, after it has been compiled by the vendor, to submit to the federal government for the claim. So there may be a person

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that needs to receive that data, review it, and then send it to the federal government. [LB276]

SENATOR KRIST: All right, this...yeah. Okay. [LB276]

JOHN BONAIUTO: And I'm saying we would be...we would volunteer to pay for that service off the top of the claims if it, you know, would...we're thinking that there should be a reasonable way to do that. [LB276]

SENATOR KRIST: Okay. Thanks, John. [LB276]

JOHN BONAIUTO: Sure. [LB276]

SENATOR CAMPBELL: Senator Crawford. [LB276]

SENATOR CRAWFORD: Thank you, Senator Campbell. I believe what Senator Nordquist indicated, that there already was some money that came off the claim for administrative expenses. Is that true? [LB276]

JOHN BONAIUTO: On the Administrative Claiming Program there is. I have to tell you, the way this MIPS Program has been structured, and it's a joint program between Health and Human Services and the Department of Education, I think that this program may be done internally. But I know that when the administrative claiming bill was passed, that Department of Health and Human Services wanted the 3 percent off the top. Well, you know, if you're claiming \$30 million a year, I'm just using a nice round number of \$3 million, and they have one staff member that does work with that program. So we're more than paying for that staff member. [LB276]

SENATOR CAMPBELL: I would say so. And we'll try to track down the fiscal note from what both Senator Crawford and Senator Krist have indicated, because the department is showing an additional person,... [LB276]

JOHN BONAIUTO: Yes. [LB276]

SENATOR CAMPBELL: ...which doesn't...I mean if they're getting this additional money, it should be covered under that. But we'll check. [LB276]

JOHN BONAIUTO: Well, we appreciate that, Senator Campbell. And we're...I know from working with the associations and Senator Nordquist's office, we're willing to do whatever we can to make sense of this. And the key is that no one should lose. It should be a win-win for everyone involved, that the state is being guaranteed an amount. And we've even talked about the fact with Senator Nordquist's office, that at some point, if this bill has the same experience that the Administrative Claiming

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Program has, the amount of money that's being claimed is going to increase. And so we may need to have some kind of an inflation or escalator for the state to receive more money in the area that it's matching, so. And that is something that the group is willing to do. So it's just a matter of trying to make it as workable and usable as possible. [LB276]

SENATOR CAMPBELL: Thank you so much for your testimony. [LB276]

JOHN BONAIUTO: Thank you. [LB276]

SENATOR CAMPBELL: Our next proponent. [LB276]

SEAMUS KELLY: (Inaudible). [LB276]

SENATOR CAMPBELL: That's okay, you can just...sir, you can just come up and have a chair. There are some extra chairs in the front, if you want to sit and wait. Good afternoon. [LB276]

SEAMUS KELLY: (Exhibits 4 and 5) Good afternoon, Senators. My name is Seamus Kelly, S-e-a-m-u-s K-e-l-l-y, and I'm testifying on behalf of the Nebraska Planning Council on Developmental Disabilities in support of LB276. Although the council is appointed by the Governor and administered by Department of Health and Human Services, the council operates independently and our comments do not necessarily reflect the Governor's administration or the department. We are a federally mandated, independent council comprised of individuals and families of persons with developmental disabilities, community providers, and agency representatives that advocate for systems change and quality services. Primarily on the council, we've had a lot of testimony about all the financial aspect of that; but I'm just a parent. I have four children, three children who have developmental disabilities. And although schools do currently provide these services, it's my hope and some of the families on the council's hope that increasing the services, the funding for these services, that these services can be done a little bit more effectively, a little bit, and improve the quality of services for some of our children. For example, nursing care is one that is included in this expansion. And my oldest daughter, Molly, is eight years old, and she currently receives nursing services in her school. But although schools aren't mandated to provide nursing services, as you may be aware; only if it's deemed necessary on the student's IEP or IHP are those services provided. And for some families, it's a struggle to get those services set up and to get them going the right way. For example, as I mentioned, Molly does have a nurse and her nurse helps her with enteral feedings, bladder catheterizations, giving her medications, positioning, toileting and diaper change, and all those issues. But when Molly first started school, we...my wife and I had asked; we felt that she needed these services. And initially, the school didn't want to provide a nurse. They wanted to provide other...get those same services and help in place, generally I

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think through a paraprofessional. And actually, we didn't...they didn't agree to the nursing necessarily until...I forgot to mention my daughter has a lot of complex needs, obviously, but she has epilepsy and she had a seizure in preschool, right before she was going to be transitioning into the elementary school. And she has a medication to stop the seizure, but no one at the school was qualified to administer the medication so they called an ambulance. So my daughter seized for much longer than she needed to while this med sat in her backpack. And that was, I think, really what changed the school's mind about, okay, she does need a nurse to attend with her. So it was a bit of a struggle for us and, although we get great services now, not every family in the state who has a child with special needs, you know, can make the same claim. As another example, some of the families on the council were talking about, as I mentioned, some of those services that...I'm not saying that it's like a paraprofessional can't be trained to provide those services, but that's not really their expertise. And we think that...I think anyway that if the school is able to seek the reimbursement through Medicaid, they may be more open to looking at getting a nurse initially rather than having to go through the struggle that we did. Like I said, it's going well now, but if we move to a different school district, we may have to start the fight all over again. And I think that if this is passed, hopefully they'd be more open and that. And that's really all I have to say. [LB276]

SENATOR CAMPBELL: Okay. [LB276]

SEAMUS KELLY: I'm happy for questions. [LB276]

SENATOR CAMPBELL: Thank you, Mr. Kelly. Senator Krist. [LB276]

SENATOR KRIST: Just a quick comment: I think you're absolutely right. I think a school district wants to help the child as much as they can,... [LB276]

SEAMUS KELLY: Yes. [LB276]

SENATOR KRIST: ...but it's the economy. If there's a para that can be trained, it's fine. We had the same kind of experiences that you did. [LB276]

SEAMUS KELLY: Right. [LB276]

SENATOR KRIST: If the school is going to be reimbursed, they're more likely to bring in the qualified person to begin with. And so I agree with you. [LB276]

SEAMUS KELLY: Exactly. [LB276]

SENATOR KRIST: Thank you for your testimony. [LB276]

SEAMUS KELLY: Thank you. [LB276]

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SENATOR CAMPBELL: Thank you, Mr. Kelly. Our next proponent? (See also Exhibits 6 and 7.) Okay. Those who are here to testify in opposition to LB276? Okay. Anyone in a neutral position? Okay. Senator Nordquist has gone back to Judiciary, so we will close the public hearing on LB276 for today. If you are leaving, please leave as quietly as you can. [LB276]

BREAK

SENATOR CAMPBELL: How many people are here to testify on LB240, Senator Harms's bill? Could you raise your hand high? One, two, three, four, four people? Okay. And that includes proponents and opposition or neutral? Still four? Okay. Senator Harms is on his way, so we will wait just a minute until he comes. Come right ahead, Senator Harms. Thank you so much. [LB240]

SENATOR HARMS: Sorry about that. [LB240]

SENATOR CAMPBELL: Oh, you're fine. You're fine. [LB240]

SENATOR HARMS: Went a little quicker, you guys went a little quicker than I thought. [LB240]

SENATOR CAMPBELL: We had our posse out looking for you, so. [LB240]

SENATOR HARMS: Good. [LB240]

SENATOR CAMPBELL: Deven double-checked. You're just fine. We will open the public hearing on LB240, Senator Harms's bill to change work activity requirements for self-sufficiency contracts under the Welfare Reform Act. And welcome, Senator Harms. You have been a champion in this area. [LB240]

SENATOR HARMS: Well, thank you, Senator Campbell and colleagues. My name is John N. Harms, H-a-r-m-s. I represent the 48th Legislative District, and I'm here today to introduce LB240. And, Senator Campbell, as usual, thank you very much for giving me the opportunity to just come in and visit with you about this legislation. You know, as a former educator, I've always believed very deeply that education is essential for future success, particularly of our young people, because that's where I spent most of my time. But when families are involved, education, to me, is the only key to long-term stability for both the parents and the children. And without that, there's no hope. Without that, they're not going to be able to walk the pathway of their dream. And so that's why I've always been such a long supporter, strong supporter of efforts to increase access to education to participants in the Nebraska Aid to Dependent Children Program. To me, it's the poorest of the poor trying to help themselves and find themselves. Last session I

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introduced legislation, a bill that came here. You were kind enough to bring it to the floor and my colleagues were kind enough to approve it, and that was LB507. This bill actually altered the Welfare Reform Act to allow participants less than 24 years of age to pursue a high school diploma or pursue a GED Program. It also aligned the Nebraska rules with the federal rules for participants under the age of 20. It was just never matched up, and we did get that accomplished last year. And these were all, for 20 and 24, all dealt with the GED Program, dealt with those very basic activities to be able to get a high school diploma. Now we made these changes to break down the barrier for the ADC participants who wished to pursue a pathway out of poverty, and I have always believed and I will continue to believe for as long as I'm on this earth that the only way out of poverty is through education. There's no other hope for people. And that's probably why I've been drawn so close to this particular program, because the very core purpose of the ADC Program is to move actually low-income families to long-term economic self-sufficiency. Without it, there's just no hope for them. Unfortunately, when we did the legislation last year there was really no...LB507, it was kind of an oversight of mine. I didn't realize it at the time but now we do realize it, that it prevented certain individuals to have access to this particular program. And we found that there were individuals who reached the age of 24 that want to work towards a high school diploma but can't because it's less than 24. And then you have the individuals who are over 24 years old, maybe 30 years old, that are in the program moving forward and they can't get to the high school diploma. They just don't have the time to be able to do that. So that's why I've introduce LB240. This legislation would simply remove that age restriction, which would allow all those individuals, age 24 or above, to access...to have access to educational opportunities that would move them towards economic self-sufficiency. The number that would be eligible with this particular legislation is relatively small, but it is an important piece of legislation to break that final barrier down to allow people to pursue it, regardless of the level of age, and for families to have a little more hope towards getting out of poverty. And see, I think that when a child sees a mother, might be a single parent at that time, or both the mother and father if they're fortunate enough to have both parents, have a tendency to watch Mom study or Dad study. It's a great role model for them. It sets the stages for them understanding it's got to be pretty important because Mom and Dad are spending a lot of time on this. According to the statistics that I was given by...my office was given by the Department of Health and Human Services, the total number of the ADC participants is 43,639 people, and what would be eligible, which is I'm on the strong side when I give you this, but we would project about 6 percent. To be honest with you, it's going to be less than 6 percent of people, but I'd rather let you think on the side that it's going to be a little stronger than it is. But I don't think it's going to be more than 6 percent. While these new participants would not count towards Nebraska's required 50 percent of the work participation rate, if you recall in LB507, Senator Campbell, we put that safety valve in there. Now the safety valve is still there, so if there all of sudden Health and Human Services realizes they're getting flooded with people who want to participate, and we're going to get out of the range that the feds require on the 50, you know, 50 percent

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participation rate, that they can control that. They can actually back it down. They can eliminate some people from participating in this area. So the safety valve is still there. The only thing it does is, as I say, just simply removes the age barrier. That's the final part of that program that I think needs to be dealt with. We've actually rewritten this thing over the last three or four years, Senator Campbell, and it just makes it better and more accessible for people so that it corrects...what it would do is simply correct the oversight on my part of LB507. And I would just simply urge you to support it because I think it's a good move. I'd be happy to answer any questions that I can. It's a simple bill but yet it has, gosh, it has a phenomenal impact for people. It kind of excites me to think that it's going to help people, you know. And I've spent a lot of time visiting with different people in regard to people who are involved with this type of program or participants in this program. And unless you get there, unless you sit down and have a talk with them to understand where they're coming from and the crisis and the problems they have to walk through in their life, it's hard sometimes for us to understand it. This program is valuable and this would just take, I think, the last barrier down that we've kind of slowly, over the last five or six years, worked on. And so I'd be happy to answer any questions. [LB240]

SENATOR CAMPBELL: Are there any questions from the senators? Senator Harms, we've never even been close to the 50 percent. [LB240]

SENATOR HARMS: No, we're a long ways from this and so... [LB240]

SENATOR CAMPBELL: Yeah, I mean... [LB240]

SENATOR HARMS: ...yeah, I think there will be somebody... [LB240]

SENATOR CAMPBELL: ...the stopgap in but... [LB240]

SENATOR HARMS: Yeah. [LB240]

SENATOR CAMPBELL: ...we're far from it. [LB240]

SENATOR HARMS: We are. And there will be someone who comes, that I think will testify later, that will kind of walk you through that and show you how far away we are from that. It's never been a risk for us. And Nebraska has got good participation and the program is a good program, so. [LB240]

SENATOR CAMPBELL: Questions? Any other questions? Oh, Senator Cook. [LB240]

SENATOR COOK: Thank you, Madam Chair. And thank you, Senator Harms, for... [LB240]

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SENATOR HARMS: You're welcome. [LB240]

SENATOR COOK: ...bringing this proposal. I'm working on a proposal in Education and learned through the work on that proposal that the typical student shows up for GED, at least through Metro College,... [LB240]

SENATOR HARMS: Uh-huh. [LB240]

SENATOR COOK: ...at age 25. [LB240]

SENATOR HARMS: Yeah. [LB240]

SENATOR COOK: So I think that it would be nice to have our policy be consistent in this area and open up that opportunity. I think the number in the four-county area that Metro serves is more than 42,000 people who do not have a high school diploma. [LB240]

SENATOR HARMS: Uh-huh. Interesting thing about this program here with ADC, when we were getting into the research portion of it, that only about 9 percent of those that are in the ADC Program don't have a high school diploma, so we're moving up. [LB240]

SENATOR COOK: Yeah. [LB240]

SENATOR HARMS: And that is, as we all know in this room, that's the bare minimum and that just builds the platform for this adult to move forward. [LB240]

SENATOR COOK: Uh-huh. [LB240]

SENATOR HARMS: And without it, in a knowledged world economy, there's no hope. [LB240]

SENATOR COOK: Right. [LB240]

SENATOR HARMS: So thank you very much. [LB240]

SENATOR COOK: Thank you. [LB240]

SENATOR CAMPBELL: Thank you, Senator Harms. Will you be staying or... [LB240]

SENATOR HARMS: Well, I'm going to have to go. We're trying to, like probably most people right now, with our budget we're trying to have a quorum and Senator Mello is hounding me to make sure I get back in time. I think we have one of my other colleagues probably following up next, so we're just right on the border of it. I'd be

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happy to answer questions or follow up later, but I really need to go back. I will let you know, this is a priority bill for me. [LB240]

SENATOR CAMPBELL: Okay. [LB240]

SENATOR HARMS: So if there's any chance you could bring it out, it's going to be my priority. I just am really committed to it. [LB240]

SENATOR KRIST: No pressure though. [LB240]

SENATOR CAMPBELL: No pressure. [LB240]

SENATOR HARMS: No pressure. No, no pressure. (Laughter) Hey, thank you for your kindness. [LB240]

SENATOR CAMPBELL: Thank you, Senator Harms, for coming. [LB240]

SENATOR HARMS: Thank you. [LB240]

SENATOR CAMPBELL: And if we have anything, we'll follow up with your office. [LB240]

SENATOR HARMS: Okay. Thank you very much. Appreciate it. [LB240]

SENATOR CAMPBELL: Our first proponent for LB240. Good afternoon. [LB240]

BEATTY BRASCH: (Exhibit 8) Good afternoon. My name is Beatty Brasch, B-e-a-t-t-y B-r-a-s-c-h. I'm executive director of the Center for People in Need. The center is not a think tank. We are a nonprofit that serves low-income people. As such, we witness firsthand the effects of poverty. That is why I'm here today, to testify in favor of LB240 and to ask you to move this important legislation out of committee. While we were glad to see the Nebraska Legislature pass LB507 last session, we have since found that the age restriction of 24 is providing a roadblock to the achievement of the bill's purpose--providing a pathway out of poverty. Our clients at the Center in Need tell us that removal of the age restriction would open doors for them to work toward their high school diploma or GED. This morning I talked to Ayak, who is one such individual. She's 26 years old, has four children, and is working on her GED. She said, I have to finish my GED; I want to get my certified nursing assistant's degree and so I can support my family. She says, that's the only way I see that I'll ever be able to do it. Let's help her support her dream. We have found that there are individuals who reach the age of 24 while receiving their education, and those who are over the age of 24 and wish to pursue a high school diploma or GED as part of their ADC work requirement. While the change in LB240 would only add eligibility to about 6 percent of all ADC recipients, that

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small change would help real people that I see every day at the center who are caught in the web of poverty. LB240 would provide tools for them to escape that web and move towards economic stability. This is important because poverty is a tremendous problem in our state. According to the 2011 census, Bureau of Census, 16 percent of Lincoln's population lives in poverty. That is more than 40,000 people. Of those, 45 percent live in extreme poverty, and basically that's less than \$500 for a family of four...or three, I'm sorry, and that is just in Lincoln alone. People often say those in need should pick themselves up by their bootstraps. The beauty of this legislation is that it does provide the bootstrap. I ask you to move LB240 out of committee. [LB240]

SENATOR CAMPBELL: Questions? Thanks. Good to see you. [LB240]

BEATTY BRASCH: Thank you. [LB240]

SENATOR CAMPBELL: Okay. Our next proponent. Good afternoon. [LB240]

AMBROSIA EVANS: Good afternoon. My name is Ambrosia Evans, A-m-b-r-o-s-i-a, last name Evans, E-v-a-n-s. I'm 25 years, and I've been working on my GED since I was 24. And I am getting assistance from the state and it is hard when you're 24 to have to...the things you have to go through to get your GED. They want you to sit in class when you have to...when you want to go and get your GED so you can be self-sufficient, but you have to sit in their classes and they say you have to do it on your own and go out and do it on your own time. If I'm in a class from 8:00 to 3:00, how can I go and do that on my own? So I think it will be great if you guys did move the age up one. I'm on my last test. It probably won't help me, but it would help other people to come after me. So I think it would be a great idea. [LB240]

