[LB887]

The Committee on Health and Human Services met at 1:30 p.m. on Wednesday, January 29, 2014, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB887. Senators present: Kathy Campbell, Chairperson; Bob Krist, Vice Chairperson; Tanya Cook; Sue Crawford; Mike Gloor; Sara Howard; and Dan Watermeier. Senators absent: None.

SENATOR KRIST: Welcome to the Health and Human Services Committee. If I...we'll go around the room and introduce ourselves to you, first; and then there are a few rules I want to touch on. First of all, I'm Bob Krist, Vice Chair of HHS, and I am sitting here because she is making me sit here. As the Chair, she'll be presenting all day so I'll be trying to create some kind of order. Let's start down on that end with Senator Watermeier, and please introduce yourself around the room.

SENATOR WATERMEIER: Dan Watermeier from Syracuse, District 1.

SENATOR HOWARD: Senator Sara Howard. I represent District 9 in midtown Omaha.

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

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

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

SENATOR CRAWFORD: Good afternoon. Senator Sue Crawford from District 45, which is eastern Sarpy and Bellevue.

BRENNEN MILLER: I'm Brennen Miller. I'm committee clerk.

SENATOR KRIST: And I'm just going to because I don't have them down here, pages, just stand up and introduce yourself and tell us where you're from, please. [LB887]

EMILY SCHILTZ: I'm Emily Schiltz. I'm from Sioux Falls, South Dakota.

STUART SUCHA: I'm Stuart Sucha from Lincoln, Nebraska.

SENATOR KRIST: Okay. Thank you very much. If you would, please, please turn off or silence your cell phones. Although handouts are not required, if you're going to give us handouts you should have 15 copies. If you do need copies, ask the pages; they can be of assistance. If you will be testifying, each witness appearing before the committee

must sign in using the orange sheet. Please sign the orange sheet if you're going to testify, and then hand it to the clerk, if you would, please, or give it to the pages. Your form must be given to the committee clerk before you begin presenting your testimony. He uses it for recordkeeping and for hearing proceedings. Also why filling out the form and stating your name, we ask you to state your name and spell it for us when you get up there, because it helps the transcribers and the clerk keep up with who's who and all the rest. We are going to use the light system today. How many people plan on testifying as a whole? Yep, we're going to use the light system today. (Laughter) Each testifier will be allotted five minutes of time. Please be consistent with that and courteous, because we want to make sure everybody has the same amount of time. The light system will come on. You'll see a green light. At the end of four minutes you'll see an amber light. That gives you one minute left notification. When the red light comes on, either you stop or I'll stop you, one or the other. Okay. I think...yes, please spell your name for the record when you get up there, so again so we can copy it for the records. Did I miss anything?

SENATOR CAMPBELL: Introductions.

SENATOR KRIST: We did.

SENATOR CAMPBELL: Okay. And I missed that.

SENATOR KRIST: And that's Senator Campbell. Okay, Senator Campbell, all yours.

SENATOR CAMPBELL: All right. Thank you, Senator Krist and colleagues on the committee. I am Kathy Campbell, K-a-t-h-y C-a-m-p-b-e-l-l, and I represent District 25. And I am here to provide our opening testimony on LB887. The intent of the Wellness in Nebraska Act is to provide healthcare coverage to approximately 55,000 uninsured and underinsured newly eligible individuals, age 19-65, between 0 and 133 percent of the federal poverty level who is not otherwise qualified for Medicaid through a Medicaid expansion demonstration waiver. The WIN Act provides coverage through two different methodologies. The first is through the WIN marketplace with health insurance premiums paid by Medicaid funds to purchase qualified health plans on the health benefit exchange for newly eligible between 100 and 133 percent of the federal poverty level, or through payment of the employee portion of employer-sponsored insurance if it is determined by the state to be cost effective. The second methodology is through WIN Medicaid coverage with Medicaid managed care for newly eligible at or below 100 percent of the federal poverty level or at or below 133 percent of the poverty level for newly eligibles who are medically frail or have exceptional medical conditions. The Medicaid funding is provided through an enhanced match of federal funds. And we have discussed those previously, but just for the record, for 2014 to 2016, federal funds will cover 100 percent of costs; for 2017, 95 percent; for 2018, 94; for 2019, 93; and for 2020 and after, 90 percent federal funds. The administrative costs are a 50-50 split

between the federal government and the state; and the IT costs are 90 percent federal funds with 10 percent state funds. I would like to mention specifically that if at any time the federal contribution falls below 90 percent, the act calls for the entire program to return to discussion to the Legislature at its next convened session. This is the opt-out section that a lot of senators said they wanted in a bill. The Wellness in Nebraska Act will utilize the newly eligible population and the corresponding funding available through the Affordable Care Act for innovation and healthcare delivery in both WIN marketplace and WIN Medicaid through a focus on primary care with patient-centered medical homes as its foundation and the goal of improving both the quality of care and healthcare cost containment. Secondly, it will encourage the development of cost-conscious consumer behavior and consumption of healthcare services through cost sharing that requires a monthly contribution of 2 percent of income for newly eligible between 50 and 133 percent, with incentives for a waiver of contribution if members participate in wellness activities. Thirdly, it will utilize an oversight committee of the Legislature to coordinate with the executive branch and healthcare stakeholders; and that oversight committee is modeled after an oversight committee that we had in 2009 and 2010 under the Chairmanship of Senator Tim Gay. And we went back to that model, because we felt that as a legislative committee it worked very well. The oversight committee will apply with the executive branch to CMS for the demonstration waivers; plan for healthcare innovations, including the increase of patient-centered medical homes and health homes to care for individuals with complex health needs; to review emergency room utilization, to improve appropriate health intervention and treatment systems; and lastly, the oversight committee will recommend a reimbursement methodology to promote wellness, prevention, and chronic care management in a cost-effective manner. Those are the major tenets of the Wellness in Nebraska Act. The committee has been provided a one-page summary of the bill, which I thought would be helpful as you heard the testimony this afternoon. You'll note that it describes for you the newly eligible populations and it describes exactly how the Wellness in Nebraska plan will work each of the years that we are putting it together. It describes for you the WIN innovations that are contained. And on the far left side it is giving you a synopsis of the health policy behind the bill. When I left the Legislature last session, I sat down with the legal counsel Michelle Chaffee, who certainly is the editor of WIN in Nebraska, and I said my number one objective here is to come forward to answer questions and comments that our colleagues made, and that it be good health policy. We looked at a number of states, specifically five: Arkansas, Iowa, Michigan, Pennsylvania, and New Hampshire; and with that research and study, developed Wellness in Nebraska. The effort to develop WIN isn't about numbers and dollars, but it's about our neighbors, our friends, relatives who need healthcare...need access to healthcare. I have become more passionate about WIN as I hear the stories of Nebraskans who need this legislation. Some of them are here today to testify, and I would say probably one of the most important parts of the testimony today will be to hear from them. After last year's session, I pledged our best effort in addressing my colleagues' concerns and questions. I believe WIN achieves that goal. This is our opportunity to make our state's healthcare

stronger, to ensure hardworking Nebraskans are healthier, and to make a smart investment in our state's economy. Now is the time to be there for our neighbors, our families, for Nebraska's future, because I believe WIN sets in place a way that we can work on effective and good quality healthcare for all Nebraskans in the future. I'd like to acknowledge that working on WIN legislation are the cosponsors of this bill with me: Senator Jeremy Nordquist, Senator Sue Crawford, and Senator Sara Howard. I much appreciated the collaborative effort as we put WIN together. Thank you, Senator Krist. [LB887]

SENATOR KRIST: Thank you, Senator Campbell. Any questions for Senator Campbell at this time? Senator Gloor. [LB887]

SENATOR GLOOR: Thank you, Senator Krist. Thank you, Senator Campbell. Clearly, you and I have had a chance to talk about this some, although not really until we got into January, other than to talk about keeping an open mind and having a good discussion and debate about it. And I'm also pleased that WIN includes a lot of the concerns...tries to address a lot of the concerns that I had, had last year during testimony. Do you think this bill is a better bill than last year's bill? [LB887]

SENATOR CAMPBELL: Absolutely. I think if you wanted simple and direct, you would have looked at LB577. But I think that our colleagues, and certainly this committee, was saying we want you to go back and we want you to do a thorough study of what's happening in other states; let's benefit from what we know there and let's bring forth a more comprehensive bill that really does address good health policy. [LB887]

SENATOR GLOOR: So the changes in the bill are to improve on the bill, not to accommodate those people who had concerns and objections. [LB887]

SENATOR CAMPBELL: I would say that we certainly listened to those concerns and questions, Senator Gloor, but we didn't build WIN just to get votes. We wanted good health policy because I think that's what the Legislature is all about and requires. [LB887]

SENATOR GLOOR: Can I ask one more question? [LB887]

SENATOR KRIST: Absolutely. [LB887]

SENATOR GLOOR: Would you explain the process for the opt-out provision for me? [LB887]

SENATOR CAMPBELL: Sure. [LB887]

SENATOR GLOOR: I mean, simply how does it...how would it work for us legislatively?

[LB887]

SENATOR CAMPBELL: If the federal government dropped below 90 percent, and that's in federal law and that's what they are committed to, at that point the entire WIN Act would go back to the Legislature. The Legislature, in my estimation, Senator Gloor, would then have to review the WIN Act and make adjustments if they chose to. But they would have to debate it again. [LB887]

SENATOR GLOOR: Is it...so would it be introduced in bill form? Would it come back as a resolution? Have we thought through exactly how it would come back to us for discussion and debate? [LB887]

SENATOR CAMPBELL: You know, Senator Gloor, I guess I think that if the federal government is going to drop below 90 percent, we're going to get by those initial years of 100 percent and as it steps down. So we're probably talking about 2019, 2020, around in that area; and obviously, any time between there if they drop, it's below that. I think it would be a bill form. I think you would have to debate the plan and make adjustments. You know, many people say, well, you know, states don't make adjustments in the Medicaid. That's not accurate. During the recession, many states changed their Medicaid plan, tightened perhaps some benefits or optional plans that they offered; but legislatures took action. And I...there's not a doubt in my mind that the Nebraska Legislature would relook at this in totality. [LB887]

SENATOR GLOOR: Thank you. [LB887]

SENATOR KRIST: Thank you, Senator Gloor. Any other questions for Senator Campbell at this time? I'm sure you'll be here for closing. [LB887]

SENATOR CAMPBELL: Yes, I will. [LB887]

SENATOR KRIST: Absolutely. Thank you. [LB887]

SENATOR CAMPBELL: Thank you. [LB887]

SENATOR KRIST: First proponent. The first proponent, please come forward. Hi. [LB887]

KIM RUSSEL: Good afternoon. [LB887]

SENATOR KRIST: Welcome. [LB887]

KIM RUSSEL: (Exhibit 1) Thank you. My name is Kim Russel, K-i-m R-u-s-s-e-l, and I'm the president and CEO of Bryan Health. Thank you to the committee for spending so

much time on this very vital issue. I'm assuming everyone is familiar with Bryan Health, our two hospitals here in Lincoln. We are the safety net facility for Lincoln/Lancaster County. We also are involved with Crete, Wilber, and Central City as well. So I bring a rural perspective too. And it's really our safety net role that compels me to be here today. I feel a real obligation to be here on behalf of our patients. Many of whom are the people we're talking about that would benefit from expanded Medicaid, frankly, are working, and that's why they are not able to be at a hearing like today's hearing. Often these are folks with multiple jobs. We really believe that allowing greater access to the Medicaid program and keeping with the boundaries of LB887 is essential to the economic health of our state and to the physical and mental health of our citizens. I certainly understand, as a longtime watcher of this process, what a controversial issue this is within our state, and understand that there's a lot of complexities included in LB887. But we really believe that the protections that are offered in this new bill encourage the basics of good medical care and also responsible state policy. I know one of the concerns that many people have is will there be enough capacity in the system to provide care for additional individuals. And I'd like to give you some specific examples of work that's being done in the local medical community to resolve that. First of all, right here in Lincoln, we're very fortunate to have a family medicine residency program that is jointly funded by the state, Bryan Health, and St. Elizabeth. There are eight residents per year for a total of 24. Collectively, the residents and their faculty see 30,000 clinic visits per year, and 65 percent of those individuals are covered by the Medicaid program. So it provides great service but it also gives us a great opportunity to recruit those young doctors when they finish their residency to practice here in Nebraska. Frankly, the presence of this residency program in Lincoln is one of the reasons why we're in very good shape for family medicine physician capacity in Lincoln. Another program I thought might be of interest to this group is a program again jointly funded by Bryan Health and St. Elizabeth. It's called Emergency Department Connections. This program provides one-on-one case management for individuals who overutilize our local emergency departments. It has been extremely effective in reducing that inappropriate utilization. It also reduces inappropriate use of the 911 system. I know there was a recent study from the state of Oregon that showed increased use of the emergency department after Medicaid was expanded. And I just want to set out this program as a model of how that would be handled in a community like Lincoln/Lancaster County. This program has really become a national model. There's been people from all over the country that have come to visit and see how it works because of its effectiveness. And I invite any members of this committee or of the Legislature to come to Bryan West to see this program firsthand. It happens to be housed at Bryan West, although it covers the whole community. Also we're very fortunate in our community to have a program called Health 360. It's organized by the Lancaster County Medical Society; and the Medical Society serves as a hub for accepting referrals for patients who have either no insurance or Medicaid coverage. And the Medical Society then works with local physicians who accept these patients on a rotating basis on either pro bono or from some very minimal funding from the Medical

Society. This program helps about 1,500 patients a year; so just some examples of things that are...proactive things happening in the healthcare community to help deal with that issue. We certainly understand...I mentioned in Lincoln we're fortunate to be in good shape with our numbers of family medicine physicians. In other parts of the state that's more of a challenge and we certainly understand that. But it is not the case in all rural areas of the state. In both Crete and Wilber, where we have Bryan Health clinics, there is additional capacity for additional patients; so just an example there. And what we often hear from the physicians, they say, well, we're already seeing the patients who would be covered under expanded Medicaid; we'd much prefer to see these patients in our office rather than the emergency department. So in summary, what I want to convey is that the local healthcare communities are working diligently with our communities, with each other, to provide care at both the medical home level as well as the specialty care level for all Nebraskans, including those in poverty. We certainly understand that this committee or the Legislature can't impact some of the federal cuts that hospitals are receiving and that are embedded in the Affordable Care Act. But obviously, this body does have the ability to act on expanded Medicaid. And we respectfully ask for your support of LB887. Thank you. [LB887]

SENATOR KRIST: Thank you, Ms. Russel. Any questions? Senator Gloor. [LB887]

SENATOR GLOOR: Thank you, Senator Krist. Thank you, Kim. And I would say I took you up a couple of years ago on a chance to go out and tour the...I forget the exact name of the program for emergency... [LB887]

KIM RUSSEL: The Emergency Department Connections program. [LB887]

SENATOR GLOOR: Connections. [LB887]

KIM RUSSEL: Um-hum. [LB887]

SENATOR GLOOR: And it's a great program and the communities and you are to be congratulated on putting it together. A couple of quick questions, the same question I asked Senator Campbell. Is this a better bill than what we had last year? Are we better off for having waited a year to put together this bill? [LB887]

KIM RUSSEL: You know, I believe that it is, because...especially because of the emphasis on the medical home. And that's really what we're trying to do from both an excellent medical care perspective as well as cost effective, is get as many individuals as possible into the medical home situation. And the bill really reinforces that. [LB887]

SENATOR GLOOR: What can the Legislature do? I still have work force concerns. [LB887]

KIM RUSSEL: Um-hum. [LB887]

SENATOR GLOOR: I think we all do, if we understand the extent to which we're a bit strapped to have all the personnel we would like, not just doctors, obviously, but nurses and therapists. What can the Legislature do, do you think, to help on that? If we were to go forward, what else should the Legislature be looking at that addresses work force issues? [LB887]

KIM RUSSEL: You know, there is a bill, as I understand it, before the Legislature, and I don't recall...this session, and I don't recall the number, but it deals with additional, frankly, state-funded loan forgiveness programs for young health professionals. And my understanding is that some of the states bordering Nebraska have, frankly, allocated more budget dollars to those programs. And they really do make a difference in terms of enticing people to stay in our state. Anything that the Legislature does to support, you know, the education, the training programs, and then those loan forgiveness, I think are very, very helpful. [LB887]