SENATOR CAMPBELL: Ms. Evans, congratulations to be on your last test. That's terrific. [LB240]

AMBROSIA EVANS: Thank you. [LB240]

SENATOR CAMPBELL: What do you want to do when you get your degree? [LB240]

AMBROSIA EVANS: I want to become an LPN or RN. [LB240]

SENATOR CAMPBELL: Excellent. We need a lot of you. So that's great. Any questions from the senators? Thanks so much for coming today, and good luck. [LB240]

AMBROSIA EVANS: Thank you. [LB240]

SENATOR CAMPBELL: Our next proponent. [LB240]

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JAMES GODDARD: Good afternoon. [LB240]

SENATOR CAMPBELL: Good afternoon. [LB240]

JAMES GODDARD: (Exhibit 9) 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 Health Care Access Program through Nebraska Appleseed. I'm here today to testify in support of LB240. I'd like to offer a little bit of background that would hopefully be helpful on the TANF Program and some of the requirements here. As part of welfare reform in the late '90s, Congress created the Temporary Assistance to Needy Families, or TANF Program. It's a block grant program, and if states decide to take that, those dollars, then they have to follow certain federal rules. What that means for our purposes today is that, in general, states have to ensure that 50 percent of the program participants are engaged in allowable work activities. What that also means is that the other participants can engage in activities that don't necessarily meet that allowed work activity requirement, as long as we're hitting that 50 percent mark. In addition to that, we can get caseload reduction credits that makes it even easier to hit our overall work target, and we're doing really well there. In fact, Nebraska is doing a great job, as you mentioned, Senator Campbell, of hitting our work rate target. According to HHS's Web site, we have a 60.6 percent work participation rate currently. And on top of that, we have a 55.8 percent caseload reduction credit. What this means is that we are doing really well and we can...we have a lot of flexibility in allowing activities that don't count towards the rate to be considered, such as LB240. This bill would allow Employment First participants of any age to focus on getting a GED and count it as their entire work activity. So in real terms what that means is if someone is studying for the GED and working towards that for 20 hours per week, then they have fulfilled their whole work activity and they don't then have to do something else on top of that to meet the requirements. Making it easier for folks to get a GED makes sense. This is the essential building block to economic self-sufficiency, and we have the flexibility in our work rate and within the structure of the law to allow this activity. For all these reasons, we'd urge this committee to support the bill and advance it. And I'd be happy to answer any questions. [LB240]

SENATOR CAMPBELL: Any questions for Mr. Goddard? Thanks for the good statistics, as always. [LB240]

JAMES GODDARD: My pleasure. Thank you. [LB240]

SENATOR CAMPBELL: Thank you. Our next proponent in the audience? (See also Exhibit 10.) Those who would like to testify in opposition to LB240? Okay. Anyone in a neutral position to LB240? Seeing no one, we will close the public hearing on LB240, because Senator Harms has left. So if you are leaving, once again, leave as quietly as you can. And I know that Senator Bolz is here, I saw her in the way back of the room. And I have to apologize to everybody in the audience. I do not have a cold. I walked into

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this room and there is something in this room that is kicking in an allergy and that's why I keep sneezing. So do not worry, we are not sick. Senator Cook is sick, Senator Gloor has a cold, but something set it off. Yeah, in the Health Committee, you think we could find out what set my allergy off. Senator Bolz, great to have you. You go right ahead and start whenever you're comfortable. [LB240 LB309]

SENATOR BOLZ: Well, good afternoon, Health and Human Services Committee. And I wish you all good health this afternoon. My name is Kate Bolz and that's K-a-t-e B-o-l-z, and I'm proud to represent District 29 in the Nebraska Unicameral. I'm pleased to introduce LB309, the Department of Health and Human Services Delivery Improvement and Efficiency Act. The Department of Health and Human Services, of course, has a very important job to do. One of their important functions is to provide entryways to the essential benefits that the Legislature has deemed vital to the health and well-being of families, children, people with disabilities, and the elderly. These benefits assure that people have food on the table, access to a doctor when they need one, a place for children and childcare, and more. In addition to providing essential services, responsiveness, and efficiency, of course, are goals for our government programs; not only for our clients, but also for their families and service providers. LB309 aims to create effective and efficient service delivery for public benefits at all stages, including application, eligibility verification, and benefits renewal. Today we are positioned to utilize technology to streamline paperwork, maintain accuracy, and provide quality service to Nebraskans. LB309 simplifies service provisions by implementing the least burdensome means of verification allowed by federal law and by better using existing databases and technologies. I would like to acknowledge the good work of Senator Cook in this concept in the last legislative session, and I appreciate her guidance on LB309 this year. Programs included in LB309 include the Aid to Dependent Children program, the childcare subsidy program, the Children's Health Insurance Program, Medicaid, and the Supplemental Nutrition Assistance Program. Specifically, LB309 will direct the Department of Health and Human Services to coordinate and streamline eligibility paperwork, expand information sharing across programs and governmental agencies, and provide reasonable efforts to prevent case closures. The result of this legislation is that workers will have less paperwork to process and can be more efficient in their time. Coordinating and simplifying renewals will prevent clients from churning or going on and off programs and in and out of the system. Let me give you just a hypothetical example to help you understand the purpose of LB309. Sharon applies for and receives SNAP for her two children after losing her job. When her COBRA runs out, she also applies for CHIP for her children. Six months later she renews her SNAP, but not her Medicaid. Twelve months later she has moved into a more affordable apartment, but because it is not through a formal rental agency she has a delay in proving this expense, and her recertification is not approved. She is asked to then reapply for Medicaid and must again renew her SNAP benefits a few months later. In the course of a year and a half, she has applied for SNAP once, renewed it three times, and applied for Medicaid twice, all while remaining completely financially eligible. LB309

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could have allowed an HHS worker to reopen her case rather than requiring a reapplication, saving time and effort. It would also have aligned her eligibility reauthorization periods so that she could have renewed her SNAP at the same time she worked on her Medicaid reauthorization, again saving time and effort while remaining accurate and effective. This type of approach aligns with federal guidelines and maintains accuracy in verifying information. The quality control provisions that we're so proud of, including change reporting and random checks, will of course remain in place. These ideas stand alone, but LB309 has additional significance in 2013 for two reasons. One, we continue to see challenges in the ACCESSNebraska system; and two, healthcare reform creates additional changes for our public benefits programs. In the past, clients worked with a caseworker and HHS verified client information by receiving hard copies of documents and kept all information in a case file. Managing services changed in 2008 when HHS modernized and created ACCESSNebraska. This system has reduced HHS staff, created electronic client case files, and emphasized call centers rather than local offices. Clients and providers continue to experience problems with this system, including long call wait times, lost paperwork, unnecessary case closures, and more. In fact, shortly after I entered the Legislature, I received an e-mail from a service provider for elderly individuals explaining an 80-minute call wait time in the system. We can do better. Further, just this week I've received numerous e-mails related to LB309: frustrations with lost information, lack of verification, individuals who are able to send in verification documents only to have them lost in the system. LB309 is intended to address some of these problems by simplifying the service delivery process, making things easier for clients and state workers, saving time and improving service delivery. A significant number of the call center workers have been on the job for a year or less. Further, our call volumes are higher than initially expected when modernization was implemented. Simplification is important for these workers and for managing call volumes. Second, this committee is well aware that the Health and Human Services Department has changes ahead related to the Affordable Care Act. New opportunities are available to people seeking healthcare and more people will be interested in these programs. Simplification and efficiency make more sense now than ever. I want to spend just a few more moments discussing the fiscal note with you and then I'll conclude. First, the bill requires information sharing to the greatest extent possible. I recognize that the department has some concerns regarding this information sharing and potential conflicts with the ACA, but I would like to reiterate that the bill language is intentional in saying that it is to the greatest extent possible. Certainly we must comply with the American Health Care Act. Second, I would argue that the "no wrong door" interoperability components of the ACA really fit quite well with LB309. Second, I would direct your attention to the existence of LB374 through a report that the Appropriations Committee has required from the Department of Health and Human Services for several years. It's quite a lengthy report, so I would be happy to get you a copy of this report if you would like to see it. But I would just point out that some of the data requested in LB309 is included in this report, meaning that the data requested is available and that reporting is very reasonable. I would be willing to work with the committee to assure that

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the data collection components are not burdensome. Finally, I would argue that communication with clients is part of the responsibilities of the Department of Health and Human Services, and therefore, the calls and reminders should be considered a part of the normal program administration. I'm happy to answer any questions you may have and I also note that there are several folks who will follow me in testimony providing insight into the mechanics of these programs as well as the experiences of clients and service providers. Thank you. [LB309]

SENATOR CAMPBELL: Thank you, Senator Bolz. Are there questions? Senator Crawford. [LB309]

SENATOR CRAWFORD: Thank you. This is a simple question off the fiscal note. I was just curious if you know from the document of the reporting that actually does happen now, if the length of client interviews is something that we do report on or there are reports on? [LB309]

SENATOR BOLZ: I don't think that that is included, and so I think that's a fair point, but the majority of the data collection... [LB309]

SENATOR CRAWFORD: The others are. Right. [LB309]

SENATOR BOLZ: ...requested in LB309 is included. [LB309]

SENATOR CRAWFORD: And I see that will be an important piece to have to see if the streamlining is working. So I'm not arguing with it. [LB309]

SENATOR BOLZ: Certainly. [LB309]

SENATOR CRAWFORD: I was just asking to see... [LB309]

SENATOR BOLZ: Certainly. [LB309]

SENATOR CRAWFORD: ...if you knew if that was a... [LB309]

SENATOR BOLZ: Yeah. [LB309]

SENATOR CRAWFORD: ...component that was already being reported. [LB309]

SENATOR BOLZ: It would potentially be a difficult piece of information to capture, in part because frequently cases move a piece at a time, and so it may take more than one call for a client to complete their case; and so it would take some intentionality to get done. [LB309]

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SENATOR CAMPBELL: Any other questions? Did you have a question? Okay. [LB309]

SENATOR COOK: Thank you, Madam Chair. And thank you, Senator Bolz, for carrying the bloodstained banner. Now based on your prior experience, to what might you attribute the staccatoed nature in which...I was never able to quite get my head around why the approach, the agency's approach, was to have people apply and reapply. Could it...do you think it was primarily due to silos, or do you...can you offer any, as a committee, any additional insight? [LB309]

SENATOR BOLZ: That's a very good question. Certainly there are other states who do an excellent job of assuring that clients who can...to remain eligible through income and through other eligibility provisions don't churn on and off of the system. And my take on it, for what it's worth, is that some intentionality needs to be brought to that piece of the system delivery puzzle. We need to be thoughtful and proactive about making sure that folks who would otherwise be eligible remain on these programs rather than letting both ineligible and eligible folks slide off and trying to recoup the eligible folks after the fact. Does that help? [LB309]

SENATOR COOK: Okay. Yes, absolutely. Thank you, Senator. [LB309]

SENATOR BOLZ: Uh-huh. [LB309]

SENATOR CAMPBELL: Any other questions? Senator Crawford. [LB309]

SENATOR CRAWFORD: Thank you, Senator Campbell. I assume that some of the simplification might require or go even further if there would be changes in statute. And one of the bills that we've had before our committee is one about eligibility for Medicaid services for children and part of the churning happening because of how many months that is; you know, it changed to 12-month versus...now the...so the focus of the bill, as I understand it, is to be as streamlined as we can within existing statute. But is there any provision to provide recommendations or reporting on statutory challenges to streamlining? [LB309]

SENATOR BOLZ: I think that's a good question, and I may be oversimplifying what you're asking but I think that there could be a good solid look at the need for statute change. The bill that you're referencing I think could be a nice partner to this bill. But this bill, in an effort to be as efficient and streamlined as possible, has tried to take a step back from anything that would have a significant fiscal impact. So I certainly see how those two dovetail, but this bill was intended to try to do as much as we can in a way that is cost-effective and makes sense... [LB309]

SENATOR CRAWFORD: Sure, sure. [LB309]

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SENATOR BOLZ: ...given the other pressures of the Department of Health and Human Services. [LB309]

SENATOR CRAWFORD: Absolutely, absolutely. [LB309]

SENATOR CAMPBELL: Any other questions? Oh, Senator Crawford. [LB309]

SENATOR CRAWFORD: One more. Thank you, Senator Campbell. I just wondered if you could speak to how the use of a commercial database may help with this streamlining. What does that look like? [LB309]

SENATOR BOLZ: Certainly, and I appreciate that question. Commercial databases are available that might be of assistance through these programs. And what I want to make clear about this legislation is that the Department of Health and Human Services would have discretion and accountability in utilizing those commercial databases. We would certainly have to make sure that any agreements in utilizing those databases made good fiscal sense and could be trusted for their accuracy. Other states have done this to good effect using partnerships with insurance and other kinds of organizations and industries. I would defer to the Department of Health and Human Services preferences in using such commercial databases, but I think it's a good option. We certainly have a variety of other contracts and agreements to make sure our government functions in other scenarios, and this could be one as well. [LB309]

SENATOR CRAWFORD: Can you give an example of what they might pull off of such a database? [LB309]

SENATOR BOLZ: You know, I don't mean to put anyone on the spot,... [LB309]

SENATOR CRAWFORD: Sure. [LB309]

SENATOR BOLZ: ...but I know that there... [LB309]

SENATOR CRAWFORD: Oh, excellent. [LB309]

SENATOR BOLZ: ...are testifiers behind me who can speak... [LB309]

SENATOR CRAWFORD: Okay, great. [LB309]

SENATOR BOLZ: ...to a little bit more detail with that. [LB309]

SENATOR CRAWFORD: Thank you, thank you. [LB309]

SENATOR CAMPBELL: Okay. Thank you. Senator Bolz, will you be staying with us?

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Okay. [LB309]

SENATOR BOLZ: Uh-huh. Thank you. [LB309]

SENATOR CAMPBELL: Okay. That's great. We will open the floor for the first testifier in favor of LB309. Good afternoon. [LB309]

JOYCE KUBICEK: (Exhibit 11) Good afternoon, Senator Campbell and Health and Human Services Committee. My name is Joyce Kubicek, J-o-y-c-e K-u-b-i-c-e-k, and I have been privileged to serve as a care manager and a program coordinator at Aging Partners, which is an Area Agency on Aging that covers eight counties. And on behalf of Aging Partners and our other community-based organization, OneWorld Health Centers from Omaha, I'm here to speak in support of LB309. Our organizations share a common goal of helping older, disabled, and/or low-income Nebraskans. Some of the people we help speak English, some do not, and they come from diverse cultures. We strive to help our clients stay healthy and safe and live in the community. This is often their preferred choice and it's often the most affordable option. In order to do this, we need to help our consumers access assistance, and in a timely manner. Accomplishing this has become a challenge in the last four years since ACCESSNebraska was launched. ACCESSNebraska has resulted in a large drain on the limited staff time that we have, and more importantly, some of the people that we serve have waited long...have had prolonged waiting times for food, for financial benefits, and for the medical care that they need. Our organizations support LB309 and believe it will cut down on the long phone wait times and delays in document verifications. Renewing all benefits simultaneously could save time, both for the Nebraska Department of Health and Human Services and for our consumers, and could be more cost-effective and humane. When cases are closed in error--and that is happening--we support reopening them without starting over, as outlined in LB309. If simple cases can be handled quickly, we expect there will be more time for more experienced staff to consider complex situations for those who need Medicaid waiver, spousal impoverishment, to name just a few of the more complicated programs that need to be handled. These situations have been recognized now, after it has not worked very well, as needing more individualized service. We hope that this bill will free up resources to address those complex concerns, which if we don't have people in those systems it can be more expensive than if we can get them the help when they need a lower level of help. It's in the best interest of all Nebraskans for our citizens to be able to receive benefits that preserve their health and maximize their independence. As I speak to you today, I think about a lot of my older clients in the forum I'm more comfortable in, in the homes of the people I serve. They can't come to see you in person, but I'm here today to speak for them and for the other people that OneWorld Community Health Centers serves. On their behalf and in conjunction with other community-based organizations, please consider supporting this legislation. Thank you very much. [LB309]

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SENATOR CAMPBELL: Thank you very much. Are there questions from the senators? Thanks for your testimony today. [LB309]

JOYCE KUBICEK: Thank you. [LB309]

SENATOR CAMPBELL: Our next proponent. Good afternoon. [LB309]

ROGER FURRER: (Exhibit 12) Good afternoon. Madam Chair, committee members, my name is Roger Furrer, R-o-g-e-r F-u-r-r-e-r, and I'm the executive director of Community Action of Nebraska, a partnership representing the nine community action agencies in the state. This testimony is also on behalf of Voices for Children in Nebraska and AARP Nebraska. We appreciate the efforts of front-line employees and the management of the Department of Health and Human Services to improve the application process for public benefits and to provide quality service. While we welcome the vision of a modernized and efficient system, ACCESSNebraska has been plagued by delays and difficulties from the beginning. These problems persist until today. Unfortunately, we have heard of continuing difficulties, including the persistence of long call wait times, lost documents, inaccurate information, and processing delays with ACCESSNebraska. In some instances, clients have had their cases closed in error and then are forced to reapply, unnecessarily losing needed healthcare coverage and other benefits. In other instances, individuals have reported a total inability to contact the call centers for days on end, due to a busy signal. Once callers do get through, they are on hold for, average, 40 minutes. Call wait times of up to two hours have been reported. Situations such as this can create serious consequences for families and individuals trying to take care of the applications during their lunch hour or on their work breaks. These situations seem to be connected to inefficiencies in the system and worker overload, conditions LB309 attempts to address. Specifically, it is our understanding that the busy signals occur when the phone system is at its maximum call load; in other words, there are not enough call center workers to meet the demand. In addition, there are continued reports of supporting documents, both scanned or faxed, being lost or misfiled due to the sheer volume of documents being processed by these workers. People submitting documentation are sometimes told that they have the responsibility to call back in four days to ensure that the submitted documents had been put into their case files. That means another call, another 40 minutes on hold. LB309 would minimize the submission of redundant verification documents. Clients would no longer have to submit the same document for each program applied for. Current requirements are a burden on families and they increase the amount of files and paperwork processed by DHH staff, thus increasing the opportunity for error. Likewise, sharing client verification across programs ensures that less documentation is flowing into the system and that records will be uniform and current. Allowing for the automatic enrollment of children in the medical assistance program when they qualify for SNAP will create efficiency and promote the care and health of our youngest community members, increasing the likelihood that they will become healthy, self-sufficient adults. The provision in the bill