SENATOR GLOOR: Okay. Thank you. [LB887]

SENATOR KRIST: Thank you, Senator Gloor. Any other questions for Ms. Russel? Thank you so much for coming. [LB887]

KIM RUSSEL: Thank you. [LB887]

SENATOR KRIST: Next proponent. [LB887]

KEVIN NOHNER: Good afternoon. [LB887]

SENATOR KRIST: Welcome. [LB887]

KEVIN NOHNER: (Exhibits 2 and 3) My name is Dr. Kevin Nohner, K-e-v-i-n N-o-h-n-e-r. I'm here speaking on behalf of the Nebraska Medical Association. The first thing I want to do is congratulate Senator Campbell on crafting a very wise bill. It's been asked whether it's better than last year. You might have to ask the patients that didn't the care last year. And I think that, you know, this at least addressed the concerns for the obstacles, because we know that we're going to meet resistance, but I think it's really imperative for the Unicameral to pass this legislation this year. And if Heineman vetoes it, I think it's imperative that you override it with a veto, his veto, with your votes. I'm kind of responding at this at many levels. I mean, I'm a Nebraskan. I've got neighbors who are sometimes hurting. I'm a father. I see a lot of people with their kids and I see a lot of elderly people that are having 50-year-olds still in their home because they're financially strapped and they've lost their jobs. And I'm a physician. And one of the things that, you know, really strikes me is that I think you could have called this thing

the WIN-WIN-WIN Act. I mean, I don't see a downside. When you look at it, the taxes I pay go somewhere else for their Medicaid programs. And the taxes that we as Nebraskans pay are just getting sucked out like a vacuum. I think it's time we put the dollars back into Nebraska. The second thing is, even though people are strapped for money, giving them some skin in the game is part of pride. I'm glad that you didn't put the copay thing in. You know, when you have somebody come in and you try to get a $2 copay out of them, it just becomes farcical. We don't really want that $2; and it's really hard. I think if they can pay 2 percent of their premium, that's a great thing and I'm glad to see that was a compromise. And I think that the opt-out option of, you know, if...you know, people can actually believe that they'll not fund it--and that could happen--yeah, then we bail. And I would trust that you as legislators would make that happen. Senator Krist, you weren't here when I spoke the first time. I kind of broke down the committee members by households that were under 65 and made less than $15,000 and underneath $25,000. So of the 15,759 households in your district, there are basically 1,445 that meet that initial qualification. That's 11 percent of your population. And if they had a kid and they made less than $25,000, it was up to 2,902. That's 22 percent of your population. Sometimes I get the perception that this is an urban problem. Well, I added up the urban counties and if it wasn't for Sarpy County who is doing so well, we would probably be about the same as Lincoln and Omaha. But for urban, there were 30,829, and that was 9.8 percent of the households. And if you went up to the $25,000 range, it was 57,737, which is 18.5 percent. And I think the misconception is that this is not something that's going to help the rural families. And I can't even begin to count the ways that I think it will help; 24.7 percent of the rurals are affected. Now that's money that goes into the rural. It helps attract physicians to the rural practices. And I think that, you know, we owe it to the patients of Nebraska. We had a rancher here in the last session that came out and it took a lot of strength for her to talk about her colon cancer, and she pleaded to you guys for help. Afterwards I went out and gave her a hug. I sought her ought and I thanked her for her strength. And I'd like to come out of this session knowing that I gave her more than a hug. So I'd like you to vote for this and pass it. And like I said, I'd welcome the chance to override a veto. I think inequalities also speak high. Senator Chambers' district, 51.9 percent eligible; Senator Howard, 38.4; Nordquist, 37.3; and then the only one up in the higher range was Senator Avery in Lincoln at 36.6. I think this will help the healthcare inequalities that we see in Nebraska. So I thank you. [LB887]

SENATOR KRIST: Thank you, Doctor. Any questions for the doctor? Thank you again for coming. The next proponent. Welcome. [LB887]

DENISE DICKESON: Hi. My name is Denise Dickeson, D-e-n-i-s-e D-i-c-k-e-s-o-n. I live in Lincoln, Nebraska. I'm disabled, so that my only income is Social Security. I have an invisible disability, that of posttraumatic stress disorder due to abuse by an ex-husband. I'm on Medicare, but Medicaid is more inclusive. I earn a little over $1,000 a month on Social Security disability. This is not enough to qualify for the Affordable Care Act but

too much to qualify for Medicaid. As I understand it, there was a provision for those of us stuck in the middle, but our Governor has blocked it. I wonder if he knows how it is to be me. I pay over $100 a month for redundant health insurance in order to spend down enough to qualify for Medicaid. Redundant insurance is just what it sounds like: it's insurance that duplicates your own insurance just to lower your income. In other words, I buy health insurance that I'll never use, and this drops my income to the poverty level. That's when Medicaid kicks in. This is the case in Nebraska and a few other states, but not all. This leaves me $900 for the rest of the month. If I budget tightly and don't eat too much, this is enough. If there's an unexpected expense, like this month my vehicle broke down, or I wear a hole in my shoes, the only part of the budget I can shave is my food budget. Yes, I have helpful friends, but it needn't be this way. Out of this $900 I pay rent, utilities, car insurance, gasoline, and the food. There's a lot of times I run out of money before I run out of month. Why has our Governor turned his back on us? It seems he is blind to our situation. I think he should try to be me for a month. [LB887]

SENATOR KRIST: Thank you. Thank you for coming forward. Any questions? Thanks again. Next proponent. Welcome. [LB887]

TODD RUHTER: (Exhibit 4) Thank you. Good afternoon. My name is Todd Ruhter, that's T-o-d-d R-u-h-t-e-r, and I'm from Grand Island, Nebraska. Hello. I'm here today to speak in support of LB887, the Nebraska WIN Act, both for myself and for the estimated 17 percent of Nebraskans who are living with HIV and are currently uninsured in many cases. They are uninsured because the system doesn't allow them to be insured, and it's inadequate as it stands today. I am here specifically to encourage you to advance Senator Campbell's bill out of this committee to the floor for a full legislative vote, and to help provide Nebraskans such as myself with adequate healthcare accessibility. In 1998, I was diagnosed with AIDS. Thanks to access to the Ryan White funding, I was able to receive the critical care that allowed me to stop the advancement of this potentially life-ending disease. I'm alive today because of the access to care that this program continues to provide me in the treatment of AIDS and the directly related health issues that come with this diagnosis. While Ryan White funding has been instrumental in my ongoing successful efforts to keep this disease in check, it in no way addresses the other non-AIDS-specific health concerns that I have. I have found a way to live with AIDS, no small challenge, but I'm now in the dilemma of having no way to deal with the other health concerns that the average functioning adult in our state faces on a regular basis without regular affordable access to the healthcare system. Passage of the WIN Act would guarantee me and other Nebraskans living with AIDS who do not qualify for Medicaid or subsidies for health insurance under the ACA, access to healthcare. The opportunity to participate in the WIN exchange marketplace qualified health plan, available with passage of this bill, would be the difference between my continued well-being and a potentially life-threatening and costly medical emergency for myself due to non-AIDS-related illnesses and other medical issues that arise in the course of daily life, many of which, for myself and others living with AIDS, are exacerbated by the

treatments that we receive directly for the HIV itself. The investment in my health provided by Ryan White fund, which is not small, is only partially effective and in some facts wasted if I have no access to standard care. A majority of us who live with AIDS are productive employed members of society. I personally have maintained employment throughout my life, but I find that often, due to circumstances related to AIDS, I'm unable to work enough to guarantee the income necessary to afford healthcare, even when it's available, such as through the subsidized plans of the ACA. I was surprised and shocked, but I see some options here. Expansion of the eligibility criteria to 133 percent of the federal poverty level under LB887 and a system in which premiums were capped at an affordable percentage of income would in my and many other cases rectify this situation. We are hardworking people. We are contributing members of society. But in many situations, our efforts, no matter how hard they are, are inadequate. Disability is not an option for me for legal reasons--I simply am not, we can debate that all day long--and were I qualified, more importantly, I think from my point of view, I prefer to work. I want to be able to do what I can do on a daily basis. I want to make my contribution to society and I want to pay my own way, whenever and however I can. LB887 affords me that option with a proper and limited form of assistance. It also affirms the individual's personal responsibility for their own well-being, but it does so in a way that is realistic and rewards the individuals for their work and contributions they make to the economy and our society. Nebraska has invested money in me. I'm a graduate of the University of Nebraska. I grew up here. My family business is here. There's no point in wasting this now. I want to thank you all for your consideration both on my behalf and for the other Nebraskans with AIDS who are hopeful that you will recognize the potential for good, the minimal cost versus the potential benefit of this bill, and the rightness of Senator Campbell's bill. Still, in 2014, there are many of my fellow Nebraskans living with AIDS who are not secure and confident enough to speak out in a venue like this about their own status, but their needs are real. And I encourage you to remember those who rely on your support and are counting on you to help ensure the well-being and potential of all Nebraskans no matter the volume of their voices. Thanks. [LB887]

SENATOR KRIST: Thank you so much. Any questions for Mr. Ruhter? Senator Gloor. [LB887]

SENATOR GLOOR: Thank you, Senator Krist. I saw you on TV the other day, Todd. You were smooth. You did a good job. [LB887]

TODD RUHTER: Don't lie to make friends. Thank you. [LB887]

SENATOR GLOOR: Understanding that there may be two parts to this question, have you had a problem finding physicians to care for you in Grand Island or central Nebraska? [LB887]

TODD RUHTER: Senator Gloor, I can state with no--no--hesitation, I have not. I have

been spectacularly enthused with the level of care. There have been some times when I might have been, as I think a lot of people living with AIDS find out in situations, maybe a bit more informed on this situation. But that comes from a lifetime of living something. We do have maybe a lack, and especially in the tri-cities area, of HIV specialists. We have infectious disease specialists. This is a very broad topic. But even those folks, the accessibility and the stigma has not been there for me, but I do find that a bit, yes. I am served quite nicely by the University of Nebraska Medical Center which does a clinic once a month through (inaudible) Good Samaritan. They also provide services through St. Francis, where some services can be received there. I know that also happens in other areas of the state. [LB887]

SENATOR GLOOR: Okay. Thank you. [LB887]

TODD RUHTER: Yes, you're welcome. Thank you. [LB887]

SENATOR KRIST: Thank you, Senator Gloor. Any other questions? Thank you. Thank you for coming forward. [LB887]

TODD RUHTER: Senator Krist, thank you very much, everyone. [LB887]

SENATOR KRIST: Yes. Next proponent. Welcome. [LB887]

OKSANA KLING: Thank you. My name is Oksana Kling; it's O-k-s-a-n-a K-l-i-n-g. I'll save you guys all the agony of my maiden name because it's worse than my first. I am from Omaha. I live in the northwest area. And I am a mother of seven children. If I had healthcare, five of those seven children would be under my plan. And when I worked and had health insurance, they were. This is a twofold situation. First off, I have a son that just turned 20 this month that was on children's Medicaid. He's had many medical problems, including cancer twice. He had a pilonidal cyst burst when he was 17, while in high school, and we had to wait six months to get in to see a colon specialist on children's Medicaid. And that was with calling every day to be put on the standby list. When they saw him, it was really pretty bad, and the doctor wanted to do surgery, but the Medicaid kept denying it, saying give it time to heal with the medicines. So we did that until the month before his 19th birthday. She made one more attempt to do the surgery. I mean, she is a specialist in this field. And they denied it. So we sat together to work out a plan, and the plan was Social Security had labeled my son disabled, severely disabled because of this and some other health conditions, but it wasn't going to be a permanent disability. Once he went through the medical and recovered, he would be able to go to school, work, and be a productive citizen. So therefore, he did not qualify for Social Security benefits yet. We're in the appeal process on that now. Normally, with a child on Medicaid, when they turn 19 they can roll over into the 19-26 Medicaid. Since he had no income and was unable to work, we had plans on him doing that. So the doctor made plans that as soon as he turned 19 they would do the surgery,

because Medicaid would roll back and pay up to 90 days' worth. We have been fighting this since his 19th birthday to get him qualified on Medicaid, and it's been one excuse after another. Our last excuse, at Christmas, was the Social Security Administration was closed down for the month of October, part of it, so they did not get a disk from them regarding the disability, even though they had all the manual papers from them; so that was their reason for denying him coverage. So right now he is facing $27,000 in bills, in medical bills, that are unpaid. Now in addition to that, in August, I was walking down my stairs and my kneecap let go. I have severe arthritis. And I'm not able to work now and we tried to get Medicaid for myself and was also denied. Our income dropped from 130 percent poverty level, so we were right on the cusp of being able to get Obamacare insurance, to 30 percent poverty level. I didn't know how this was all played out when I went on-line to sign up, thinking we would be able to get Obamacare. My husband is in college full-time, an undergraduate getting a degree in psychology. He has posttraumatic stress disorder. He is a vet. And he would like to get in that field to help other vets, since he's been able to deal with it and be able to come out on the other side. So there's no income there, because as an older 50-year-old it's really hard to go back to college, never having had algebra and a lot of these other classes. So it's a struggle for him. But he did make the dean's list at Metro, five of the seven semesters he was there. And that's pretty good. I took care of the family by running a small home day care; but now, because of my knee, most of families had to pull out because I can't take care of their kids adequately. I can't get on the floor and play with them. I can't walk up the four stairs to our bathroom to take them for potty breaks and potty training. We can't walk down to the park down the street to get fresh air and exercise. So our income has gone down to where we're making $6,000 a year right now. The only way we're paying our rent right now is through my husband's student loans. That's where every penny has gone so we don't get evicted. So my situation is I need knee replacement surgery. I actually need an MRI. There is no program in Omaha that will do an MRI to find out how extensive the damage is, but they do know from my old MRIs, from eight years ago, it was bad enough I need to have my knee replaced. With two months of rehab, I can go back to work full time and be able to be a supporting person in the community. I used to be a nurse. Right before this happened, I was approached about the physician assistant program where they have an accelerated program to become a physician assistant and work in the rural parts of Nebraska. But I can't do that unless I'm healthy. In four years I could be out in Lexington or Grand Island. I have friends and family in Lexington. I don't have a problem with living in rural communities. I've lived in Arkansas and Iowa, and being able to give back to the community. But I can't do that. Without the surgery, I can't move forward. And the longer I'm laid up, the more degenerative it gets. I have seven bulging discs. The more I'm laid up, the more they get bad. And then it just makes a whole windfall. Thank you. Any questions? [LB887]

SENATOR KRIST: Thanks for coming. Any questions? Thank you so much for coming forward. The next proponent. Welcome. [LB887]

SHARON LIND: (Exhibit 5) Good afternoon. Good afternoon, Chairman Campbell and members of the Health and Human Services Committee. My name is Sharon Lind, S-h-a-r-o-n L-i-n-d. I am the chief executive officer of Ogallala Community Hospital testifying on behalf of the Nebraska Hospital Association and its 90 member hospitals in support of LB887, the Wellness in Nebraska Act. When the Affordable Care Act was enacted in 2010, the Nebraska hospitals were forced to surrender 6 percent of our Medicare revenues in exchange for gains expected from more people with health insurance and Medicaid coverage. Since 2010, Medicare reimbursements have been reduced by an additional 2 percent; and as Congress wrestles with our nation's deficit, an additional 10 percent in reductions is currently under consideration. Medicaid expansion is intended to provide greater health insurance coverage. To date, the nation is split in half, with some states expanding eligibility and half have been undecided. If Nebraska expands Medicaid to 133 percent of the poverty level, many more adults will gain coverage. This coverage is important across the state, especially for working people in rural areas where employer-provided health insurance is less common and where poverty is more prevalent. The WIN Act is a strong foundation for good healthcare policy. It incorporates many good ideas from across the country and tailors to meet the needs of Nebraskans. It maximizes federal funding, it strengthens the private marketplace, and supports employer insurance as well. Through the utilization of an oversight committee, it provides the groundwork for much needed Medicare reform that includes more focus on primary care through the utilization of patient-centered medical homes and integrated care for chronic conditions. The WIN Act provides the Legislature with the ability to respond if the federal government fails to meet their financial obligation. It incorporates wellness incentives and personal responsibility, and will reduce the inappropriate use of our emergency rooms. The patient is at the center of this comprehensive plan to deliver more cost-effective quality care. Aside from providing coverage and care for more people, strengthening the healthcare provider network, reducing the demand for ER services, creating a stronger, healthier work force, and helping children be more capable of learning, it is unconscionable for Nebraska to turn its back on this federal assistance. The fiscal note indicates the net impact of $64 million to the state. Simultaneously the state would receive $2.2 billion in federal funds. Expansion will not take away money from education. Conversely, education will benefit by having healthier children living in healthier households, ready to learn and helping our state's education system achieve better outcomes. In response to those who contend the federal government will not be able to honor its financial obligation pursuant to the enhanced federal Medicaid match under the Accountable (sic--Affordable) Care Act, the WIN Act contains a provision that requires legislative action should the federal government match drop below 90 percent. There's also a related concern about the possibility that it only provides a temporary benefit. Isn't it better to provide a temporary benefit to improve one's health as opposed to not providing it at all? The WIN Act creates the opportunity to redirect more individuals to preventive and wellness services, rather than through the ER, through patient-centered medical homes and other sources of healthcare services that are much less costly. Through this coverage the current