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that promotes simultaneous renewal of benefits will benefit both clients and workers. Greater synchronization means that clients can renew eligibility for multiple programs at once, reducing the likelihood that they will fail to renew due to a missed letter or a missed phone call. Equally important, allowing simultaneous renewals should reduce the call volume in the call centers and allow for greater efficiency. Finally, the changes related to the case closure for reasons other than ineligibility and allowing for cases to be reopened within 30 days are perhaps the most important aspects of this bill. I won't go into the further details as I'm running out of time, but we thank you for considering this and we appreciate your service to our communities. If there are any questions, I will try to answer. [LB309]

SENATOR CAMPBELL: Thank you, Mr. Furrer. Are there any questions? You have a lot of detail in there and that's good. Thank you. Our next proponent. Good afternoon. [LB309]

JULIE DAKE ABEL: (Exhibit 13) Good afternoon, Chairwoman Campbell and members of the HHS Committee. My name is Julie Dake Abel, J-u-l-i-e D-a-k-e A-b-e-l, and I'm the executive director of the Nebraska Association of Public Employees, otherwise known as NAPE/AFSCME. We represent the state employees that work in both the call centers and the local offices that deal with ACCESSNebraska on a regular basis. We are here to testify in support of LB309 and thank Senator Bolz for introducing this important legislation. Streamlining the benefits should be beneficial for both the client and the worker, and just makes more sense. Synchronizing renewals and using attestation where appropriate should eliminate duplicative work and may allow staff to focus on reducing the backlog and giving clients the quality service staff wants to give them. However, I will say that we do need to look at the resources, as the N-FOCUS system that DHHS uses will most likely require some programming changes to accommodate LB309. Additionally, with phone calls and letter reminders, as indicated in the fiscal note, this will no doubt require more staff time; but the streamlining should help free up that staff time. Unfortunately, as you have heard before, DHHS did not staff appropriately when they made the move to ACCESSNebraska, so staffing continues to need to be looked at carefully. I urge you to look at the processes, such as LB309, that makes the system we have called "No Access Nebraska," more accessible and more common sense for the worker and the clients as it should be. I thank you for your time, and I hope that you will consider moving LB309 out of committee. [LB309]

SENATOR CAMPBELL: Thank you, Ms. Dake Abel. Are there questions from the senators? Senator Crawford. [LB309]

SENATOR CRAWFORD: Thank you, Senator Campbell. Do you have personal experience or have talked to people with personal experience working on the other side of ACCESSNebraska being the one handling information that's coming in on those calls? [LB309]

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JULIE DAKE ABEL: As far as the workers? [LB309]

SENATOR CRAWFORD: Yes. [LB309]

JULIE DAKE ABEL: Yes. [LB309]

SENATOR CRAWFORD: Have you heard from them about how they see this working in terms of their workflow and their job? [LB309]

JULIE DAKE ABEL: Yes, I have. Some of the feedback that I've heard from some various employees across the state is that they do believe that it would be helpful to have everything streamlined, because there are, you know, different programs and, you know, all sorts of different pieces happening at different times. The only...I mean, there's always thoughts, you know, or maybe questions, concerns, when there's changes looked at. The only real thing that was brought to me was that there probably would be some programming changes that would need to be made within the N-FOCUS system to allow for that. But I'm sure there's been many programming changes made before. [LB309]

SENATOR CRAWFORD: Um-hum, um-hum. Thank you. [LB309]

SENATOR CAMPBELL: Any other questions? Thank you for your testimony. [LB309]

JULIE DAKE ABEL: Thank you. [LB309]

SENATOR CAMPBELL: Our next proponent. Good afternoon. [LB309]

JANA SARVABUI: Hi. My name is Jana Sarvabui; that's J-a-n-a S-a-r-v-a-b-u-i. And as not to be redundant as to what's been said, I'll just share an experience with you. My parents, we moved them out here to take care of them. My dad has Alzheimer's, my mother is almost legally blind and very hard of hearing. If I hadn't been here to fill out the paperwork, they would not be able to have done it. So we went ahead with the procedure and did all everything we were supposed to do, getting everything sent in. Told it would take about 45 days to process, and in the meantime they needed to apply for a waiver from Aging Partners. So we tried to get that going so we could get it at the same time, and you know, that it would flow. Well, Aging Partners did their part and it was all processed and then we waited for the Medicaid. And we waited and waited. And so after about two, three weeks, I called there and waited on the phone, and I got through and they said that it was being processed and would be "retroed" back to July when we started, but it was still...needed some more information. So they told me all the information we needed, and then I got a letter in the mail after that fact saying what it was. We got everything in on time, and we waited again. And we waited and waited.

Two weeks later I called back down there again for them to tell me that they were still waiting on the information that I had already sent them. And I told them that I had sent it to them, gave them the date that it was sent. And then it was quiet, and then, oh yeah, here it is, it's on the computer; they had it; and then, call back; we'll get in touch with you and let you know how it goes. We waited another two, three weeks, and still didn't hear from them. So I called back down again. Still was in the process. And then in the process I got a letter back that they needed some more information that my brother in Wisconsin had faxed to them concerning the sale of some property that they had sold in the past; had to prove that it had to be spent down to the \$8,000. And this was going on two months now, and they are in a care facility that's quite expensive when it's out of pocket. And in the process of all of it, long story short, the date that was finally approved was in October. So the Aging Partners had to go by the October date on that. They actually applied in July so it would be "retroed" back to July, which was fine on that part, but that meant we owed the facility three months of rent. They had enough in their account to pay for two of them, so we still have one month that we have not been able to pay because of it being so long...taking so long to get done. We went ahead and filed an appeal, and we went through the appeal hearing on it to see if could get the date changed and have it all coincide since we did get everything to them on time. And I was the one that made all the contacts; they never called me. There was one time I got a letter that was dated the 20th. I received it...the postmark was the 26th. I received it the 28th. The things that they wanted me to send back to them were due on the 30th--and we did it. We did everything that we were asked to do in the time that they gave us to do it in. So in the process of it, now my parents have spent down, because of the facility, they're down to about \$1,500 in their account from their whole life...and we're stuck with a \$6,000 bill at the facility. And to this day, even after the appeal, we have not heard how the appeal went, and that was two months ago. So that's our experience with that here, and yeah, it's just...if it had to be my parents that had to do it, they couldn't have done it and it would have been so frustrating for them I don't know what they would have done. [LB309]

SENATOR CAMPBELL: Questions? Senator Gloor. [LB309]

SENATOR GLOOR: Thank you, Senator Campbell. And thank you for coming down here to provide testimony. How long did you wait on the phone when you were calling, and what was your experience of calling in? [LB309]

JANA SARVABUI: There was maybe once that I got right in...if you called right when they opened up, you could get right in sometimes. Sometimes you got a busy signal from the very first. But I think the longest I waited was about an hour and a half on the phone. [LB309]

SENATOR GLOOR: Okay. But that was waiting an hour and a half? [LB309]

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JANA SARVABUI: I was waiting for it just to be answered. [LB309]

SENATOR GLOOR: Okay. [LB309]

JANA SARVABUI: Yeah. [LB309]

SENATOR GLOOR: Thank you. [LB309]

JANA SARVABUI: Um-hum. [LB309]

SENATOR CAMPBELL: And after that hour and a half, how long did the phone call last? [LB309]

JANA SARVABUI: Not very long. It was just a...you know, give me your case number and everything. They look it up and then they just said it's still pending; we're waiting for such and such information. And I tell them it was sent there. They find it. And, you know, we will get back with you. And that was it. [LB309]

SENATOR CAMPBELL: Are your parents in good health now? [LB309]

JANA SARVABUI: No, they are not. [LB309]

SENATOR CAMPBELL: Well, they're very lucky to have you following up. [LB309]

JANA SARVABUI: I'm very lucky to have them. [LB309]

SENATOR CAMPBELL: Absolutely. Thanks so much for coming and telling us your personal story. [LB309]

SENATOR COOK: Thank you. [LB309]

SENATOR CAMPBELL: Oh, the question Senator Krist had was whether this was last year? Senator, do you...? [LB309]

SENATOR KRIST: Was this last year? [LB309]

JANA SARVABUI: Yes. [LB309]

SENATOR KRIST: Thank you. [LB309]

SENATOR CAMPBELL: Okay. We'll have the record note that she responded that, yes, it was last year. So the transcribers can't pick you up from back there; that's why I repeated it. Okay, our next proponent. [LB309]

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SEPTEMBER CARTER: Good evening. [LB309]

SENATOR CAMPBELL: Good afternoon. It is good afternoon, yes. [LB309]

SEPTEMBER CARTER: How are you doing? I'm here for the LB309. My name is September, S-e-p-t-e-m-b-e-r, and the last name is Carter, C-a-r-t-e-r. Okay. And I'm here for the ACCESSNebraska bill, and it has been really frustrating because, first of all, the wait time. Usually wait up to an hour. There's been times where I've been waiting so long and then it's past the closing time, so I don't get in that day. Now since we don't have the personal caseworkers and we have to talk to different people each and every time, not only do we have to tell our situation to each person but we have to provide our Social Security number and other personal information that I personally don't feel comfortable sharing over the phone and with, basically, strangers. Another inconvenience is that I was asked to go back to my old job twice because the first time was to provide my end date and the reason why I was no longer employed, and a month later I was...the papers were lost so I had to go back again and ask for the same information, which is...feels really awkward. And I lost two months of benefits because they didn't go by when I turned in the application the first time, because of the lost paperwork; and by the time they got the information from my old job, they decided to have me fill out another application. Therefore, my benefits were prorated from the last of October and for the month of November instead of being prorated from the last part of August and the month of September. And while waiting for that information, my childcare and myself was told that the childcare wouldn't pay for while I did my job search. And I came to find out that the childcare was not paid for, so now I have to...I have made arrangements with that childcare to make payments for those two months. And fortunately, they're giving me enough time to get a job and then set up a payment arrangement with them. So I ask you to support the LB309 to help make the ACCESSNebraska less complicated. Thank you. [LB309]

SENATOR CAMPBELL: Thank you, Ms. Carter. Are there any questions? Senator Howard. [LB309]

SENATOR HOWARD: Thank you, Ms. Carter, for your testimony. [LB309]

SEPTEMBER CARTER: Uh-huh. Thank you. [LB309]

SENATOR HOWARD: You mentioned that there are no more personal caseworkers. Have you been involved in the system previously where you had had a personal caseworker? [LB309]

SEPTEMBER CARTER: Yes, I have. [LB309]

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SENATOR HOWARD: And how did that work? [LB309]

SEPTEMBER CARTER: Actually the person...your personal caseworker, they actually know the situation. You know, they keep the information separate in the file, and all you do is have to give your name and number. They look it up and they know everything. I don't know how long ago that was. It's been over two or three years ago. But now it's just you call and you've got to keep repeating your information. It's really frustrating. And sometimes you want to call, and you only have one question but you've still got to tell them the whole story first so they can understand the question better. [LB309]

SENATOR HOWARD: Thank you. [LB309]

SENATOR CAMPBELL: Any additional questions? Thank you, Ms. Carter, for coming in... [LB309]

SEPTEMBER CARTER: Thank you. [LB309]

SENATOR CAMPBELL: ...and giving us your testimony today. [LB309]

SEPTEMBER CARTER: Yes. Thank you. [LB309]

SENATOR CAMPBELL: Our next proponent. [LB309]

JAIME WARNER: (Exhibit 14) Good afternoon, Chairperson Campbell and members of the Health and Human Services Committee. My name is Jaime Warner, J-a-i-m-e W-a-r-n-e-r. I'm here today in support of LB309. In May of last year I left my job with Developmental Services of Nebraska after discovering that my daughter had been harmed by her childcare provider. At the time, a former coworker of mine was also in need of new childcare arrangements, so I agreed to provide the childcare as a Title XX provider to my friend, as this seemed the best way for me to earn an income and still protect my children the best I could. I applied for additional SNAP benefits and Medicaid to help during the transition, and this became even more important when my reimbursement for childcare services was delayed for months. I began care on May 25 and did not receive my first paycheck until August 18. And basically taking the whole summer, DHHS repeatedly requested information I couldn't produce, such as verification of the income I was making when I didn't even know what I was making. They wouldn't tell me, and they weren't paying me. They lost other information I provided, and they asked for me to submit the same documents over and over again. Each time I had to find a way to get to the local office to drop these forms off to make sure they were received by a DHHS employee. I always got a time stamp so I had my proof that I had done what I was supposed to on my end of things. All summer I relied on food pantries, emergency food baskets, and Foodnet distribution sites to feed my children. And while waiting for my Medicaid application to be processed, I went without

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medication for months. Throughout this time, I received eviction and utility disconnection notices, and that summer was a very scary time for me. Without my benefits, all I could do was pray and wait for the state to decide what they were going to do. Thankfully, this crisis is over, and I have returned to my job in Developmental Services of Nebraska. However, I continue to experience problems with ACCESSNebraska. At my last reverification, I was asked to submit the same employer verification form twice. I also had to complete the entire application again. Then I was informed of the day and time of my eligibility interview the day after the interview was supposed to take place. Even though I met the deadlines DHHS gave me, I have yet to receive my SNAP benefits for this month. I understand this bill would simplify the process and make it possible for families like mine to get the benefits they need when they need them. I encourage you to advance LB309 because no family should have to experience a crisis like ours that could have been prevented by a system that functions correctly. Thank you. [LB309]

SENATOR CAMPBELL: Thank you, Ms. Warner, for your testimony. Questions? How did they notify you of when your interview was supposed to be? [LB309]

JAIME WARNER: Through the mail. [LB309]

SENATOR CAMPBELL: Through the mail. So you got that...? [LB309]

JAIME WARNER: My interview was supposed to be last Friday. I got it in the mail on Saturday. [LB309]

SENATOR CAMPBELL: And so you had no idea that you were supposed to be there. [LB309]

JAIME WARNER: No, ma'am. [LB309]

SENATOR CAMPBELL: And so now you have to start over to get another appointment. [LB309]

JAIME WARNER: It's a telephone interview. And while I was at work two days ago, I tried on my lunch break, which I don't even have a lunch break technically. My boss allowed me 30 minutes. And I still got nowhere, and I had to hang up because I was at work. [LB309]

SENATOR CAMPBELL: And so you were waiting. So you still don't have that interview... [LB309]

JAIME WARNER: No, ma'am. [LB309]

SENATOR CAMPBELL: ...that you were notified of on Saturday. [LB309]

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JAIME CARTER: Yes, ma'am. [LB309]

SENATOR CAMPBELL: That would be frustrating. [LB309]

JAIME WARNER: A little bit, yeah. [LB309]

SENATOR CAMPBELL: I would guess so. Thanks, Ms. Warner, very much for coming... [LB309]

JAIME WARNER: Thank you. [LB309]

SENATOR CAMPBELL: ...and telling us your story. [LB309]

JAIME WARNER: Thank you. [LB309]

SENATOR CAMPBELL: Our next testifier. Good afternoon. [LB309]

MARIA ELENA RAMIREZ: Good afternoon. [LB309]

SENATOR CAMPBELL: We're going to get another chair so you'll want to just wait just a minute. [LB309]

MARIA ELENA RAMIREZ: Okay. [LB309]

SENATOR CAMPBELL: And just so that you know, because we have two people essentially, you have extra time. So don't be as worried about the time, okay? [LB309]

MARIA ELENA RAMIREZ: Oh, okay. My name is Maria Ramirez. M-a-r-i-a R-a-m-i-r-e-z. [LB309]

SENATOR CAMPBELL: Thank you very much. Okay, go right ahead. [LB309]

MARIA ELENA RAMIREZ: (Speaking through an interpreter.) I am here to support this bill to see if it would be possible that you can help us to achieve Medicaid to make it easier, because it's so complicated. When one calls over the phone and they're waiting for an hour and a half, and sometimes they say, wait just a moment and for some reason the phone call cuts off and then we get to start all over again. Perhaps I jumped ahead a little bit, but I would like to tell you I'm here today to represent my mother who is here with us. We come from a family of low resources, and we were really needing the Medicaid to support her now that she has many illnesses, and we haven't had benefits since September. And although I've tried, I haven't been able to get her services back on; and I wanted to see if could make it just a little bit less complicated,

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so when I have to renew every three months, six months, make it a little less complicated and just do it once per year, because there are several people who are like my mom who really don't have many people to help them. I had to start to work at 1:00 in the morning so that I would be able to take her to a doctor where they wouldn't charge her as much money. I just hope that you all can help me with this process. [LB309]

SENATOR CAMPBELL: (Sneeze) [LB309]

SENATOR HOWARD: Thank you, Senator Campbell. [LB309]

SENATOR CAMPBELL: That would be helpful. Thanks, Senator Howard. [LB309]

SENATOR HOWARD: Emily, could you ask her, when she called ACCESSNebraska...when you called ACCESSNebraska,... [LB309]

MARIA ELENA RAMIREZ: Si. [LB309]

SENATOR HOWARD: ...was there somebody who spoke Spanish? [LB309]

MARIA ELENA RAMIREZ: (Speaking through an interpreter.) She said that she was able to reach somebody who spoke Spanish, for but some reason they couldn't help her, so she had to find somebody who could speak English to call back again. [LB309]

SENATOR HOWARD: Okay. And then how long did it take when you did call, on average? An hour and a half, you mentioned. [LB309]

MARIA ELENA RAMIREZ: About an hour and a half is how long I waited on the phone. [LB309]

SENATOR HOWARD: Every time? [LB309]

MARIA ELENA RAMIREZ: She said, I've called twice on my own. The first time was about an hour and a half and the second time was nearly two hours. [LB309]

SENATOR HOWARD: Thank you. [LB309]

MARIA ELENA RAMIREZ: Thank you very much. [LB309]

SENATOR CAMPBELL: Senator Krist. [LB309]

SENATOR KRIST: Did you have experience with the system before ACCESSNebraska? [LB309]

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MARIA ELENA RAMIREZ: So previously, my resources were much higher, and last year, in 2011, is when she had to start seeking out assistance to support her mother. [LB309]

SENATOR KRIST: Okay. So the only system she's known has been ACCESSNebraska. [LB309]

MARIA ELENA RAMIREZ: Si. [LB309]

SENATOR KRIST: Si. And would a walk-in with an interpreter be able to solve her problems? [LB309]

MARIA ELENA RAMIREZ: At one point she did go to...I went to the 42nd Street office and there was a woman there that was very unkind to me, and she says, was racist. [LB309]

SENATOR KRIST: 42nd and Center? [LB309]

MARIA ELENA RAMIREZ: Yes. [LB309]

SENATOR KRIST: Yes. Si. Thank you. [LB309]

SENATOR CAMPBELL: Any other questions? Thank you so much for coming today and sharing your mother's story. [LB309]

MARIA ELENA RAMIREZ: Okay. Thank you so much. [LB309]

SENATOR CAMPBELL: Our next testifier. Thank you, Senator Watermeier. [LB309]

JAMES GODDARD: (Exhibits 15 and 16) Good afternoon. My name is James Goddard; that's J-a-m-e-s G-o-d-d-a-r-d, and I'm here today to testify on behalf of Nebraska Appleseed in support of LB309. We heard the problems today, and as well as in the past, that clients are experiencing with the ACCESSNebraska system. I don't think that I need to repeat those after what we've heard already today. I would point out one fact that I'm not sure if the committee is aware of. In the most recent LB374 report from last quarter, the abandonment rate for phone calls was above 25 percent. That's an alarmingly high rate of callers that hang up before they actually even get anyone on the line. So we've heard about the problems. One other thing I would like to point out today is, as I understand it, the department is undergoing a major change right now; that they're transitioning Medicaid eligibility and application processes out of the Division of Children and Families and into the Medicaid division on its own. I'm sure the director could tell you more about this than I can. But my understanding is that this means two

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separate application processes; two separate sets of workers; and essentially two systems, one for Medicaid going forward and one for the other programs. With a major change like this and the problems that we've heard about, we feel LB309 is extremely important to pass this year. It would streamline client case management, making things easier for clients and for workers; and it would ensure programs like Medicaid and SNAP are not operating in silos, but share information to the greatest extent allowed under federal and state law. Specifically, LB309 would simplify documentation requirements, creating efficiencies while maintaining program integrity. It would allow the department to use the least redundant verification procedures allowed. One thing that this could mean is allowing workers to use more discretion to not verify unnecessary things. For example, if a family doesn't have any current income, they would automatically qualify for the maximum SNAP allotment, and so there's no need to verify something like a shelter expense or childcare. The bill would also encourage sharing of verified client information across programs to create efficiencies to the extent allowed under federal and state law. While it's true that program requirements for things like SNAP and Medicaid are different, a lot of the information that you obtain to verify eligibility is similar or the same--things like residency, citizenship, immigration status, Social Security number, and other factors. As the department moves to bifurcate the system, pulling Medicaid away from other programs, we need to ensure that people don't have to submit the same or similar information two times to two systems to the extent that that's permissible under law. There are limits on some of the things that can be shared, as I understand it--things like the IRS tax information that we'll be getting in 2014 for Medicaid eligibility. I don't think you can share that. But there is other information that can and should be shared. The bill would also facilitate continuity in services by renewing multiple programs at the same time to the greatest extent possible. An example of that would be if you're renewing SNAP benefits in January, the caseworker can get the information that they need to renew eligibility for other programs that the individual might be on, and then renew everything at the same time to the extent possible. That hopefully would prevent someone from potentially calling back in, in February, for a different program. Finally, the bill would also prevent the unnecessary and inefficient case closures where clients remain eligible. So we've heard about missing an appointment or potentially missing a renewal, and someone would then lose their benefits yet remain eligible, and so they would go to the back of the line and have to wait another period of time to have their application processed. The bill would allow more reminders to clients to make sure they know it's time to renew their benefits, and it would also potentially allow the reopening of a closed case if that client remains eligible. With that, I'd reiterate this bill is especially important right now to ensure communication occurs with major changes coming, and to prevent the problems that we've heard today. We would urge the committee to support the bill. I would note, I've handed around a visual that hopefully will be helpful to illustrate the system and some of the problems. And to Senator Crawford's question about commercial databases, my understanding is there are a few of them out there; some of them are actually pretty secure and large, and they will have information like income. Some of the major corporations that exist will

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partner with these databases, and so you can just tap into this database, say this person makes this much income, and so I don't have to ask for them...I don't have to call them and they don't have to send anything in. So there are databases out there like that. [LB309]

SENATOR CAMPBELL: Thank you, Mr. Goddard. Senator Krist. [LB309]

SENATOR KRIST: Thank you, Mr. Goddard, for your testimony. I have several questions, and if you can't answer them that's fine, but just for the record. [LB309]

JAMES GODDARD: I'll do my best. [LB309]

SENATOR KRIST: It seems that on the fiscal note, which is surprisingly small, if I'm hopefully on the right page this time, LB309. The problem they specify is that it's a requirement of two different forms for two different programs. Is the federal government so strict that that form has to be filled out before eligibility is maintained? And where I'm going here is, it seems to me like you can take all the alphabet soup, the ADC, the childcare, the SSID, the SSCA, SNAP, etcetera, and you can pretty well blend it down to, as you said, are you under this, are you in poverty, are you here, are you here, and categorize eligibility. Is that not possible? Do you have to fill out that form, that stroke 5 form in order to get services? [LB309]

JAMES GODDARD: We currently use a multibenefit application that allows folks to apply for every program that they would want to potentially, or potentially would be eligible for. As I understand it, that is going to be changing with what the department is...the direction the department is moving. And part of the reason, as I understand it, is this: Under the ACA, we do have to have a single streamlined application for things like Medicaid and the tax credits. That has to be, you know, single and streamlined. And so you can't pile everything else into that application. But that does not mean you cannot also have a multibenefit application that will allow you to apply for everything at one time, including Medicaid. And so I think that that's...I'm not sure if that speaks to what you're asking, Senator. [LB309]

SENATOR KRIST: It's close. You did a good job. The other question I think is, is there any restriction legally from using TANF funds to fund these kinds of programs? I mean, if the fiscal note says that they can do this for \$60,000 this year and next, and \$50,000 next year and the year after, can we use that \$50 million that we have in our rainy-day fund to offset this so that it's not a General Fund concern? [LB309]

JAMES GODDARD: It can be used to the extent that it is promoting or supporting one of the core TANF/ADC purposes. And those are pretty broad. There's a lot of state discretion to use that money to support those purposes. I think when you...if you would start to get into using those dollars to facilitate the administration of things like SNAP,

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then I think you'd probably get into a problem because I don't think you can use the money in that way. But that's certainly something I could take a look at and give you a more solid answer. [LB309]

SENATOR KRIST: Generally, I would think ACCESSNebraska facilitates all of these programs, and I would think that a portion of the cost to actually upgrade ACCESSNebraska and make it customer friendly would be eligible for TANF funds, the way I read it. [LB309]

JAMES GODDARD: My understanding is you can use those, the TANF funds, to help administrate the TANF Program, which would in part, of course, be ACCESSNebraska. [LB309]

SENATOR KRIST: Absolutely. I would love for you to get back to me with that information. That would be wonderful. I know Senator Bolz is on the Appropriations Committee and can just pull this money out of a hat. But I think if we can eliminate this as any kind of price tag, and use TANF where we need to, \$50 million in a rainy day, why not? So thank you very much for your testimony. [LB309]

JAMES GODDARD: My pleasure. [LB309]

SENATOR CAMPBELL: Any other questions? Thank you, Mr. Goddard, as always, for your testimony... [LB309]

JAMES GODDARD: Thank you. [LB309]

SENATOR CAMPBELL: ...and footnotes. Mr. Goddard always has footnotes so we know exactly where he's taken the information. Our next proponent. Good afternoon. [LB309]

NICK FAUSTMAN: (Exhibit 17) Good afternoon. I'm Nick Faustman, N-i-c-k F-a-u-s-t-m-a-n. I am with the Nebraska Health Care Association, which is the parent association of a family of entities including the state's only association for all types of nursing facilities and the state's only association for assisted-living facilities. Both NNFA and NALA represent nonpropriety and propriety governmental long-term care facilities. NNFA and NALA both support LB309. And in the interest of saving time this afternoon, I would like to say that we echo the feelings about this bill. We feel it's a fantastic opportunity to upgrade, if you will, the system and help us provide care to those Nebraskans to which we care for in our facilities. Administrators, staff, residents, and families of residents would absolutely love this bill and appreciate it. [LB309]

SENATOR CAMPBELL: Thank you, Mr. Faustman. Any questions? Thanks much. [LB309]

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NICK FAUSTMAN: Um-hum. [LB309]

SENATOR CAMPBELL: Our next proponent. Okay. Those who are in opposition to LB309? Good afternoon. [LB309]

VIVIANNE CHAUMONT: (Exhibit 18) Good afternoon. Senator Campbell, 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 Medicaid and Long-Term Care, Department of Health and Human Services. I'm here to testify in opposition to LB309 from the perspective of both Children and Family Services and Medicaid and Long-Term Care. The department already does much of what is required in LB309. LB309 requires the use of federal, state, and commercial databases to verify client information for eligibility. The N-FOCUS system interfaces with over a dozen state and federal databases. It also interfaces with the state's Vital Statistics database and CHARTS, the child support system that interfaces with another group of databases. Whenever a match occurs with these databases, a worker receives notification for follow-up. LB309 also requires reasonable efforts to prevent case closure, but does not specify the number of reminder calls or letters that would be required to meet reasonable efforts. Currently, a reminder of the requirement for renewal of benefits is sent at least 30 days in advance of the date the case is due for renewal and possible closure. We are required to provide no less than a ten-day notice before the case is closed. Most of the data sets required in LB309 are in N-FOCUS. The costs in the fiscal note are for one-time programming to extract the data in the way the bill requires. Some of the data points, such as the frequency that questions are resolved during an initial contact, are subjective and would be difficult to capture. Several provisions required in LB309 reflect current Nebraska Medicaid policy. Some of the provisions either conflict with federal requirements or align with requirements of the Affordable Care Act that will be implemented in January 2014. As mentioned earlier, currently the department shares verification of client information across our programs. The Affordable Care Act requires Nebraska Medicaid to use federal data sources provided by the federal government. However, the ACA specifically prohibits sharing federal income tax data with other social service programs. Requiring Medicaid to share all client information it receives will violate federal law. LB309 requires the department to simplify documentation requirements by utilizing the least burdensome and redundant verification procedures allowed under federal law. For clients potentially eligible for Medicaid using the modified adjusted gross income methodology, which is the methodology that will go into effect for everyone but the aged and disabled on January 2014, we have to use federal electronic data matches and apply a reasonable compatibility standard for eligibility factors. That means we cannot automatically enroll children in Medicaid using eligibility for SNAP. Express Lane Eligibility, as this is called, allows a state to rely on the findings of the SNAP agency to determine eligibility for Medicaid. In order to implement Express Lane Eligibility, approval of a state plan is required. The authorization for Express Lane

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Eligibility is in federal law and is set to expire on September 30, 2013. Considering the workload issues associated with implementation of the ACA and the proximity of the expiration date, allocation of resources to Express Lane Eligibility is not an effective strategy. At this time, states do not know what the federal exchange will use as their verification procedure. The department does not want to be bound by a federal process that has yet to be clearly defined. Less stringent verification processes can impact program integrity, and it is important to ensure only those eligible receive benefits. Thank you for the opportunity to be here today and I'm happy to answer any questions. [LB309]

SENATOR CAMPBELL: Questions? Senator Crawford. [LB309]

SENATOR CRAWFORD: Thank you, Senator Campbell. So from what I understand in your testimony, the N-FOCUS system would allow a worker to pull information that's in someone's system that applies, that's necessary for renewing eligibility or necessary for applying to a program, to multiple programs; that sharing...you're arguing that sharing exists in the current system. [LB309]

VIVIANNE CHAUMONT: Yes. That capability exists. And I have to tell you that effective for implementation of the ACA, the federal government does require a separate application for Medicaid. The good news is that it will be a simplified application that has to be used, and I can tell you that the Medicaid division will be using the simplified application that's only for the pregnant women, children, and caretaker relatives. But we are also looking at, while we are in the process of simplifying that application, seeing if we can simplify the application for the aged, blind, and disabled, which would be the nursing home clients, clients such as the folks that...a lot of the clients that have testified, to try to make the application process simpler for those clients. I'm sorry, let me just remind you of one thing, that because the eligibility with the ACA, the eligibility, you know, kind of gets separated...it does get separated from Medicaid and some of the other programs. The ACA...as a result of the ACA and through some of the funding that we've already received and is in the budget for implementation of the ACA, Medicaid will be procuring...we'll have to do work-arounds for a while with the N-FOCUS system. But we are in the...then going to be preparing an RFP to procure an eligibility system that will be for Medicaid, and the plan would be to have that eligibility system...and I'm not a techie person, I apologize, but an eligibility system then that can be for Medicaid and then it's flexible enough to provide some kind of basis for other programs if they should be added on. But for right now it will be a Medicaid system. [LB309]

SENATOR CAMPBELL: Senator Krist. [LB309]

SENATOR KRIST: A couple of questions. The first, why are we separating out the processes? [LB309]

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VIVIANNE CHAUMONT: Well, the ACA really...really, what's the right word, sort of divorces the Medicaid and considers it an insurance program, and it goes through a different (inaudible) than the other programs. And we will be then doing Medicaid very differently, and we think that it will help Medicaid clients to have folks that are dedicated to the Medicaid program, that know the Medicaid program, will have to answer questions about the exchange, how to access subsidies, how to access the tax credits, those things. So it's different. And then we'll be specialized folks, because probably one of the hardest determinations involves the aged and the disabled, and so we'll have specialized. We believe that will help the Medicaid clients and the Medicaid program. So that's why we're doing it. [LB309]

SENATOR KRIST: So if I'm calling ACCESSNebraska, and you are splitting out the programs, how am I going to get help from an expert if the operator is not a Medicaid person versus anything else? [LB309]

VIVIANNE CHAUMONT: It...the system is being changed so that a Medicaid goes over here and then there is the flowback. If there's a Medicaid person that has questions about SNAP or anything else, the information will be going back and forth as it is supposed to be doing today so that to have the least impact on clients having have two different systems. But already the...and I can tell you that at the federal levels, you know, CMS does Medicaid; a different agency does the child...does ADC; and the Department of Agriculture does SNAP. And they are not all agreeing to do it the ACA's way. So they all have their own way. The new Medicaid system is, you know, for the Affordable Care Act we have to make some changes. And so we're just going to have to coordinate that better. [LB309]

SENATOR KRIST: Last question is, we're saying that N-FOCUS has the capability of doing a lot of things that LB309 is going to ask you to do, and they're already in place. To point, though, I would say that I don't need to see a tax return as long as the database says they're below 100 percent, or they're below 135, or they're below whatever level. The box is checked by somebody in the state, and the data on the screen comes up and says: Krist, he's eligible for these programs. Why are we not taking the information, which is what I think LB309 is after, and looking at the N-FOCUS as qualification? Because somebody has put the information in. And to that end, the second part of that question is, maybe we should just have first-time appliers for these programs have to go to an office or have a dedicated line that...you know; and once you get set up in the system, I would think it would be easier to handle the problems. So I'll let you talk to both of those. [LB309]

VIVIANNE CHAUMONT: Okay. The first one was about the income tax information. And N-FOCUS does not have income tax return information. It has some 1099 data. But for Medicaid, effective January 1, '14, we have to use modified adjusted gross income out of your income tax, and it really is a totally different way of calculating Medicaid

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eligibility. And it has been an interesting discussion just to see between CMS and IRS about who gets what, because those are, like, the most sacred documents in the world are your income tax returns as far as the IRS is concerned. So CMS has made it absolutely clear that we cannot share; and the IRS has made it absolutely clear that we cannot share that information. Some of the other information that is in N-FOCUS, I won't talk to you about whether that makes sense or not. I'm just telling you that that's the..., [LB309]

SENATOR KRIST: Yeah, it doesn't...and not to interrupt you, but it doesn't make sense, because if I'm poor, I'm poor. You look at my 1099 and say I'm in need, I'm in need. The category gets checked. That's it. Or we share...we're not sharing the 1099. We're sharing... [LB309]

VIVIANNE CHAUMONT: No, we are not sharing income tax returns which is a 1040, not a 1099, okay? [LB309]

SENATOR KRIST: Okay, 1040. [LB309]

VIVIANNE CHAUMONT: I mean, so that is...that is just the difference. And then we go off of modified adjusted gross income for the Medicaid eligibility. So whether it makes sense or not, I am 100 percent positive that what the guidance has been from CMS and the IRS, and we cannot share the income tax return. And that's what Medicaid eligibility for the large majority of Medicaid clients is going to be. Now you are correct that in...I think the hardest and probably some of the most difficult cases initially are the aged and the disabled because there's resources and things that you usually don't have...well, that you don't have. We don't have a resource test for children and pregnant women in Nebraska, so it's a more complicated thing. But once the initial eligibility is done then, you know, people tend to have the same income, the same physical conditions, the same...all of that. And recently, it's my understanding that the Children and Family Services division who currently does Medicaid eligibility has gone back to assigning a caseworker for the initial application of those cases. And when the transition is made to Medicaid, handle Medicaid eligibility, we are committed to having that happen because we think that it will actually be more efficient for the Medicaid Program to get that done. We're still talking about...we're still having discussions about initial cases for the other eligibility groups. But that whole process should be simplified on January 1, '14. [LB309]