healthcare system would redirect those nonurgent patients to a clinic setting to provide care at much lower cost. Those efforts will help us reshape the delivery system and focus on reducing costs and providing quality outcomes while meeting the current demand. Without the WIN Act, the healthcare provider network will be compromised. The rural facilities can no longer endure reductions in reimbursement and increasing costs of uncompensated care. Our rural facilities provide a safety net, a point of access, if you will. The WIN Act will provide these otherwise uninsured Nebraskans with an option for coverage and help us transform the delivery model. The Nebraska Hospital Association supports the WIN Act and urges the committee to advance this proposal to General File. Thank you for the opportunity to comment on this very important matter. [LB887]

SENATOR KRIST: Thank you for coming. Any questions? Senator Gloor. [LB887]

SENATOR GLOOR: Thank you, Senator Krist. Thanks for the long drive, Sharon. [LB887]

SHARON LIND: You're welcome. [LB887]

SENATOR GLOOR: Do you employ your physicians in Ogallala? Are they employed by the hospital? [LB887]

SHARON LIND: We employ some as well as contract others. We have locums that provide coverage as well. [LB887]

SENATOR GLOOR: Have you moved to a patient-centered medical home approach within your primary care clinics yet? [LB887]

SHARON LIND: We are in the process of doing that. Our Banner Health system in Colorado and other markets have indeed done that; in Arizona, as well. And we are in the process of rolling that out. We are also in the process in western Nebraska, and this is currently underway, of enhancing that patient...or excuse me, population health management model. Many of our physicians, our primary care practice, are employed, and we have surgeons, orthopedic and general surgeons, who are employed. And then we have visiting specialists. With our population health management model, we have the ability to coordinate with the local nursing home, assisted living, public health district, other local providers, home health and hospice, to actually coordinate from a continuum of care, our community health. And so by way of getting more folks in the Medicaid program, increasing that eligibility to provide them a mechanism for insurance, we can get them aligned with a primary care physician and coordinate their care in a very low-cost way, and manage chronic disease with better outcomes and low cost, and provide that continuum of care; we've got them in the system. So we're focusing very much so on our community health, population health management model. From a

patient-centered medical home perspective, we do have some of our primary care physicians that do home visits, because we have a lot of elderly. They see folks in the nursing home and they will make home visits. Absent of doing that, if we have an elderly person who cannot come to the clinic, they know that they need to have a home visit, and our primary care doctors will do that. They will look at their medication regimen, they will check their blood pressures, their vitals, they'll do that home visit; because absent of us doing that, we are concerned that their health issue will not be managed, medically managed appropriately, and they will land in the ER in an inpatient stay that is not affordable. [LB887]

SENATOR GLOOR: You're...I'm assuming you have an electronic medical record. [LB887]

SHARON LIND: We do. [LB887]

SENATOR GLOOR: You are clearly committed towards moving to patient-centered medical home; and so much of this bill I think, and certainly the improvement in it, is it's more...it is focused on primary care, patient-centered medical home, trying to change the delivery system. Do you think your counterparts across the state, within other hospitals across the state, are also committed? And if we're going to move the program more towards a patient-centered medical home, we need to have clinics that are established as patient-centered medical homes. So putting it in law is one thing; having it actually occur when hospitals and private practices that we don't control is going to be dependent upon cooperation and collaboration. Do you think that's out there within the hospitals across the state and the physician clinics across the state? [LB887]

SHARON LIND: I do. As I've met with my colleagues and the 90 hospitals as part of the Nebraska Hospital Association, we are all at the table, committed to patient-centered medical home models, population health. You heard Kim Moore (sic--Russel) with Bryan Health speak earlier about their ED program. We in turn, too, we are working with our local EMS out in western Nebraska and trying to put in place the community paramedicine model that's available and out there, of how we use our EMTs and paramedics to do some of those home visits and to help us manage reduction in ER visits and reduction in inpatient stays. So, Senator Gloor, I believe we are all committed to reducing the costs of healthcare and transforming that model. And we need more folks by way of Medicaid expansion in a plan and help us use that mechanism so that we've got them aligned with a physician and we can manage that continuum, if you will, because currently it's fragmented. And so in order to get them in a plan, use that a mechanism, we can help manage their wellness, prevention, the chronic disease, and then we're all committed to doing that. [LB887]

SENATOR GLOOR: Are you chair of the board this year? I mean, of the Hospital Association's board? [LB887]

SHARON LIND: I am not. [LB887]

SENATOR GLOOR: Okay. [LB887]

SHARON LIND: I am not. [LB887]

SENATOR GLOOR: Okay. Thank you. [LB887]

SHARON LIND: Thank you. [LB887]

SENATOR KRIST: Any other questions? Senator Howard. [LB887]

SENATOR HOWARD: Thank you, Senator Krist. Thank you for your testimony. Are you concerned at all about the financial stability of your organization if we don't expand Medicaid? [LB887]

SHARON LIND: There are...I will certainly share with you, we are financially viable because we have Banner Health as part of our system, so we have some system benefits, resources, that we leverage from an efficiency, providing low cost using technology, to advanced care practices and providing quality. But we are an exception because we have that affiliation with Banner Health system. We have the 60-plus rural critical access hospitals in the state of Nebraska don't have that benefit of being a part of a system and those access to resources. So we there's many of my colleagues that are quite concerned with keeping their doors open, given the reductions: reductions in DSH payments, increasing costs to deliver, their mandates for electronic health record. The infrastructure is very costly to maintain. While they are safety net hospitals and they are a point of access for many in the communities, so they're relying on that to some semblance. But I can share with you, there are many critical access hospitals that are concerned about their viability in the future. [LB887]

SENATOR HOWARD: Thank you for your testimony. [LB887]

SHARON LIND: Thank you, Senator Howard. [LB887]

SENATOR KRIST: Any other questions? Thank you very much for coming. [LB887]

SHARON LIND: Thank you. Thank you, Senator Campbell, and thank you, committee. [LB887]

SENATOR KRIST: Next proponent. [LB887]

ANISAH NU'MAN: Good afternoon. [LB887]

SENATOR KRIST: Good afternoon. Welcome. [LB887]