SENATOR KRIST: Thanks, Director. [LB309]

SENATOR CAMPBELL: Senator Crawford. [LB309]

SENATOR CRAWFORD: Thank you, Senator Campbell. I just wanted to check with our computer system that we have. If someone goes past an eligibility date, I assume that data remains there so there is not...so if the bill were to pass to allow a 30-day grace

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period for renewal, that the caseworker talking to the person would have access to any existing data on that, for that person? [LB309]

VIVIANNE CHAUMONT: I believe so. [LB309]

SENATOR CRAWFORD: Is that true? [LB309]

VIVIANNE CHAUMONT: Yes. [LB309]

SENATOR CRAWFORD: So it doesn't...like, we don't lose it or they don't go off the system if they're... [LB309]

VIVIANNE CHAUMONT: No. The issue and the renewal is then that you are asking for newer information from the client, and so there's that. But it's also my understanding that the first 30...that if you lose eligibility within the first 30 days, you go...you know, if you appeal, you go right back on. So I don't think that would be something new that the bill would be adding. [LB309]

SENATOR CAMPBELL: Senator Cook. [LB309]

SENATOR COOK: Thank you, Madam Chair, and thank you, Director Chaumont. Based on the facts you presented in your testimony about the efficiencies that are in place in terms of N-FOCUS and the practices, to what would you attribute the testimony, the situations that we've heard among our testifiers? If they were on hold for an hour and a half, resending paperwork, how...if we're doing this then where's the gap? Maybe we don't need a bill. Maybe we can just... [LB309]

VIVIANNE CHAUMONT: My testimony is that the capability is there. [LB309]

SENATOR COOK: Okay. [LB309]

VIVIANNE CHAUMONT: I think the Division of Children and Family Services can better explain what issues they've had. [LB309]

SENATOR COOK: Okay. And they're coming up behind you today? You're here, it says...I'm sorry, I'm a little foggy from the flu. You're here on behalf of Children and Family Services. So you were asking me to ask them directly what is the gap? [LB309]

VIVIANNE CHAUMONT: Right. All I'm here to tell, that the system has the capability to do the things that are required. [LB309]

SENATOR COOK: All right. Thank you. [LB309]

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SENATOR CAMPBELL: Senator Howard. [LB309]

SENATOR HOWARD: Thank you, Senator Campbell. I just have a couple of questions--the usual. CMS released the draft versions of the on-line and paper applications for the exchange. And so I watched the video and really had the impression that MAGI would be...an eligibility through MAGI would be decided on the Internet, on that Web site, and then it would kick you over to Medicaid and CHIP here? [LB309]

VIVIANNE CHAUMONT: At some point in time that's the plan. That's not going to happen January 1, '14. CMS isn't anticipating that. That whole idea of instant eligibility is not going to happen on January 1, '14, in any state that I'm aware of. [LB309]

SENATOR HOWARD: Right. But you were talking about the difficulties in determining MAGI within our own system. But it looked to me like since we opted for a federal exchange, that they would determine eligibility and then kick them to us for the application process. [LB309]

VIVIANNE CHAUMONT: They...no. They will determine...they will...what is it? We will do a final determination; they will do...I can't think of the right word. They will do an initial...assessment. [LB309]

SENATOR HOWARD: Okay. [LB309]

VIVIANNE CHAUMONT: They will do an assessment and we will do the final...the determination. [LB309]

SENATOR HOWARD: Okay. And then for Express Lane Eligibility, could that reduce our costs, our administrative costs? Could it streamline those? Could it save you money? [LB309]

VIVIANNE CHAUMONT: I don't believe so. [LB309]

SENATOR HOWARD: Has it saved states money in where it's been implemented, like Louisiana? [LB309]

VIVIANNE CHAUMONT: It has been implemented by very few states. And I believe that when you get people on, that...you know, anything that gets more eligibles costs money. [LB309]

SENATOR HOWARD: To offset the costs, can you talk to me about what we could do to earn our performance bonus through CHIP? [LB309]

VIVIANNE CHAUMONT: That's the Express Lane Eligibility issues. [LB309]

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SENATOR HOWARD: Right. [LB309]

VIVIANNE CHAUMONT: That goes away September 1, '13. [LB309]

SENATOR HOWARD: Well, I mean, it could be reauthorized September 30, 2013. [LB309]

VIVIANNE CHAUMONT: Right, right. There are eight tests; and we meet some of them, but not all of them. One of those is Express Lane Eligibility. Another is, I believe, 12-month continued eligibility. I can't remember what all of them are. [LB309]

SENATOR HOWARD: Have we ever gotten a performance bonus? [LB309]

VIVIANNE CHAUMONT: We've never applied for one. No. [LB309]

SENATOR HOWARD: Okay. Great, thank you. [LB309]

VIVIANNE CHAUMONT: Because we don't meet the criteria. [LB309]

SENATOR HOWARD: Right. But could we potentially meet the criteria? [LB309]

VIVIANNE CHAUMONT: You can meet the criteria if you really expand the Medicaid and CHIP Program. Yes. [LB309]

SENATOR HOWARD: Okay, great. Thank you. [LB309]

SENATOR CAMPBELL: Other questions? Senator Gloor. [LB309]

SENATOR GLOOR: Thank you, Senator Campbell. Director Chaumont, let me follow up a little bit on Senator Howard's question. And your response was, so we've opted for a federal exchange. They're going to do the assessment; we're going to do the eligibility determination. Is that...? [LB309]

VIVIANNE CHAUMONT: Yes. [LB309]

SENATOR GLOOR: So some of the testimony we've heard today relates to people having to go through a duplicative process within the department sometimes. Are we going to be faced with the same thing here where the feds do an assessment, but our eligibility determination repeats a lot of what they've already had to go through for the assessment? [LB309]

VIVIANNE CHAUMONT: I don't believe it will repeat, and we're striving not to have any

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repetition. We aren't interested in increasing our "admin" any more than anybody else is. But don't forget that to go through the exchange to...you know, folks that are going through the exchange, the first thing they have to do is not be Medicaid-eligible. And so all of the people that are going to go through the exchange have to first be assessed as not Medicaid-eligible, and then that bounces them to the Medicaid agency. If the federal exchange assesses that they are not Medicaid-eligible, then they'll go through to determine if they get, you know, a tax break... [LB309]

SENATOR GLOOR: Yep. [LB309]

VIVIANNE CHAUMONT: ...and all of those other things that are associated with the exchange. [LB309]

SENATOR GLOOR: Okay. Thank you. [LB309]

SENATOR CAMPBELL: I would like to propose to the committee, and we certainly would invite Senator Bolz to be a part of that conversation, but the other day I had called a meeting with Brenda Decker who is, for a better description, the IT person for the state of Nebraska. And Mr. Pristow and Mr. Winterer were there also. And my question had to do with a follow-up on the computer expert that we had brought in for child welfare, because I have to testify to the Appropriations Committee in a couple weeks. And it was extremely beneficial, at least for me, to hear Brenda Decker talk about, basically, she's working and her staff is working on trying to get ready for the ACA, and that's their number one objective, and that for a period of time they will do some work-around programs. I'm less technology than you are, Director, but...so there's going to be an interim step there... [LB309]

VIVIANNE CHAUMONT: Yes. [LB309]

SENATOR CAMPBELL: ...but that eventually she sees her staff developing this platform that then the data could be used rather seamlessly for other qualifications. But her first objective is to build it to be ready for the ACA. And I think it might be helpful if we had a briefing, and certainly inviting you because you're the Medicaid part. But at this point, a lot of the questions today have to do with access, which is Mr. Pristow's point, and then have Ms. Decker come and explain to the committee how this is going to operate. Because I'm not describing it very well, but she did a great job and gave...at least I have a visual idea from listening to her that morning about what she's working on. But almost all other projects are being put on hold. That was my question with the child welfare part. [LB309]

VIVIANNE CHAUMONT: Right. [LB309]

SENATOR CAMPBELL: All of this energy is being poured into being ready and having

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Nebraska be ready for the ACA. [LB309]

VIVIANNE CHAUMONT: Which...that's exactly right, which is what I was talking about that we're going to have an interim solution that involves N-FOCUS. And then my division is going to be doing an RFP for an eligibility engine, whatever the right word is, an eligibility system for Medicaid. [LB309]

SENATOR CAMPBELL: Right. I think our concern, though, and that would be that a lot of the questions today continue to center on ACCESSNebraska. And we've been trying to deal, from this committee's perspective, since what? ACCESSNebraska came in, in 2010? Anybody nod in the audience? Am I right? 2011? [LB309]

SENATOR KRIST: 2010. [LB309]

SENATOR CAMPBELL: I'm sorry. What? [LB309]

SENATOR KRIST: 2010. [LB309]

VIVIANNE CHAUMONT: 2010. [LB309]

SENATOR CAMPBELL: Oh, I...did I not say 2010? [LB309]

VIVIANNE CHAUMONT: Okay. You said 2010, just the same as 2010. [LB309]

SENATOR CAMPBELL: Thank you. Just all this allergy stuff. But we've been struggling with this. I mean, we've had, what, for the continuing members on the committee that have been here before... [LB309]

SENATOR COOK: An interim study. [LB309]

SENATOR CAMPBELL: ...what, three interim study hearings that I can remember dealing with this, and a couple of bills. And we're still...and I know that's not your bailiwick, but we're still...we're still hearing the same things: waiting, long hours, losing forms, not being able to find out. And so I think it would be helpful for the committee to hear those three experts, and we'll invite Senator Bolz to be a part of that discussion, because this is really a big picture and more than your department. [LB309]

VIVIANNE CHAUMONT: Yes. [LB309]

SENATOR CAMPBELL: I mean...and you don't have to say yes or no. [LB309]

VIVIANNE CHAUMONT: No, I...yeah. [LB309]

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SENATOR CAMPBELL: I'm saying this is a bigger problem than just the Medicaid. [LB309]

VIVIANNE CHAUMONT: Yes. [LB309]

SENATOR CAMPBELL: And I know that's what Senator Bolz is trying to get to, but we also have to know how that's going to operate from Ms. Decker's perspective; and she's very helpful. You can concur or not, but... [LB309]

VIVIANNE CHAUMONT: Yes. No, I do. (Laugh) I'm sorry. [LB309]

SENATOR CAMPBELL: But I mean she is. [LB309]

VIVIANNE CHAUMONT: I was nodding. You didn't hear it. (Laugh) [LB309]

SENATOR CAMPBELL: So committee members, just that someone...I mean, you've got another person, a couple people that you need to hear. In all fairness to Senator Bolz and her bill, we really need to hear from several other people that would fill in some blanks. Okay? [LB309]

VIVIANNE CHAUMONT: I agree. [LB309]

SENATOR CAMPBELL: Any other follow-up questions for Director Chaumont? [LB309]

SENATOR COOK: I think that would be good. Thank you. [LB309]

SENATOR CAMPBELL: Thank you much. Those who are in opposition to the bill? [LB309]

JILL SCHRECK: My name is Jill Schreck, S-c-h-r-e-c-k. I'm here as a follow-up to Director Chaumont. I represent the Children and Family Services division. I'm the deputy director over the economic assistance to include ACCESSNebraska, and I'd be happy to address some of the concerns that were brought up today. [LB309]

SENATOR CAMPBELL: That would be great. Let's start out with, do we have...do we have enough staff to answer all the phone calls that come in? Is that why we've got this long wait period? [LB309]

JILL SCHRECK: I would attribute some of the wait time to some changes that we've made to help provide better customer service. We are focusing on one call resolution, which is if somebody calls in we are doing a better job of answering the question so others don't have to answer. And we are also allowing the individuals in the customer service centers, if everything is in, all the documents that are necessary at the time of

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the interview, to process at that time. So that is resulting in a little bit longer wait times, but it is improving our customer service. It's satisfaction for our staff as well as the client who their case is processed right away instead of being sent for processing in our local office to finish at a later time. [LB309]

SENATOR CAMPBELL: Why do you think we're still having these long wait times to get...for somebody to...you know, I'm waiting 30 minutes or an hour and a half just to get to the person? Why do you think we're still having that? [LB309]

JILL SCHRECK: Well, the wait times vary depending on what you're calling in. There are certainly some longer ones and there's shorter ones. Our average wait times is a combination of all the calls and the wait times because some have very short times, some have long. I really think the longer wait time right now is because our staff are taking the time to process the case, so they stay off the phone to do what we call wrap-up and then before they take the next phone call. [LB309]

SENATOR CAMPBELL: So they're trying to do...I'm sorry, Senator Krist. [LB309]

SENATOR KRIST: It's okay. [LB309]

SENATOR CAMPBELL: So they're trying to finish everything... [LB309]

JILL SCHRECK: So the person doesn't have to... [LB309]

SENATOR CAMPBELL: ...before the person is off the call? [LB309]

JILL SCHRECK: Sometimes some of our staff are able to do other persons on the call. Sometimes it takes after they hang up with the call. So they don't take another call until they process the case, so that keeps their caller from having to call back another time, but it does take our staff a little longer to process at that point. [LB309]

SENATOR CAMPBELL: What is going to happen to ACCESSNebraska after January of 2014? You're only going to take the information for the other programs? [LB309]

JILL SCHRECK: Right. We will continue to take the information and process for all the other programs that we oversee to include SNAP, formerly known as food stamps; childcare; energy assistance; and many other programs. [LB309]

SENATOR CAMPBELL: So am I listening to Ms. Decker correctly when she is saying that eventually that information would flow for the other programs and there wouldn't be a duplicative application? Or will someone...will they go through one system and then have to start all over again? [LB309]

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JILL SCHRECK: We'll have one application for all those other programs just like we have now. Just the Medicaid piece will have its own separate application, but all the other programs will still remain on one application. [LB309]

SENATOR CAMPBELL: Okay. Senator Krist. [LB309]

SENATOR KRIST: Statistically, we've heard testimony that said that there are about 25 percent of the people give up before they ever make contact with a person to talk to. What would you attribute that to? [LB309]

JILL SCHRECK: I believe I heard that testimony. It's abandoned rate if I was hearing correctly. There are times that our clients may feel like they can't stay on the phone if they are in a phone queue that might have longer wait times or might be during a period of time like lunch hour. But we are staffing our folks...we stagger them. If they cannot wait any longer, then they would hang up. And that varies... [LB309]

SENATOR KRIST: What are the hours for ACCESSNebraska? [LB309]

JILL SCHRECK: 8:00 to 5:00. [LB309]

SENATOR KRIST: Have you thought about maybe expanding the times on four or five days? [LB309]

JILL SCHRECK: Yes, we have talked about expanding our time frames. Out on the...in Mountain time, we have staff that work 8:00 to 5:00 Mountain time, so we have actually phones are open until 6:00 p.m. actually, if you count this time. So we...but, yes, we have been working on a proposal for extended hours. [LB309]

SENATOR KRIST: Saturdays? [LB309]

JILL SCHRECK: Possibly, yes. [LB309]

SENATOR KRIST: Okay. And then finally, there seems to be a movement afoot that we're going to split these things up. How do you envision...if I'm going to call you up and talk to you about a particular subject and you don't know the subject, how do you envision that these auto transfers and information are going to go back and forth seamlessly if we can't do what we're doing now? [LB309]

JILL SCHRECK: Right. Well, we work very closely, CFS and Medicaid and Long-Term Care are working very closely to come up with how we're going to best serve our clients to make it as seamless as possible. So we will have...identify how we are going to do that. We haven't worked out the details of that certainly, but we do want to make it as seamless as possible for our clients. [LB309]

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SENATOR KRIST: I just have to reiterate, and I'm not trying...I'm not picking on you,...
[LB309]

JILL SCHRECK: Sure. [LB309]

SENATOR KRIST: ...but this is getting old. I mean, probably the longest hearing we had in this committee went until the wee hours of the night, person after person after person coming in here and telling us the same stories that we're hearing. It's just...we've got to fix this. We have to fix it. [LB309]

JILL SCHRECK: I would say we've definitely been hearing the same concerns, and we have done a lot of things to address it. We have done the assigned workers. We moved the complicated Medicaid cases out to assigned workers so they work the case until it's finished. If everything is not in at the time of the interview, we assign it out to a local office person and it's assigned so that person works the case until it's completed. And at that...then it goes back in universal. So we have made a lot of changes in the last six months, and I feel like they're effective. But yeah, we have work to do. [LB309]

SENATOR KRIST: One more question and then...I'm sorry. You heard the testimony or were you here for the testimony that said that a person went into a 42nd and Center Street location and was not treated very well? [LB309]

JILL SCHRECK: I think I just got a piece of that as I was on my way over here, but...
[LB309]

SENATOR KRIST: Okay. Would you do me a personal favor and contact this lady and find out what happened at 42nd and Center... [LB309]

JILL SCHRECK: Absolutely. [LB309]

SENATOR KRIST: ...and make sure that she's taken care of? [LB309]

JILL SCHRECK: Yes. [LB309]

SENATOR KRIST: I know Ms. Chaumont, Director Chaumont, shared some information, but, you know, we had...in that very long hearing that night we had somebody from an organization say, I can speak for these people, I know how to navigate the system; and (snap fingers), within two weeks that organization was navigating for a particular group of people and expediting the process incredibly. That's...I mean sometimes you've just got to deal with it one-on-one. [LB309]

JILL SCHRECK: Right. [LB309]

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SENATOR KRIST: Thank you. [LB309]

JILL SCHRECK: Right. [LB309]

SENATOR CAMPBELL: Oh...Senator Gloor. [LB309]

SENATOR GLOOR: Go ahead. [LB309]

SENATOR CAMPBELL: Oh, my question...I mean, we've covered a lot of...some of the questions that Senator Bolz's bill brings forward. But one of those is, would we move to a point at which you're not renewing in March for this, in June for that, and...? I mean, it's like can we get to that point or are we precluded by some federal programs that we can't do an annualized renewal process for somebody? [LB309]

JILL SCHRECK: Right. We're working with staff to make sure they understand that we try to align them at the time if it's at the one-year, because people might apply for things at different times, but then at one time when it's renewal time to work with them to align everything at that point. [LB309]

SENATOR CAMPBELL: You know, part of this also may be, I don't know how much money we've put into communication with people across the state and being able for them to know exactly how this operates. Sometimes I think we're...it's all in a vacuum and, you know, there's just not enough telling the public this is how you really can access this system, and if you have a problem this is the number to call. I mean, it's almost like you need a hot line, because there are going to be complicated cases. I mean, we know that. Senator Gloor, sorry. [LB309]

SENATOR GLOOR: That's fine. Thank you, Senator Campbell. I'm glad to hear the department is starting to segment some of the problems that have come up with individuals solving...or strategies for solving them, like let's keep somebody on the line until we've worked through all of their issues. But your comment along with that is that customer satisfaction has gone up. Is that a quantifiable number, and if so, how do you measure or how do you know that your customer satisfaction has gone up? [LB309]

JILL SCHRECK: I can tell you from the calls that come to me or any complaints that come to me, I rarely hear any longer that I've had to talk to five people to get my answer. I'm not hearing that. I spoke with a nursing home organization yesterday. They're very pleased with the changes we've made and feel like they have good customer service. One thing I would touch on is our community support specialists who are kind of a go-to point. If people feel like they need a little bit more information than just going into a local office, we have community support specialists who reach out to groups and...or individuals, and work with them to solve some of the more complicated.

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So that is how I judge it. [LB309]

SENATOR GLOOR: Well, I'm glad to hear that. But you can understand without some hard numbers to put in our hands, we sit here and hear the opposite side of that. So I'm glad you're hearing the opposite side of what we hear anyway. [LB309]

JILL SCHRECK: Yes. [LB309]

SENATOR GLOOR: Yes. [LB309]

SENATOR CAMPBELL: Senator Cook. [LB309]

SENATOR COOK: Just for a point of clarification. Thank you for testifying. I understood you to say initially that part of the reason why the wait time occurred was that someone would call in and connect with a worker and that she or he would get the information, complete the call, but then continue to work on that case to move it forward. And then the way Senator Gloor asked it, it sounded as though the person was still on the phone working and talking through the paperwork. Which one is it, or is it both/and? [LB309]

JILL SCHRECK: It could be both. If at the time of the interview if you're calling in and I'm on the other end of the line, I'm doing the interview with you, I see all the information we've requested from you is in and I have to go through the interview so I do have more questions and look at the information you've submitted; and then I'm able to...if I'm able to process it, if everything is in, I will go ahead and process it. Some of our staff are able to do it while we have you on the phone; others may say, well, thank you, I have everything I need, and they will stay off the phone and not be available for the next call until they finish it. [LB309]

SENATOR COOK: Okay. All right, and then complete that; complete that application and hit send or abracadabra or whatever it is they do. [LB309]

JILL SCHRECK: Right. And it processes and the person shouldn't need to contact us again until the next year. [LB309]

SENATOR COOK: All right. Thank you. [LB309]

SENATOR CAMPBELL: Senator Howard. [LB309]

SENATOR HOWARD: Thank you, Senator Campbell. Senator Cook reminded me of magic and so I was just wondering, in a perfect world what would you need to make ACCESSNebraska work efficiently? To answer every call within five minutes; to, you know, get one form of paperwork and just jam through it, what would you need from us to make ACCESSNebraska work? [LB309]

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JILL SCHRECK: I don't know that I'm prepared to answer that. (Laugh) [LB309]

SENATOR HOWARD: That's okay. [LB309]

JILL SCHRECK: That's a big question. Yeah, I really feel like we have a lot of good things available to us now. We have a lot of flexibility with our leadership to allow us to make the changes necessary. We're receiving really good input, which is helping us, not just from clients but our staff also, who are the people who do the work. We listen to them. I go out and ask them, what can I do to help? That has done wonders, I think, and that has resulted in a lot of the changes we've seen this last year. [LB309]

SENATOR HOWARD: So is there anything else that we could do as a Legislature to reduce call times, to make it more efficient, to stop those dropped calls? You know, we're sitting here and I think we want to solve the problem, and we would actually need your input to do that. [LB309]

JILL SCHRECK: Well, if I could think about it a little bit more, that might be helpful for me, if that would be okay. [LB309]

SENATOR HOWARD: Sure. [LB309]

JILL SCHRECK: Thank you. [LB309]

SENATOR CAMPBELL: Senator Krist. [LB309]

SENATOR KRIST: In that late night hearing, there were several things that were suggested, and I think we could probably get that transcript back up and get to it. But one of them that came to mind was rather than someone being frustrated on the phone waiting and waiting and waiting, I'm familiar with tons of situations where I call my insurance company, for example, and they'll say we're higher than normal volume today, and your average wait time would be...; and that's part of Senator Campbell's communication issue. If you're waiting for an hour and a half on the phone, you wouldn't...I wouldn't wait for an hour and a half. [LB309]

JILL SCHRECK: Right. [LB309]

SENATOR KRIST: I would say, okay, higher than normal wait times, your average wait time would be 35 minutes--maybe; you tell me it's an hour, I'm gone. So, you know, that's technology. [LB309]

JILL SCHRECK: Right. [LB309]

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SENATOR KRIST: That's nothing more than...and that's something that we can do. If that's the...if it's a monetary issue with some of those fixes we talked about, and you don't have the money to do it, that's what you can come back I think and tell us that you need the money to do that. [LB309]

JILL SCHRECK: Okay. Thank you. [LB309]

SENATOR CAMPBELL: Any other questions? Senator Crawford. [LB309]

SENATOR CRAWFORD: Thank you. Could you explain why someone would be likely to get notification notices late, eligibility notification notices late? [LB309]

JILL SCHRECK: I can tell you the scenario I think that was brought up. If a person applies, we typically get it, what we call "pending" right away, and an interview letter will go out. I believe in most scenarios I would say, even in the one that was brought up today, that there is...it is mailed on Monday and the interview was for Friday. It was mailed on, I think, Monday the 4th and the interview was on Friday, the 8th. And that is typically the case. Now certainly we take into consideration mail time. You know, if you're...the mail is basically sent out of Lincoln. If you live in western Nebraska, certainly there might be a little bit longer mail time, but for the most part that was a common complaint last year was interview letters. And I've heard that, you know, pretty rarely at this point. In fact, today, I think is the first time I've heard that in some time. [LB309]

SENATOR CRAWFORD: The time between the letter and the interview is short. [LB309]

JILL SCHRECK: In the interview we try to allow enough time for the interview, but also as quickly as possible so that we can begin the work on processing the case. [LB309]

SENATOR CRAWFORD: So are you saying you've expanded that time? Or you've made some other change in the process? [LB309]

JILL SCHRECK: We are closely watching it. If we start to hear complaints that people are getting their letter late, we look into it, certainly to see if we need to adjust something. But right now I think of that example given, in reviewing it, it was mailed on the 4th and the interview was on Friday, the 8th. So that's...you know, we try to do it, like I said, time (inaudible), the process benefit is...processes...our benefits are processed as quickly as possible. [LB309]

SENATOR CRAWFORD: You have some tracking mechanism for that, that...? [LB309]

JILL SCHRECK: I can't...we could probably ask if we...how quickly we're doing that. But we are watching, if we...like, if we hear complaints that I got my letter on Friday, my

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interview was on Thursday, then we go in and look and look at a case and see what happened there, and...but we are seeing that we are doing in a timely...in a good time fashion. [LB309]

SENATOR CRAWFORD: Thank you. [LB309]

SENATOR CAMPBELL: Okay. Ms. Schreck, you are always good. I heard you say...and I was watching you and when I came over. I appreciate that. I want to go back to a little bit with Senator Gloor's, whatever data, statistics, you might have and what you're tracking. I think it might be helpful for us to have a copy of your latest...you know, if you're watching...I know you keep all this data, and that might be helpful for the committee. And in that data, do you keep track of retention of staff? [LB309]

JILL SCHRECK: We do have, like, a vacancy rate report, yes. [LB309]

SENATOR CAMPBELL: Okay. Because I'm also trying to get...you know, part of the concern early on was you had so much turnover in staff. So if you could give us some idea on that, that would be helpful. [LB309]

JILL SCHRECK: Sure. [LB309]

SENATOR CAMPBELL: But whatever you think might help us with that. Whenever we set up this briefing for the committee, we'll make sure you get an invitation. [LB309]

JILL SCHRECK: That would be great. Thank you. [LB309]

SENATOR CAMPBELL: Okay. That would be great. Thank you so much for coming over. [LB309]

JILL SCHRECK: Thank you. Thanks. [LB309]

SENATOR CAMPBELL: Okay. Anyone else in opposition to the bill? Anyone in a neutral position? Anyone in a neutral position? Okay, Senator Bolz, I think we're back to you. [LB309]

SENATOR BOLZ: I'll be brief. I want to thank the committee and both of the division directors for their attention and concern today. I think that this dialogue and partnership is exactly what we need to really get to the root of some of the concerns that our clients have brought to us today. I want to draw just a couple of brief points. The first is that I think, as you say, Senator Krist, we have had this dialogue for several years now, and I've always been impressed about the diligence and sense of attention to detail that clients and family members bring to their partnership in this process. And I think that we need to recognize their willingness to take on responsibility and make sure that those

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responsibilities are a lightened load whenever possible. I also want to just share, you referenced, Senator Krist, my position on the Appropriations Committee. And I do know that we will be hearing from the Department of Health and Human Services shortly, and I know that there is a deficit request related to some of the telecommunications needs, and I'm interested in hearing more about that when our hearing comes around. But what I would draw out for this committee is that I think we will have to use multiple strategies to really solve this problem, and so I'm willing to listen and work on that committee, and I hope that this committee will also look at some of these other tools and strategies that can be used to make this system function the way that we all want it to function. Finally, I would like to share with you...and I cannot take credit for this research, but I understand from the good folks at Nebraska Appleseed that there might be multiple perspectives on this issue related to the relationship between economic assistance, eligibility and renewal information, and the ACA. And what I understand is that the ACA actually endorses Express Lane Eligibility, requires states to employ cross-program data-driven eligibility enrollment that minimizes burdens on clients, and I do have the reference in the federal legislation for you, and I'm sure we'll get you some follow-up information. Further, it identifies the use of Express Lane as an exemption or alternative to the use of MAGI to determine eligibility for health programs. So I just encourage the committee to be open to continued exploration of what we are really capable of doing within these systems that serve, as you say, Senator Krist, the needs of humans and clients who don't necessarily make a discernment between which system is serving their needs. So I will stop. I know you've heard a lot about this issue today. I appreciate your attention and I'm happy to answer any last questions. [LB309]

SENATOR CAMPBELL: Senator Krist. [LB309]

SENATOR KRIST: I know you heard my request of Mr. Goddard, and I know you know where to find him. That's probably one of the largest issues that I think this committee in terms of alternative funding has heard about just lately. So, I mean, if it's a support mechanism to TANF, and if it's an extension of the service, then we certainly have enough money to do something with theirs. [LB309]

SENATOR BOLZ: I appreciate that, Senator Krist. And, you know, certainly there are folks who are experts in administration and the legal aspects of all of these programs. But what I do know with my background in social work is that one of the federal purposes of the TANF Program is to keep children at home with their parents, and it seems to me that this set of social safety net services really, truly can achieve that purpose. And so I look forward to exploring that funding stream with you. [LB309]

SENATOR KRIST: Thank you, Senator. [LB309]

SENATOR CAMPBELL: (See also Exhibits 19, 20, and 21.) Okay. Thank you, Senator Bolz. With that, we'll close the public hearing on LB309. And if you are leaving, a

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reminder to leave as quietly as you can. And we will move to Senator Howard's bill. Would the committee like a five-minute break? [LB309]

SENATOR KRIST: I could use a five-minute break.

SENATOR CAMPBELL: Okay. We'll take a five-minute break before we go to Senator Howard.

BREAK

SENATOR CAMPBELL: Are you ready, Madam Clerk?

DIANE JOHNSON: Yes.

SENATOR CAMPBELL: Okay. We are opening the hearing on LB330, Senator Howard's bill to change eligibility provisions relating to the Supplemental Nutrition Assistance Program. Senator Howard, start once again. [LB330]

SENATOR HOWARD: Thank you, Senator Campbell and members of the committee. For the record, I am Senator Sara Howard, H-o-w-a-r-d, and I represent District 9. Today I bring you LB330, a bill to modify the gross income eligibility limit for the Supplemental Nutrition Assistance Program, otherwise known as SNAP. SNAP, formerly known as food stamps, provides funds to eligible low-income individuals to allow them to purchase nutritious food. SNAP is fully funded by the federal government, and the federal government pays half of the program's administrative costs. Under the current SNAP rules, most households applying for assistance must meet two different income tests. Their gross income or their income before deductions must be below 130 percent of the federal poverty level, or FPL; their net income, income after subtracting certain deductions, must be below 100 percent of the federal poverty level. States are given flexibility to take up SNAP options that help working households who struggle to afford food. Under LB330, Nebraska would make eligible those households whose gross income is 150 percent FPL but who still struggle to afford food, as long as their net income after healthcare, childcare, and other basic needs expenses do not exceed 100 percent FPL. In other words, under LB330 the gross income limit would become 150 percent FPL, but the net income limit would remain at 100 percent FPL. As of two years ago, 27 other states have implemented a change similar to that proposed in LB330. More than 13 percent of Nebraska's population is food insecure, and SNAP assists 174,000 citizens in putting food on the table. Modification of the gross income limit helps to fill the food insecurity gap and address the struggle that working families face as their incomes increase, but they still stretch their income to afford the expenses of life. It would also help people who are facing a temporary economic setback by allowing them to receive food assistance before they fall into a crisis. More over, one of the key features of SNAP and LB330 is the direct benefit to the economy. For every \$5

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of federal funds received in SNAP benefits, there is a \$9 benefit to local grocers, farmers, truck drivers, and others involved in the food industry. Families should be better off when they work. LB330 will assist low-income individuals and the working poor to feed their families. Thank you for your time and attention to this important issue. And I will be happy to answer any questions that I am able to. [LB330]

SENATOR CAMPBELL: Senator Krist. [LB330]

SENATOR KRIST: On page 4 of the green copy, you eliminate "in a manner that does not increase the current gross income eligibility," because you're increasing the gross eligibility income, as I take it. Then on page 5, the significant change to this is that, starting with 10 through 14, "TANF-funded program or policy shall increase the gross income eligibility." I understand what's in the green copy. Now in plain terms, are these eligible TANF funds that we can use for this program? [LB330]

SENATOR HOWARD: You know, that is a good question. When we're talking about SNAP funds, because we get multiple different...multiple block grants that interact with TANF, I don't know. I actually would have to refer to counsel or somebody behind me for that question, but that's a good question. [LB330]

SENATOR KRIST: Okay, because going to the...I support your cause, but going to both fiscal notes, they're pretty... [LB330]

SENATOR HOWARD: Right. [LB330]

SENATOR KRIST: Pardon me? [LB330]

SENATOR HOWARD: There is a big difference between the fiscal notes. [LB330]

SENATOR KRIST: There is a big difference. There's an assumption here that we're going to have 78,000 more people who are... [LB330]

SENATOR HOWARD: Right. [LB330]

SENATOR KRIST: ...going to apply and get it at 34,500 homes. But even that, if the program is only going to increase \$1,675,000, which is the worst-case scenario, and that's the department's fiscal note, one would think that that might be a good way to use the rainy-day fund, which is now \$57 million? [LB330]

SENATOR COOK: Yes. [LB330]

SENATOR KRIST: Okay, \$57 million. So I think that's a question, because, as we've heard over and over and absolutely heard this morning from Senator Mello, we're going

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to look at General Funds as being a go/no-go. So I think that's a question that we need to ask and answer. And if that's the case, then that fiscal note needs to be changed to the TANF or cash fund,... [LB330]

SENATOR HOWARD: Right. [LB330]

SENATOR KRIST: ...as opposed to the General Fund. [LB330]

SENATOR HOWARD: And I will absolutely find out if we can use rainy-day funds for the... [LB330]

SENATOR KRIST: Thank you, Senator. [LB330]

SENATOR HOWARD: Thank you, sir. And I would argue that Liz Hruska's fiscal note is potentially the more accurate. I don't believe that they would need as much staffing as they imply in the HHS fiscal note, if I may be so bold. [LB330]

SENATOR KRIST: Well, I'm through questioning fiscal notes. [LB330]

SENATOR CAMPBELL: Okay. Any other questions for Senator Howard? We know she's going to be here... [LB330]

SENATOR HOWARD: I will be here. [LB330]

SENATOR CAMPBELL: ...and stay. So we will move to the first proponent for LB330. Good afternoon. [LB330]

ERICKA SMRCKA: (Exhibit 22) Good afternoon, committee members and Chairwoman Campbell. And thank you, Senator Howard, for presenting this bill today. My name is Ericka, E-r-i-c-k-a, Smrcka, S-m-r-c-k-a, and I am the director of programs and advocacy for the Food Bank for the Heartland. As part of my role, I have the amazing privilege to supervise six employees of both the Food Bank for the Heartland and the Food Bank of Lincoln in a SNAP outreach program to assist people in applying for SNAP. Every day we see the desperate need of people struggling to feed themselves and their families. However, that's not the story that I'm here to tell you today. I am testifying as a former SNAP recipient. When I was 16 years old, I had a child and made my family's very difficult situation almost impossible. By the time my son was 2, and I was 18 years old, I was living on my own, a high school dropout with no skills. I worked full-time, but still qualified for all the economic assistance, including SNAP benefits. I never saw my life any other than I was at that moment. My parents were poor, my grandparents were poor. I never thought of any other way to live, but be poor and use state assistance. And then my mother, who's a very courageous woman, went back to college, and I saw that there really was another way to live, as Senator Harms's bill said