ANISAH NU'MAN: (Exhibit 6) My name is Anisah Nu'Man, and that is...okay, thank you. My name is Anisah Nu'Man, and that is A-n-i-s-a-h, Nu'Man, N-u-'-M-a-n. Senator Krist and the members of the Health and Human Services Committee, we the members of the Lincoln Alumnae Chapter of Delta Sigma Theta Sorority, Inc., support LB887, the Wellness in Nebraska Act, on the grounds that it will help to provide healthcare coverage for up to 80,000 Nebraskans by accepting Medicaid expansion. Founded in 1913, as a historically black sorority, Delta Sigma Theta Sorority has, for 101 years, taken an active interest in the political, social, economical, and legislative affairs of the United States of America, the majority of our members' home country. We are committed to ensuring that laws have a positive impact on society. Recently, our national headquarters has charged us with two tasks that we believe are important to promoting public health: (1) to continue educating the public about the Affordable Care Act and assisting in registering eligible citizens for healthcare coverage, and (2) advocating for Medicaid expansion. Although LB577 was filibustered during the last legislative session, we are urging our senators to pass LB887. And I testified about this in December. The Wellness in Nebraska Act, LB887, we agree as the legislation states, health benefits for the newly eligible population under the Affordable Care Act should be provided in a manner that encourages personal responsibility, leverages insurance offered by employers and private insurance companies, and improves the health outcomes and financial security of those receiving benefits; this is section 2, item 3. In implementing this act, the state will help address health disparities affecting African-Americans. In 2011, 20 percent of African-Americans were uninsured. Furthermore, at least 59 percent of uninsured African-Americans with incomes below the Medicaid expansion limit reside in states not expanding Medicaid. African-Americans are at risk of facing coverage gaps due to states like Nebraska that choose not to expand Medicaid. It has recently come to our attention that one of our own chapter members, Marlenia Thornton, falls within the coverage gap. She is a longtime resident of Lincoln who graduated from a Lincoln high school, attended the University of Nebraska-Lincoln, where she pledged our sorority, or became a member of our sorority, and graduated from UNL with a bachelor's degree. She is currently in the Lincoln work force without adequate health insurance. Her situation pains us deeply, and we stand here today on her behalf and on the behalf of other Nebraskans. LB887 is our opportunity to ensure healthcare access to thousands of Nebraskans and to keep our communities strong by their contributions of work and volunteering. Healthy citizens who are able to work and contribute to their community are how we build a better Nebraska. We conclude with the words of Senator Nordquist, once again, because they are powerful words: Access to quality affordable healthcare should be a priority for all of us who represent the good life in Nebraska. And we ask that you vote yes on behalf of LB887. Thank you. [LB887]

SENATOR KRIST: Thank you for coming. Any questions? Yes, ma'am, Senator Cook. [LB887]

SENATOR COOK: Thank you, Senator Krist. And thank you, Ms. Nu'Man, for coming out today and coming in December to offer testimony on behalf of your sorority. Is your sorority doing outreach here in the state of Nebraska to get people into the marketplace as a part of your community service, or have you undertaken that here in this state? [LB887]

ANISAH NU'MAN: Yes, ma'am. We actually have an event coming up on February 17 in conjunction with the Lincoln branch of the NAACP as well as Nebraska Appleseed, and I would love to have all the senators there if possible to come. And we will have a panel as well as informed members within our community to help inform other people about the Affordable Care Act, how to get on the marketplace, as well as advocating you senators to get LB887 passed. So we do have an event coming up on Monday, February 17. [LB887]

SENATOR COOK: Thank you. [LB887]

ANISAH NU'MAN: Nice plug. Thank you. [LB887]

SENATOR KRIST: Thanks for that paid political announcement. Very good. Sorry. The next proponent. One of our favorite testifiers. [LB887]

SENATOR COOK: I know. [LB887]

SENATOR KRIST: Welcome back. [LB887]

LYNN REDDING: (Exhibit 7) Thank you. Good afternoon, Senator Campbell and members of the Health and Human Services Committee. For the record, my name is Lynn, L-y-n-n, Redding, R-e-d-d-i-n-g. And I have traveled here from Grand Island to offer my support for LB887. As a person with a disability and a recipient of Medicaid services, I wish to stress to you today how important access to healthcare is for people with disabilities and for those who cannot access healthcare/health insurance through their employer or the private market. My Medicaid coverage is literally a lifesaver. With all my chronic health conditions require me to see several doctors, several specialists, as well as to take many medications, some to counteract the side effects of the other medications. Without my Medicaid coverage, I would not be able to afford these visits or medications. As a single childless adult, were it not for my disabilities I wouldn't qualify for Medicaid. For me, that is a grave situation. But it's not just me. There are many people that you know, that I know, for various reasons do not qualify for healthcare. As a result, they have extremely limited access to healthcare--the emergency room--or lack of resources to pay high out-of-pocket costs. I know I would rather see my doctors in

their offices than to go anywhere near the ER. And I am confident that I am not alone in that. I know that I would not be able to pay for my healthcare needs without Medicaid. LB887 presents an opportunity for the people who get stuck in the coverage gap to get the healthcare they need rather than being forced to go to the ER at a very expensive price, or to go without. Neither of these options are good or cost effective. Nebraska cannot turn its back on their own citizens here. Everyone deserves access to healthcare regardless of their health, social, economic, or disability status. There are Nebraskans who need healthcare but, right now, are forced to remain in that coverage gap. LB887 is a needed opportunity to help the hardworking people get healthcare in our state. Please pass LB887 out of committee. It can be a life-or-death situation for someone you know. Thank you. [LB887]

SENATOR KRIST: Thank you, Lynn. Any questions for Lynn? Thank you again for coming. The next proponent. Hi. Welcome. [LB887]

DEB SCHORR: (Exhibits 8-11) Good afternoon, Senator Krist and members of the Health and Human Services Committee. My name is Deb Schorr, spelled D-e-b S-c-h-o-r-r. I'm here on behalf of Lancaster County Board of Commissioners to express our strong support for LB887. I'm also representing the Nebraska Association of County Officials, as well as Douglas County. The positions of NACO and Douglas County are set forth in the letters and the resolutions which are being distributed with my testimony. As you well know, counties are obligated, under state statute, to provide general assistance funding to those of our constituents who have no other means of support. Last year, Lancaster County spent $2,111,513 on the medical needs of our general assistance clients. The county also expended approximately $700,000 in the community mental health center budget, providing behavioral health services for those same general assistance clients. Adopting the Wellness in Nebraska Act will virtually eliminate all general assistance medical costs for Lancaster County, a potential savings of over $2.8 million for our local property taxpayers. Additionally, the Wellness in Nebraska Act will greatly improve the quality and effectiveness of healthcare for our low-income citizens as well as assist the Lincoln/Lancaster County community in meeting its goal of integrating primary healthcare and behavioral health services. Opponents of LB887 argue we cannot afford the Wellness in Nebraska Act. The truth is, we cannot afford to miss this once-in-a-lifetime opportunity. Thank you and I appreciate your support of LB887, and would be happy to answer any questions. [LB887]

SENATOR KRIST: Any questions? Senator Cook. [LB887]

SENATOR COOK: Thank you, Senator Krist, and thank you, Madam Commissioner, for coming out today and for advocating on behalf of your fellow commissioners in Douglas County and NACO. I have a question related to the second paragraph, and you have a number here that says, "Last fiscal year Lancaster County spent $2,111,513 on the medical needs of general assistance clients." Do you have any...a number here related

to those that might have been incarcerated? Because as we know, ACA changes, and those numbers might be reflected. [LB887]

DEB SCHORR: As far as providing healthcare for our inmates or incarcerated population, that comes out of our corrections budget, not out of our general assistance budget. But if you would like those numbers specifically, I could certainly provide those to your office. [LB887]

SENATOR COOK: That would be fine. Thank you. [LB887]

DEB SCHORR: Okay. [LB887]

SENATOR KRIST: Thank you so much. Any other questions? Thanks for coming. [LB887]

DEB SCHORR: Thank you. [LB887]

SENATOR KRIST: Next proponent. Good afternoon. [LB887]

JIM OTTO: (Exhibits 12-14) Good afternoon. Members of the committee, my name is Jim Otto, J-i-m O-t-t-o. I'm testifying today on behalf of the Nebraska Restaurant Association and the Nebraska Retail Federation in full support of LB887, the Wellness in Nebraska Act. As is going to be verified by the handouts I've provided, over 50,000 Nebraska workers could benefit from the passage of LB887, and most importantly, this bill would lead to healthier employees, which will in turn make for a healthier and more productive work force. As we've heard today, the Wellness in Nebraska Act provides affordable healthcare coverage for Nebraskans that are at or below 133 percent of the federal poverty limit. This bill provides for better solutions to preventative healthcare; and this preventative healthcare, along with the affordability of health insurance for these employees, will make for healthier work environments. Passage of LB887 also makes economic sense for a broad cross-section of Nebraska businesses. I encourage you to look at the sheet, or one of the sheets I handed out, this little white sheet, and I think it's telling of all of the industries that are impacted and the ones that are on there that are fairly high. You would expect restaurants and maybe retail, because they are part-time, mainly. But you have construction, you have actually a bank...banks on there. And if you go down the industries that are impacted, it's kind of telling. So rejecting these federal dollars hurts the Nebraska economy and will have a negative impact on the business climate in our state. If Nebraska fails to draw down federal dollars to increase coverage through Medicaid, some low-income workers will access premium subsidies on the exchange, thereby exposing Nebraska employers to greater penalties under the Affordable Care Act's shared responsibility provisions. I have provided the committee with a recent study conducted by Jackson Hewitt Tax Service, Inc., the one that has the red cover on it, which outlines these potential penalties and articulates the

methodology behind the study. The ultimate conclusion from the study is that the federal tax penalties to employers could cost or could total between $1.03 billion and $1.55 billion, with a "b," each year in the 25 states that have not yet expanded Medicaid for adults. This study concluded that the annual penalties for employers in Nebraska could range from $11 million to $16 million. These penalties would obviously have a very negative effect on Nebraska employers across the board, not just restaurants and retailers. The last point I would like to make is that we are sandwiched between two states, Iowa and Colorado, which have passed legislation that expands Medicaid. At the very least, the present situation supports employee border bleed. If all it takes to have health insurance is for a worker living in South Sioux City or Omaha, Nebraska, to simply work across the river in Sioux City or Council Bluffs, Iowa, it certainly encourages border bleed of Nebraska workers to Iowa, and the same is true for the Nebraska-Colorado border. At the very least, it encourages Nebraskans to work across the state line, and could, in fact, encourage employees to leave Nebraska for Iowa or Colorado, just so that they can receive affordable healthcare. With that said, this bill also is important for resident retention and business growth. I would like to thank the committee for their time and work. [LB887]

SENATOR KRIST: Mr. Otto, last year we heard several suggestions that the border bleed wasn't just a threatening situation; it was reality. Can your organizations or any of the folks that you represent give us specifics on businesses that may have already relocated because of what's being done in Iowa or Colorado? [LB887]

JIM OTTO: I can't give you specifics right here today, but I'd certainly be glad to research it and get back to you. [LB887]

SENATOR KRIST: I think the committee would like to see those stats, as well. I've heard of real instances but I think we'd like to see that; if you can provide that to us, it would be great. [LB887]

JIM OTTO: We'll check into it. [LB887]

SENATOR KRIST: Any other questions for Mr. Otto? Thank you, Jim. Appreciate it. [LB887]

JIM OTTO: Thank you. [LB887]

SENATOR KRIST: Next proponent. Welcome. [LB887]

SARITA PENKA: (Exhibit 15) Welcome. Thank you. My name is Sarita Penka, S-a-r-i-t-a, Penka, P-e-n-k-a. I live in District 6 in Omaha, where Senator Nelson represents me. I'm here today as a leader of Omaha Together One Community, OTOC, which is a coalition of 25 congregations and community organizations from Gretna to

north Omaha, and from south Omaha to my own congregation, St. Leo the Great, in west Omaha. I am here today with Reverend Doctor Damon Laaker of Grace Lutheran to ask you to listen to the call of our faith traditions and pass Wellness in Nebraska. In 2013, the U.S. Catholic Bishops called for the expansion of Medicaid, saying that "the Catholic tradition affirms that healthcare is a basic right flowing from the sanctity and dignity of human life." The bishops called for adequate and affordable healthcare for all. The bishops insisted that healthcare policy must protect human life and dignity, not threaten them, especially for the most voiceless. The Evangelical Lutheran Church in America, its assembly has adopted a social statement which states, "Health is central to our well-being, vital to relationships, and helps us live out our vocations in family, work, and community. Caring for one's own health is a matter of human necessity and good stewardship. Caring for the health of others expresses both love for our neighbor and responsibility for a just society." OTOC believes that Wellness in Nebraska is a concrete way that Nebraskans can express the love of neighbor that all of our religious traditions say is central to our faiths. I am chair of the OTOC mental health action team. For the last three months, members of our action team have been meeting with healthcare providers, staff at the county jail, and many others, to find out about why families with mental health issues have so many problems obtaining care. We have learned that far too many working families have no health insurance and have no money for doctor visits or to buy the medication they need. A different OTOC action team has recently held small group meetings with nearly 100 men and women who work in meat packing and in the service industries. These adults related how they were unable to insure their families through their workplace. Sometimes the workers were insured but not his other family members. Sometimes the workers' children were covered by Medicaid but both of the parents were not, because they made just a little too much money to qualify. Middle-aged workers with grown children, or single people, seemed to have very few options to stay well. If they had experienced an illness or injury and sought help at an emergency room, they were overwhelmed by the bills from multiple sources. Almost all of them said they would do their best not to see a doctor unless they were on death's door, because they simply could not afford to go. We encourage you to adopt and send this LB887 bill to the next committee so that it can be used for our citizens in this state. Thank you. [LB887]

SENATOR KRIST: Thank you so much. Any questions? Seeing none, thank you. [LB887]

SARITA PENKA: Thank you. [LB887]

SENATOR KRIST: Thank you for coming. Yes. Next proponent. [LB887]

AMBER HANSEN: Good afternoon, everyone. [LB887]

SENATOR KRIST: Hi. Welcome. [LB887]

AMBER HANSEN: (Exhibit 16) My name is Amber Hansen; that's A-m-b-e-r, Hansen is H-a-n-s-e-n, and I'm here today in support of the Wellness in Nebraska Act, LB887, on behalf of Community Action of Nebraska. For 50 years, Community Action has worked to foster the cultures and skills that support low-income families in their attainment of economic stability, and we've worked hard to keep the voices and conditions of those in poverty central to the development of public policy. Nebraska's nine community action agencies are all private, nonprofit organizations dedicated to helping Nebraskans attain economic stability. And between all nine of those agencies, we collectively serve every one of the 93 counties in the state. Some of the more notable programs that you may or may not be familiar with include Head Start, home weatherization, and employment assistance, which is only a few of the very broad range of services that community action agencies provide. It was back in August that Community Action of Nebraska was awarded the federal Navigator grant, which is to allow us to assist Nebraska consumers in navigating the new health insurance marketplace. Our navigators help consumers through the eligibility and enrollment process by providing fair, impartial, and accurate information. A navigator may assist a consumer with submitting the eligibility application, clarifying the distinctions among different health plans, and helping qualified individuals make informed decisions during this process of selecting a health plan. There are 44 statewide certified and licensed navigators in Nebraska. And I'm very proud of the way my state and community organizations and the like have come together to make the purchasing of health insurance as easy as possible for previously uninsured Nebraskans. Among the things I provided you is a simple table with some of the statistics that we have from what our navigators have done as well as some federal numbers that have come from the Department of Health and Human Services. The one that's most relevant to this committee would be the people who have fallen into the so-called Medicaid gap. This is an estimate but it is a conservative estimate, and you'll see that we estimate having seen at least 200 people across the state that we're not able to help, quite frankly. There are, in fact, an estimated over 50,000 Nebraskans that we are unable to assist that fall into the Medicaid gap. And those, again, are the people in Nebraska who make too much money to be eligible for Medicaid but too little to receive financial assistance through the marketplace using the cost-sharing reduction or the tax credits. We've heard some really good stories today, but another story is of a woman that we'll call "Sally" to protect her identity, that one of our navigators saw recently. She's a single parent with four children. She works full time; like most people who fall into the Medicaid gap, she works. But she earns below 100 percent of the federal poverty level. Which in case you're curious, for a family of five is actually just slightly less than $28,000. So Sally makes too little to qualify for the tax credits in the marketplace, thus making those premiums unaffordable; and she makes too much to qualify for Medicaid. To be fair, her children are covered by Medicaid and her employer does offer coverage, but making less than $28,000, trying to support a family of five on that means that those premiums make the difference between feeding her family or covering the cost of her health. So one of the things that we're here to highlight is our

navigators really have to see the reactions of people when they fall into that Medicaid gap. And it's very disheartening. And, you know, economic self-sufficiency is best attained through work. A healthy population is a more productive population and healthy people are less likely to miss work. It benefits business as well as the individual, as Mr. Otto before me had really highlighted. So, in conclusion, Community Action of Nebraska along with our nine community action agencies across the state, urge your support of LB887 on behalf of the more than 50,000 Nebraskans who fall into this coverage gap. [LB887]