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earlier today. I took my GED test, I enrolled in college, and I also worked full-time the whole time I was doing this. And most of my days consisted of 12 to 15 hours, including studying, working 8 to 9 hours a day, and going to class. Many times I'd leave my house at 5:00 in the morning to return at 11:30 at night, with maybe two hours to spend with my son in the meantime. But I graduated magna cum laude with a double bachelor's degree, and very soon after, within weeks of graduating, I received a promotion and got a letter that I was off economic assistance. I can tell you where I was standing. I can tell you what I was wearing when I got that letter. And I broke down and cried. I called my mom; I told her I beat the odds. So I was really, really proud of myself. But I realize...but I didn't quite realize that my family struggles were really not over. My son has ongoing medical issues, and I used my employer-provided insurance, but I still had to pay hundreds of dollars in copays and deductibles to meet my son's medical needs. And I, because of that, I didn't qualify, because my income was high enough, I didn't qualify for the gross eligibility of SNAP. We made do, but food was really the only thing that was flexible in my budget, so that's where we cut. My son had an extremely poor diet from a very young age. We never ate fresh fruits and vegetables. We had very little fresh food. And even as my circumstances got better, my son never was introduced to those things at a young age, so he never really adjusted to those, adding those things into his diet. And at the age of 19, my son was diagnosed with high cholesterol and is currently on medication for high cholesterol. Many times I considered quitting my job because I actually would have been much better financially if I had, but I had some amazing mentors and encouragers that helped me look at the long term. This is really difficult for me to sit up here and tell you my story today. My colleagues are in the room and my peers are in the room, and not all of them know that this is my background, but I really have to, because I paid back to society. I'm a taxpayer, I'm a consumer, I give to my church, I give to charitable organizations; but I also identify myself as a former SNAP recipient. We are not lazy, we're not bums. We're just trying to meet the needs of our family, and LB330 will help us look at people's circumstances, not just what they bring in to the door. It doesn't change the net income eligibility. It really lets us look at their medical and childcare expenses to be able to get a true understanding of what's going on and stop penalizing people for trying to work and trying to obtain the good life that Nebraska promises us. So thank you for your time, and I just feel like this bill is just a very first, small step. [LB330]

SENATOR CAMPBELL: Thank you very much. We always appreciate it when people tell a personal story... [LB330]

ERICKA SMRCKA: Thank you, Senator Campbell. [LB330]

SENATOR CAMPBELL: ...because we know it's very tough to do so. Questions from the senators? Thanks for your testimony. [LB330]

ERICKA SMRCKA: Thank you. [LB330]

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SENATOR CAMPBELL: And best of luck in all jobs. [LB330]

ERICKA SMRCKA: Thank you. Alex will come and share about our amazing team, so. [LB330]

SENATOR CAMPBELL: Okay. Thank you. Our next proponent. I really have to say, I think the best person in the room is that baby in the back. (Laughter) I don't know if I could hold out as long as that baby has. Good afternoon. [LB330]

ALEX SHADA: (Exhibit 23) Good afternoon. Good afternoon, Chairwoman Campbell and other members of the Health and Human Services Committee. My name is Alex Shada, A-l-e-x S-h-a-d-a, and I'm here today on behalf of the Food Bank of Lincoln and the Food Bank for the Heartland in support of LB330, which will increase gross eligibility in the Supplemental Nutrition Assistance Program, formerly called the food stamp program. At the Food Bank of Lincoln and the Food Bank for the Heartland, we are members of Feeding America network, which is the largest network of food banks in the country. And we are responsible for the distribution of emergency and supplemental food to more than 150,000 people across the state of Nebraska. In focusing on our mission to eliminate hunger, we have realized that emergency and episodic food distribution alone will not suffice. This has led us to become more actively involved in outreach to the thousands of people in the state who are eligible for SNAP, yet do not receive this benefit. We currently employ six full-time staff whose sole function is to provide information, education, and application assistance around the SNAP benefits. In more rural Nebraska, 17 counties currently have no local food pantries, and many of our agencies have people from surrounding areas coming to them to receive this food assistance because there's nothing available in their more immediate areas. In these areas with limited or no access to charitable organizations, SNAP benefits are critical to these folks overcoming hunger issues. One in five Nebraska children live in a food insecure household, which basically means they're not sure when or where their next meal is coming from. And the USDA data indicates that these issues continue to increase each year, I'm sorry, these numbers continue to increase each year. We know that our agencies do amazing work; but by the sheer size of our state, widely dispersed pantries alone cannot reach every family in need. We, as food banks, cannot traditional...go to the traditional food bank method to end hunger. SNAP is critical in addressing these issues, and not only benefits the SNAP household but also positively impacts the economic health of the communities. By increasing gross eligibility in the SNAP program, we would be helping these folks who are striving to become more...or striving to get off public assistance. They would be allowed to accept wage increases at their jobs without losing essential food assistance, as Ericka just mentioned. These people should not have to worry about where their next meal will come from because they have made a choice to pay their rent, healthcare, and/or their childcare bills. These choices are simply unacceptable, especially in a state known as the good life. ConAgra

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Foods, who is not able to be here today, also is in support of the program that...in support of a program that helps support the increase of more eligible families in Nebraska. This bill would make the gross eligibility threshold higher and allow a review of cases where families are struggling with special circumstances, such as medical costs. These hardworking families on the brink of crises deserve at least a chance at the good life. So I ask today, on behalf of the Food Bank of Lincoln and Food Bank for the Heartland, for your support of LB330 to contribute to the effort to ending hunger in Nebraska. Thank you very much for your time. [LB330]

SENATOR CAMPBELL: Thank you, Mr. Shada. Questions from the senators? Want the senators to know I had the good fortune to work with Mr. Shada as a colleague. And it was great to see you again. [LB330]

ALEX SHADA: Great to see you. [LB330]

SENATOR GLOOR: Do you have some good stories you could share with us? (Laughter) [LB330]

ALEX SHADA: Phenomenal stories. You guys are...I wish I was in your guys' seat. I miss her. [LB330]

SENATOR CAMPBELL: And I miss you, too, very much. [LB330]

ALEX SHADA: Thank you. [LB330]

SENATOR CAMPBELL: Mr. Shada played for the Huskers and he...we once had to bring personal items that meant a lot to us and he brought and talked about...he brought his Husker helmet. I've never forgotten those stories. [LB330]

ALEX SHADA: That was a few days ago. [LB330]

SENATOR CAMPBELL: Yeah, it was,... [LB330]

ALEX SHADA: I forgot about that. [LB330]

SENATOR CAMPBELL: ...but it made a real impression on all of us. [LB330]

ALEX SHADA: Yeah. Yeah, thanks. [LB330]

SENATOR CAMPBELL: So thanks much for coming today. [LB330]

ALEX SHADA: Thank you. Thank you, all. [LB330]

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SENATOR CAMPBELL: Our next proponent. [LB330]

KELSEY LIDDY: Good afternoon. [LB330]

SENATOR CAMPBELL: Good afternoon. [LB330]

KELSEY LIDDY: My name is Kelsey Liddy, K-e-l-s-e-y L-i-d-d-y, and I am a human services advocate for the Center for People in Need. You've heard from me and my mother about our family already this year, but we used to be clients for the center, and we always knew when and where...oh, I'm a proponent of this bill. Let me spit that part out there. Okay. We always knew when and where there were food giveaways, what days of the week, when we could go back, the amount of time we had to wait in between. My mother was on SNAP when we were younger and on and off again, depending on, you know, crisis or new baby brother or something. So we stretched our money, and we were always buying the cheapest things we could, canned vegetables over fresh vegetables. We rarely had milk. And this actually turned out to be a problem later in my life. I had to go to the podiatrist. My aunt finally took me after years of pain and trouble walking, and the podiatrist actually mixed up my scans or x-rays with a 50-year-old woman's x-rays; that I had the bone density worse than a 50-year-old woman because I had no calcium growing up. So families need healthy food choices, and those choices are just more expensive. Even with careful budgeting and services, we still had to choose between food and paying our LES bill or food and paying our Aquila gas bill. And this bill really could have made a difference, I think, for my family then. I remember again and again sitting down with my mom to figure out what bills had to be paid and which could wait, and many times it came down to the money we needed for food or paying our gas bill. We chose food. It meant later that the gas bill will be threatened to be shut off, and that happened multiple times, and it usually involved reaching out to a family member and asking them for any help they could offer. This is a decision that families have to make all the time, and it's very difficult. Even as an eight-year-old, I understood the dangerous waters we were treading in. I really think that this bill would help give families that step out of poverty for those times when they really need it. I think it would also really help to assist them to not stay in that level and to have a leg out. I just...you all know this is...well, I think you all know this is a good thing to do. There's been a lot of testimony for it and will be more. But that's my story, so. [LB330]

SENATOR CAMPBELL: Thank you very much, Ms. Liddy. Questions from the senators? Thanks for coming today. [LB330]

KELSEY LIDDY: Thanks. [LB330]

SENATOR CAMPBELL: Our next proponent. Good afternoon. [LB330]

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TAMARA HOOD: (Exhibit 24) Good afternoon. I'm Tamara Hood, that's T-a-m-a-r-a H-o-o-d, and it is afternoon. I thought maybe we'd be meeting this evening. I'm a resident of Cass County for the last five years, and prior to that I've lived in Sarpy County since 1991. My husband and I chose to move to Plattsmouth. We live in a two-bedroom house with our two boys, while I work part-time as a substitute teacher and he has been employed in the retail business for some time. I just finished my graduate degree on-line, and my husband will follow me shortly in that pursuit. But the reason I'm here today is to highlight, as an example, our testimony, our story as a working family struggle and as a personal testimony of adjusting to what's happening, but not spoke about...spoken about as much, which is a progressive income cut. And for us, it's happened in the last four years. We have just struggled, as my husband's working for six years with the same company has continued to progressively diminish. We weathered the slide into poverty income levels working, like I said, with my husband's previous employment in retail management, as we've pursued ways to improve our situation. They just haven't been...it's been difficult. This first occurred through the elimination of overtime hours that were a part of his written employment contract, and then by a corporate decision throughout the United States to eliminate the position of all assistant managers. However, the position did not change. It was still the same position, just a 35 percent cut in pay if you chose to stay and reapply for the same job with a different title. So I think a lot of people are going through this reclassification situation, but they're not talking about it as much. And I think perhaps, as I listened to some of the other testimony, you will...you'll continue to see numbers increase, especially right now. Even though each person's situation is unique, there are many people like us enduring economic hardships for reasons beyond their control. And this isn't due to any cause of work ethic problems or...but it's due, in part, to corporate decisions that reduce people's incomes in the range of 20 to 40 percent. That's a huge cut. And more immediately, I mean we know what's happening right now in our federal government. I think many more people I'm hearing about personally are being impacted by our government's decisions to cut back to a four-day work week. People are now cutting their expenses in places that no one should have to consider, and I think several of the people that have come before me have talked about how you have to make decisions between food and utility expenses. It's at the bottom of the list for us. These decisions follow whether we're going to be able to make our mortgage payment, and for some people rent payment, and transportation to get to the job. The choices are difficult. After two cutbacks in income in the retail industry, in the same company for six years, we are the face of a family that is just \$24 over qualifying for assistance, based on our gross income. If we could pass this gross eligibility test that you're considering today, then we...my family would meet the net income eligibility because of our expenses. Our actual situation with all those expenses is not looked at because we make \$24 too much. I was actually asked if I wanted to withdraw my application for assistance in January, and I said, no, I really need help. I'm going to keep pursuing some way to see if there isn't some way that you can help us keep working instead of feeling defeated and discouraged and quitting. We haven't given up. But we are the face of a family that

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did slide down into the income bracket that's poverty. We don't feel poor. We're happy in heart. We just try to cut expenses and do the best we can and work with other people in our community to help them, too. But, you know, this is...coming in, it's difficult to realize you've fallen down. I'm 53 years old, and I am making less than I did when I graduated high school with just a diploma; and here I am now, a graduate student, completed that, looking for some way to get out of this income bracket. So again, it's in spite of work experience for both my husband and I in continuing education. So how do I visualize help? I heard someone else say today that it really should be in simplistic ways, so I ask you to please consider increasing the percentage of gross income levels considered for SNAP. And I think that's also regarding utility energy assistance, but my understanding of that may be a little blurred. I'm not in the profession. But what I have been observing these last four or five years is a growing number of people, often with children, working two and three jobs to provide what one income used to provide. These people are discouraged. I'm not discouraged. I'm here, and I'm happy to speak today. I think that...I'd say I just know too many people, it's not just our family situation. But when we realize that we've made cuts, we've gone from a four-bedroom to a two-bedroom, we've cut everywhere we can personally make cuts and it's not enough, I'd like to be able to know that I have a number I can call and say, just for temporary assistance, we need some help right now. So I would encourage you, and I thank you for this time to listen to me. This is my first time to testify, so it's been a little nerve-racking for me. But I'm happy to be here today, and I hope that you will look at your opportunity to encourage other people in the state of Nebraska who are trying very hard to continue to work and yet resolve their economic situation. I think temporary assistance will make a difference in the efforts to continue to work out of the situation that they're in. And I just think the biggest thing that I'd like to end with is that there's a need for hope for improvement. You know, we spend our years...somebody said, that's my story. I think that was Kelsey. And I was thinking a lot about that this weekend. We spend our years as a tale that is told in how we spend it. I think it's important to help others. So thank you for listening to me today. [LB330]

SENATOR CAMPBELL: You did a great job the first time. [LB330]

TAMARA HOOD: Thank you. [LB330]

SENATOR CAMPBELL: Very good. Any questions from the senators? Thanks for coming and sharing your story. [LB330]

TAMARA HOOD: Thank you. [LB330]

SENATOR COOK: I have one question, a short question. [LB330]

SENATOR CAMPBELL: Sorry, Senator Cook. [LB330]

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SENATOR COOK: Thank you, Madam Chair. And thank you for coming today. [LB330]

TAMARA HOOD: Yes. [LB330]

SENATOR COOK: Did you say that you were asked whether or not you wanted to withdraw your application for... [LB330]

TAMARA HOOD: Yes. [LB330]

SENATOR COOK: ...assistance... [LB330]

TAMARA HOOD: ...I was... [LB330]

SENATOR COOK: ...by a worker? [LB330]

TAMARA HOOD: I live in Plattsmouth, and I drove to the Nebraska office because I sometimes the phone call is just exactly what you heard. I usually give up after 20 to 25 minutes, but one day I waited 45 and the next time it was 45 minutes, so that's pretty consistent. I would like to say, too, that when I drove to Nebraska City, it was to avoid that 45-minute wait time, because it's a 30-minute drive. And so basically, when the DHHS worker looks at our income, we...they don't go any further because they can't look at the expenses. We are disqualified. And I'm sure that's why she asked me if I wanted to withdraw my application. But I have talked with her before, and she knows I'm quite perseverant about things; and I thought there's got to be a better way. I have been greatly helped through the food bank in Omaha and encouraged by the SNAP outreach workers to just keep looking for a way and being creative, you know, trying to find a way. [LB330]

SENATOR COOK: Thank you. [LB330]

TAMARA HOOD: Uh-huh. [LB330]

SENATOR CAMPBELL: Now that you finished your degree,... [LB330]

TAMARA HOOD: Yes. [LB330]

SENATOR CAMPBELL: ...and you're looking for a position, I'm assuming. [LB330]

TAMARA HOOD: Right. I substitute in three school districts right now, and we home educate our children. That's a choice that we've made. So the work that I do is around my husband's schedule, my schedule. They're growing older and more independent and able to do work and be checked in on, you know, their progress. They pretty much get their work done in the morning. So with my degree in executive coaching with a

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managerial communication degree, I am planning to have my own business from home where I'll be able to do most of my client contact by phone and using some of the technologies that we have available to us today, and that's to encourage people to pursue their goals. [LB330]

SENATOR CAMPBELL: Thank you. Thanks for coming today. [LB330]

TAMARA HOOD: Thank you. [LB330]

SENATOR CAMPBELL: Our next proponent. Good afternoon again. [LB330]

JAMES GODDARD: (Exhibits 25, 26, and 27) Good afternoon again. My name is James Goddard, J-a-m-e-s G-o-d-d-a-r-d, and I'm here to testify on behalf of Nebraska Appleseed in support of LB330. Along with my testimony, we're also handing around a resource sheet that will hopefully provide you some more facts about hunger in Nebraska as well as the change that is being proposed under LB330. I will try to be brief for you. We've already heard that many Nebraskans struggle to put food on the table and, sadly, that means thousands of folks are food insecure and that includes thousands of children. But that's where SNAP can come in to help. For many working families, SNAP helps them meet food needs when money is tight. And SNAP is a very effective program but we can do more with it, and that's what this bill would propose. We can further leverage the SNAP Program to allow families to increase their wages without losing essential food assistance before they're ready to afford it. As we've already heard, there are two income tests under SNAP. You have to meet a gross limit and a net limit, and LB330 would change the gross limit to 150 percent of federal poverty, allowing Nebraskans, who can prove their bills make it hard to afford food, to be eligible for SNAP. This is something that you've seen across many states, that they're seeing the benefit in this kind of change in enacting these sorts of ideas. As Senator Howard mentioned, I think there are about 27 states that have done this so far. And the USDA has, as I understand it, even encouraged state agencies to consider this option to help them administer their program. We've also heard this would benefit our economy. And so because this would...this change would work to benefit hardworking Nebraskans and our economy, we urge the committee to advance the bill. I would be happy to answer any questions if I could. [LB330]

SENATOR CAMPBELL: Okay. Thank you, Mr. Goddard. Are there questions? Senator Crawford. [LB330]

SENATOR CRAWFORD: Oh, well, never mind, go ahead. I'm fine. [LB330]

SENATOR CAMPBELL: You sure you don't have a question? [LB330]

SENATOR CRAWFORD: Yeah. (Laughter) [LB330]

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JAMES GODDARD: I'm also handing in... [LB330]

SENATOR CRAWFORD: I just saw that and... [LB330]

JAMES GODDARD: Oh, excuse me. I'm also handing in testimony on behalf of Alegent Creighton Health in support of the bill. [LB330]

SENATOR CAMPBELL: Oh, okay. Well, Kaitlyn will get that for you. Thank you, Mr. Goddard,... [LB330]

JAMES GODDARD: Thank you. [LB330]

SENATOR CAMPBELL: ...very much. Sorry, I was reading a part of that. Our next proponent. Thanks. Good afternoon again. [LB330]

AUBREY MANCUSO: (Exhibit 28) Good afternoon, Senator Campbell and 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. I won't repeat a lot of what's been said this afternoon, but I think it is important to look at who the majority of SNAP recipients are. They're the elderly, the disabled population, and children, and then working families. And so this is really trying to help those working families, who are using the SNAP program as a temporary support, move to greater economic independence. New research from the Center on Budget and Policy Priorities found that the vast majority of SNAP recipients fall into one of these categories. Eighty-one percent are either working or unable to work due to being elderly, disabled, or under the age of 18. And nondisabled adults in the program have high work participation rates. Eighty-two percent of all SNAP households are working within a year of being on the program. And the phenomenon that the bill is really trying to address is something that we've talked to this committee about before. It's referred to as the cliff effect. And we've attached a visual representation to our testimony that illustrates the hypothetical journey of a family of three attempting to transition off of public assistance to being able to afford all of their expenses independently. And this short of shows the pitfalls along the way that they can fall into when a sudden loss of benefits occurs before they're able to meet the expenses on their own. LB330 begins to address this issue by allowing for greater flexibility in earnings for families who have high expenses for basic needs, like childcare and housing. And Congress actually created the dependent care deduction in the food stamp program in 1980 based on a recognition of the high cost of childcare expenses. And so really, this is a way to maximize that deduction as childcare expenses have increased pretty significantly since the 1980s. So I thank you for your time, and I'd ask the committee to advance this bill. [LB330]

SENATOR CAMPBELL: Thank you, Ms. Mancuso. Are there any questions? Thanks for

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your testimony today. [LB330]

AUBREY MANCUSO: Thank you. [LB330]

SENATOR CAMPBELL: Our next proponent. Okay. Those who wish to testify in opposition. Good afternoon. [LB330]

KERRY WINTERER: (Exhibit 29) Good afternoon, almost evening. Good afternoon, Senator Campbell, members of the Health and Human Services Committee. My name is Kerry Winterer, that's spelled K-e-r-r-y W-i-n-t-e-r-e-r. I have the privilege of being the chief executive officer of the Department of Health and Human Services, and I'm here to testify in opposition to LB330. LB330 would require the department to increase the income guideline for the Supplemental Nutrition Assistance Program, SNAP, formerly known as food stamps. The current gross income for SNAP is currently set at 130 percent of the federal poverty limit; that's the FPL. This means that a household size of three must have a gross income of less than \$2,069 a month to qualify for SNAP benefits. LB330 would increase the gross income limit to 150 percent of the FPL. This would increase the monthly gross income limit for a household size of three to \$2,442. This increase in the FPL would be a significant expansion of SNAP in Nebraska. Based on U.S. census figures, the department has determined that increasing the FPL to 150 percent would increase our potential client base by approximately 34,500 households. There's a significant difference, as you might note, in the department's and the Fiscal Office's fiscal notes. Our fiscal note states that an additional 19 workers plus supervisors will be required if this bill is passed. We believe this is accurate when you consider the result of the bill will be to process applications from an additional estimated 34,500 households. Please keep in mind that processing an application goes far beyond simply accepting a paper application or an on-line application in ACCESSNebraska. Federal requirements are that staff complete a personal interview with each applicant and then verify the information provided. We believe that the ratio of 181 cases per worker continues to be an accurate estimate of the number of workers required, based on our experience today. Our estimate is that 10 percent, or 3,450, of these households will ultimately be determined eligible for SNAP benefits at a cost of some \$11.6 million in federal tax funds, clearly an expansion of the program on the back of taxpayers. For these reasons, we are opposed to LB330. Thank you for the opportunity to be here today, and I'm happy to respond to any questions I can. [LB330]

SENATOR CAMPBELL: Senator Krist. [LB330]

SENATOR KRIST: In the current process, how often does...is there required to be interface between a recipient and your staff? [LB330]

KERRY WINTERER: Well, initially, the application would be the initial part of that and you apply for the benefits. Then the benefits need to be renewed every 12 months.

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[LB330]

SENATOR KRIST: So... [LB330]

KERRY WINTERER: Is that the question? [LB330]

SENATOR KRIST: Yes. [LB330]

KERRY WINTERER: Okay. [LB330]

SENATOR KRIST: So if you get a surge of 3,450 people...I'm sorry, of..."estimate is 10 percent, or 3,450, of these households will ultimately be determined eligible." [LB330]

KERRY WINTERER: Right. [LB330]

SENATOR KRIST: So you get a surge. [LB330]

KERRY WINTERER: Right. [LB330]

SENATOR KRIST: You're going to need 19 people to put 3,450 people on the rolls and continue? [LB330]

KERRY WINTERER: No, the 19 people are going to be required, at least initially, to respond to the 34...the potential of 34,500 that could apply. And with every application, we then are required to do an interview to verify the information in order to determine whether someone is eligible. That 34,500 additional is going to continue to be new people as time goes on. And so you can say, well, we've got 34,500 this year, but that body of total that could apply is going to continue at that level because you're going to have new people coming on year by year as a result of the increase in the eligibility limit. [LB330]

SENATOR KRIST: So 19 people initially, but you're saying long term you're going to need that many people to maintain the system? [LB330]

KERRY WINTERER: Well, you have essentially increased the total number of folks that can apply, and assuming...and, of course, there's a lot of variables here because incomes can go up and down as the economy goes up and down in the future. But you've increased the universe, if you will, of those who can apply by that number today. I don't know what it's going to be next year or the year after that. But assuming that's the number, then we're going to continue to...the numbers of folks who can...that will be eligible to apply will be expanded in years to come also. [LB330]

SENATOR KRIST: So if you expand the entire group and you bring 19 people on...

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[LB330]

KERRY WINTERER: Right. [LB330]

SENATOR KRIST: ...and you're estimating that your load is 181 cases per worker,...
[LB330]

KERRY WINTERER: Right. [LB330]

SENATOR KRIST: ...if the number of people comes down after the surge, or fluctuates, you're going to add 19 full-time people forever? [LB330]

KERRY WINTERER: Well, we don't know that at this point in time. All we can respond to at this point in time is what our estimate is in terms of the numbers of new folks that would be eligible as a result of this. I don't really know what's going to happen next year. All we can do is say this is what we think is going to happen this year. That's all part of how you manage your work force as time goes on relative to whatever the facts and the numbers are at that point in time. [LB330]

SENATOR KRIST: So the \$1,675,834 this biennium and next biennium is basically the addition of the supervisors and the workers that you need. [LB330]

KERRY WINTERER: Correct, based on the 34,500 potential applicants out there, yes.
[LB330]

SENATOR KRIST: Well, let me ask you this question. If you...let's just say it's a policy decision. Let's just say we, either out of General Funds or if TANF is eligible, we want to do this... [LB330]

KERRY WINTERER: Uh-huh. [LB330]

SENATOR KRIST: ...as a policy decision. [LB330]

KERRY WINTERER: Uh-huh. [LB330]

SENATOR KRIST: \$1,675,834. What if you only have to put ten people on? Well, I mean, you're not going to just go out and hire 19. You're going to do it incrementally as you need people on board? [LB330]

KERRY WINTERER: Well, I mean there's a lot of factors that enter into that. I don't think we would go off and hire 19 people initially, but based on these numbers and such, that would ultimately be our plan. Now as time goes on, you learn from your experience. You learn about what the real numbers are. [LB330]

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SENATOR KRIST: Okay. [LB330]

KERRY WINTERER: But this is a point in time. [LB330]

SENATOR KRIST: The argument I would have, Mr. Winterer, is it's not going to cost me \$1,675,834 in years '13 and '14 as you ramp up. I would say that you're going to add people as you need to. And if the policy decision is there, you may have to hire 5 more, 10 more, 15 more, or as you suggest you may have to go to 19; but that's going to take some time to ramp up and process those applications. So I'm just saying it's not an automatic, we're going to go out and hire 19 people. [LB330]

KERRY WINTERER: Yeah, I would...there is some truth to that, except for the fact that we need to plan for that eventuality. If in fact it increases, it passes, the eligibility universe, if you will, expands, we've got a plan based on these numbers, that that...we need to be able to plan for that eventuality. [LB330]

SENATOR KRIST: Okay. Thank you. [LB330]

SENATOR CAMPBELL: Senator Cook. [LB330]

SENATOR COOK: Thank you, Madam Chair. Thank you, Mr. Winterer. [LB330]

KERRY WINTERER: Sure. [LB330]

SENATOR COOK: I'm asking, because it's kind of a theme this afternoon, whether or not the \$57 million rainy-day TANF funds might be...might this be a good application or an appropriate application, in your mind, for part of those funds? [LB330]

KERRY WINTERER: I don't know that I know enough about that to say whether or not this would be eligible. I do know that there's a lot of...right now there are a lot of designs on those TANF funds. [LB330]

SENATOR COOK: Uh-huh. [LB330]

KERRY WINTERER: I don't know that I can address whether this would be appropriate for that in the scheme of all the other needs that we may have for TANF... [LB330]

SENATOR COOK: Okay. [LB330]

KERRY WINTERER: ...or even if it would be eligible. [LB330]

SENATOR COOK: All right. Thank you. [LB330]

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SENATOR CAMPBELL: Other questions? Senator Crawford. [LB330]

SENATOR CRAWFORD: Thank you, Senator Campbell. And thank you for being here. When I look at the 34,500 households, it's talking about a potential client base. But this is, I believe, assuming that 100 percent of those are applying. [LB330]

KERRY WINTERER: Uh-huh. Uh-huh. [LB330]

SENATOR CRAWFORD: And also, the stories we've heard today are stories that illustrate that some of the people who are already in the system will increase their income, and so it won't...their application is already in there. It's just they will...we will need more benefit but at that...they would get benefits, but it's not necessarily a new person in the system. And then also we have a lot of people that are already applying and failing the test, like the testimony we heard today. So we're already having workers talk to many of these people, is I guess my point. I don't think they're all new people. And so that I think is a mistaken assumption that there's 34,500 new people. One, they're not new; and two, I don't think we would get 100 percent uptake based on other programs... [LB330]

KERRY WINTERER: Uh-huh. [LB330]

SENATOR CRAWFORD: ...and our experience with other programs. So that's my first comment or you can respond to that if you'd like. The other question I have is how we get...how we lose 90 percent of them. If I understand what you're saying, we are interviewing 34,500,... [LB330]

KERRY WINTERER: Right. [LB330]

SENATOR CRAWFORD: ...and then we get down to 10 percent of those will be eligible. So if they're eligible at this gross income...I mean at the net income, what kicks out 90 percent of them? [LB330]

KERRY WINTERER: Well, I think the 90 percent are those who don't come down to the net income. [LB330]

SENATOR CRAWFORD: Oh. [LB330]

KERRY WINTERER: Because you still have the 100 percent there, which... [LB330]

SENATOR CRAWFORD: I see, okay. [LB330]

KERRY WINTERER: ...really becomes the gate that they have to cross. And so a lot of

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these, even though they're now within the 150 percent, would not meet the 100 percent. The 90 percent I think, I'm not even sure I can tell you what that's based on. [LB330]

SENATOR CRAWFORD: I was going to ask what that... [LB330]

KERRY WINTERER: I think we've done an analysis of that and, you know, that's I think our best estimate of what those numbers were. I think the Fiscal Office is 5 to 10 percent, I think is the number that they used. [LB330]

SENATOR CRAWFORD: So... [LB330]

KERRY WINTERER: And I don't know. [LB330]

SENATOR CRAWFORD: They...okay, so you don't remember where that number came from... [LB330]

KERRY WINTERER: No. [LB330]

SENATOR CRAWFORD: ...in terms of analysis of a comparison of gross income to net income. [LB330]

KERRY WINTERER: No, and I could...I mean certainly I could look at that if you're interested in more detail... [LB330]

SENATOR CRAWFORD: Uh-huh. [LB330]

KERRY WINTERER: ...in terms of where the number came from. [LB330]

SENATOR CRAWFORD: Uh-huh. [LB330]

KERRY WINTERER: I can't respond to that right now. [LB330]

SENATOR CRAWFORD: Okay. Thank you. [LB330]

SENATOR CAMPBELL: Mr. Winterer, do we keep track or do we know by how many people? It's one thing to be eligible,... [LB330]

KERRY WINTERER: Yes. [LB330]

SENATOR CAMPBELL: ...and it's quite another to take advantage of it. [LB330]

KERRY WINTERER: Yes. [LB330]

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SENATOR CAMPBELL: So do we know the participation rate of those eligibles?
[LB330]

KERRY WINTERER: You mean, are you asking in terms of the percentage? [LB330]

SENATOR CAMPBELL: I'm eligible but I don't know the... [LB330]

KERRY WINTERER: Yeah. [LB330]

SENATOR CAMPBELL: I mean statistically the census says Kathy Campbell is eligible, but I never figured that out, so I don't participate in the program. [LB330]

KERRY WINTERER: Right. Right. And I don't know that...I'm not exactly sure how we would know that. Because what I understand your question to be is, how many folks, even though they may be eligible, have not applied? [LB330]

SENATOR CAMPBELL: Right. [LB330]

KERRY WINTERER: Is that...was that the question? [LB330]

SENATOR CAMPBELL: Because I'm saying...because I'm thinking of the 34,000 that...and I recognize that the department...I know your answer to me is going to be, but we have to be ready in case all 34,000 people show up. But I'm saying, in reality, the participation rate... [LB330]

KERRY WINTERER: That's right. [LB330]

SENATOR CAMPBELL: ...of that 34,000 isn't going to be 100 percent. And so that's what I was trying to figure out, if there was any national data or... [LB330]

KERRY WINTERER: I don't know, Senator, and I think we're certainly willing to look more and answer any of those questions you may have. [LB330]

SENATOR CAMPBELL: Okay. [LB330]

KERRY WINTERER: I think relative to the fiscal note, I mean you can only really...you can only really deal with the numbers that you are aware of and such, and then go forward based on what those numbers are. [LB330]

SENATOR CAMPBELL: Yeah. I saw a hand in the back of the room that might know a national, so we'll check with them after the hearing. [LB330]

KERRY WINTERER: Uh-oh. [LB330]

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SENATOR CAMPBELL: Okay. All right. Well, I'll just ask them after the hearing, make sure I get that. [LB330]

KERRY WINTERER: All right. Fine. [LB330]

SENATOR CAMPBELL: All right. Any other questions? Okay, thank you, Mr. Winterer. [LB330]

KERRY WINTERER: Thank you. [LB330]

SENATOR CAMPBELL: Other opposition to the bill? Anyone in a neutral position? Okay, Senator Howard, we're...come full circle to you. [LB330]

SENATOR HOWARD: I will be very quick. I just wanted to point out sort of all of the discrepancies that came up during our conversation in the fiscal note. So when they say 34,500 people, that's everyone who is 150 percent FPL and below, according to the census. That is not everybody who will meet the net income eligibility after the deductions, right? So when we are talking about that number, it is not only high but it's also not accurate for people who would really be eligible for the program. It's just who would be eligible for the increased gross income, not necessarily the net income. Also, participation rate that, Senator Campbell, you mentioned is a really good point. We don't know how many people would actually participate. And since we've established that not all 34,000 folks would be banging down the door, because they would not be eligible, it's probably inaccurate to say that we would also have 100 percent participation rate. But finally, in regards to staffing, which is the issue, I just wanted to point out that they, the Department of Health and Human Services, used a study to talk about caseload and 181 caseloads, and that was from 1992. That was before we had the N-FOCUS system. That was before we had streamlined eligibility. And so the amount of caseworkers that they may need now in 2013 is probably very different than the amount of caseworkers that they would need for this program in 1992. So are there any additional questions that I can answer? [LB330]

SENATOR KRIST: Can we use TANF funds? [LB330]

SENATOR HOWARD: I will find out. To be honest, I was a little flustered by the question, but my one concern with TANF funds is that I'm not sure if we can use them for administrative purposes. Thank you. [LB330]

SENATOR KRIST: Can we use some TANF funds? [LB330]

SENATOR HOWARD: Could we use...you know, if I can find a way, I will find a way. [LB330]

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SENATOR KRIST: I'll shut up. (Laughter) I'm done. [LB330]

SENATOR CAMPBELL: I'm going to get a little sign in front of him to...can we use TANF? [LB330]

SENATOR HOWARD: All right. Anything else for me? Yes. Yes. [LB330]

SENATOR CAMPBELL: Thank you. Oh, sorry, Senator Crawford. [LB330]

SENATOR CRAWFORD: Do you happen to just have any estimates or numbers of the people who are failing this test, going the other direction? One direction is everybody is eligible. [LB330]

SENATOR HOWARD: Right. [LB330]

SENATOR CRAWFORD: I think if there was a 90 percent failure rate, people would stop applying unless they knew, oh, hey, I've got to have high childcare expenses or something else. [LB330]

SENATOR HOWARD: Right. Right. [LB330]

SENATOR CRAWFORD: But I don't know if you know the other direction about like the people who might be... [LB330]

SENATOR HOWARD: The net, how many people have net income after the deductions? [LB330]

SENATOR CRAWFORD: Yeah, that might be failing. [LB330]

SENATOR HOWARD: That is a really good question and I will try to figure that out. [LB330]

SENATOR CRAWFORD: Yeah. Or just if you knew I would just it on the record. But if you don't, that's fine. Thanks. [LB330]

SENATOR HOWARD: Yeah, I don't, but I wish I did. That's a really good idea. [LB330]

SENATOR CRAWFORD: It would be hard to know. Thanks. [LB330]

SENATOR HOWARD: Thank you. [LB330]

SENATOR CAMPBELL: Thanks, Senator Howard. (See also Exhibits 30, 31, and 32.)

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And with that, we will close the hearing on LB330 and thank you all for coming today.
[LB330]