SENATOR KRIST: Thank you, Ms. Hansen, for coming. Any questions? Seeing none, thanks again. Next proponent. Welcome. [LB887]

RICHARD BROWN: (Exhibit 17) Good afternoon. My name is Richard Brown, R-i-c-h-a-r-d B-r-o-w-n, Ph.D. And I'm testifying in support of LB887. I'm the chief executive officer of Charles Drew Health Center, located in Omaha. I'm also here today representing the Health Center Association of Nebraska. Nebraska's federally qualified health centers serve 63,000 primarily low-income patients annually, in 27 locations across the state, including Omaha, Lincoln, Plattsmouth, Norfolk, Madison, Gering, and Columbus. A new center in Grand Island will open at the end of February. We are your safety net providers in Nebraska, and the majority of our patients have no insurance. Our uninsured patients are almost entirely low-income working adults, people whose employers don't provide health insurance, and people who aren't making enough money to afford the private premium. They are laborers, service workers, people who work multiple part-time jobs, or have only seasonal employment. Many have never had insurance in their life and they face the hard realities of forgoing healthcare for their families. Most have never had a medical home, and we know it is a model that will reduce costly and inappropriate use of the sectors of the healthcare delivery system. I am pleased to report that four of the six Nebraska health centers, including Charles Drew Health Center, have a certified patient-centered medical home. A fifth is awaiting confirmation for application, and a sixth is in the process. With the coverage provided by LB887, the Nebraskans that we see every day, we can provide a medical home. Nebraska's health centers now employ 33 grant-funded certified application counselors whose job it is every day to meet with the uninsured in our communities and to help them learn about and enroll in the new health insurance options. Today I would like to share a couple of stories about people who have been helped at Charles Drew Health Center. They are success stories about people who have been able to obtain health insurance. First, let me explain and tell you about a husband and wife who were in their fifties with no insurance. And here's an excerpt from the thank-note that we received. "I was in tears. It meant so much to my husband and I to have insurance. You see, my husband was diagnosed with a very aggressive bone cancer in 2005. He was not supposed to live for more than six months, but he is still here living a good life with me and our children and our grandchildren. We had insurance through the employer but he was laid off of his insurance in December 2013. So now, because of Stefanie and the

kind gentleman that helped us on the phone, we will continue to have health insurance. Thank you so much. You both need a raise, a vacation, or a medal or something other than just my humble thank you." The second story is about a mother and her 20-year-old son who came to Charles Drew for health insurance. Both mother and child had experienced homelessness and abuse. The son had begun to experiment with drugs. The mother had expressed a strong desire to change her life and to get help for her son. After getting enrolled in a qualified health plan, she was able to receive a tax credit and can now utilize the medical and behavioral health services for her son. She left a voice mail thanking Charles Drew Health Center for helping her to receive health insurance and for the work that we do. In the past few months, our staff members at the Nebraska health centers have helped over 4,000 uninsured people across the state on one-on-one meetings. They are your neighbors, family members, acquaintances, and friends. Some we can help but some we cannot. You've heard examples of those who we cannot help. Another example that we have is a 22-year-old whose parent was disabled. He's in school, working...not working but in school full time, but he didn't make enough...his parent made too much money to qualify for Medicaid but not enough to buy premiums. So decades of research has demonstrated that regular access to healthcare treatment and services keep people healthier. A healthy child becomes a healthy adult. A healthy adult becomes a productive person who can contribute to society by learning through education, then earning an income, and then returning to society through purchasing goods and services, and then raising the next generation of healthy families. Without health insurance, people with behavioral health disorders do not get treatment and end up in the emergency room or the criminal justice system, which is more costly and less effective. LB887 will save Nebraska money in the long run. It will save lives and it will improve the health of Nebraskans in ways that will help employers, taxpayers, people who fall through the cracks in the delivery system. Thank you. And I'm happy to answer any questions. [LB887]

SENATOR KRIST: Thank you, Doctor. Any questions? Senator Howard. [LB887]

SENATOR HOWARD: Thank you, Senator Krist. Thank you, Dr. Brown, for your testimony. We heard earlier from Dr. Nohner that 51 percent of individuals in Senator Chambers' district are eligible but likely uninsured. Do you think that's an accurate assessment of your patient population? [LB887]

RICHARD BROWN: Absolutely. It's probably more than that. The population in that district is seriously unemployed, and the poverty levels are some of the worst, you know, in the country, to be quite honest. So there's a lot of people who come in and want to receive health insurance but they don't qualify for the current Medicaid, so we can't get them in there; and they just don't have the income to pay for the premiums. And so it is very disappointing to us to have to tell people that the current system does not allow you to qualify for any health insurance at all. [LB887]

SENATOR HOWARD: Thank you for your testimony. [LB887]

RICHARD BROWN: Thank you. [LB887]

SENATOR KRIST: Senator Crawford. [LB887]

SENATOR CRAWFORD: Thank you, Senator Krist. And thank you so much for coming here to testify and for your work with Charles Drew. Now I'm sure at Charles Drew you work very hard to try to serve those patients who are uninsured. So could you tell us how that will look different, what the difference will be in the kind of patient care that can be provided if they are covered by Wellness in Nebraska? [LB887]

RICHARD BROWN: Well, let me start with economics. Last year we spent $2.3 million taking care of uninsured individuals, people who could not pay any health insurance or could pay very little. And if this bill is passed, then the 5,000 individuals that I have that are uninsured, many of them will be able to participate in the expanded Medicaid; therefore, they will be able to receive regular primary care. They would be into a medical home. We can take care of their chronic diseases and make sure they get regular checkups. And as a result, we will have a healthier population who will be able to participate in the economic mainstream and get an education and go to work and give back to the community. But it is very difficult to study and learn or get a job if you don't have health insurance and can't take care of your high blood pressure or your diabetes that's out of whack or any heart disease problems that you may have. [LB887]

SENATOR CRAWFORD: So Wellness in Nebraska provides a change in terms of your ability to care for them between visits or to provide this more comprehensive care. Is that what you're telling me? [LB887]

RICHARD BROWN: Absolutely, it would be more comprehensive care. You know, most of the time people in poverty, when they get sick, they don't go anywhere until they absolutely, as you know, go to the emergency rooms. Well, by plugging into the community health center system and being eligible for expanded Medicaid, they're able to come and get regular checkups and can manage their chronic diseases. And a medical home is a concept such that we will keep in touch with them through social workers and make sure they keep their appointments, make sure they change their lifestyle, if they need to, to help make themselves more healthy. Our whole philosophy is about educating and keeping them in a state of mind that it is their responsibility to make sure that they keep themselves healthy. And so we asked them to choose a self-management goal, every single chronic disease person. We have pictures and talk to them about, well, what are you going to do to keep yourself healthy next time? They may walk or they may change their diet or they may do some other exercise to help themselves. So this bill will help us provide that kind of primary care, medical home services to these people who are now out there without any health insurance and not

contributing to society as they possibly can under this particular bill. [LB887]

SENATOR CRAWFORD: Thank you. [LB887]

RICHARD BROWN: Thank you. [LB887]

SENATOR KRIST: Any other questions? Thank you, Dr. Brown. Thank you very much for coming. Next proponent. Welcome. [LB887]

PAUL HOMER: (Exhibit 18) Thank you. Thank you for having me. Right now I'm passing out basically what I'm going to say, but...so you can have it on record and for your files. My name is Paul Homer. I'm a second-year medical student at the University of Nebraska Medical Center. I'm down here representing a group called the Student Delegates. We are a multiprofessional group that represents many health professions on campus. I do not speak for the University of Nebraska. I'm here to support LB887. I entered into the healthcare field as all physicians do, and that's to make our communities healthier. Currently, when we look at the health system in Nebraska, it's apparent we're failing a working population because they're uninsured. Honestly, I'm embarrassed to say that we cannot provide healthcare to working Americans, and without passing this bill Nebraska will continue that trend. On Thursday nights I work in a clinic. It's a free clinic down in downtown Omaha. It's privately funded, so we can only take about 70 patients. These patients are...they have diseases that are chronic but controllable, things such as hypertension, diabetes, asthma, COPD. Many of these patients, in order to get to the clinic, have to bargain with their employers just to get a two-hour vacation so they can get their medications. A lot of them have to walk through the heat and the cold three to four miles to get there, and if they happen to have a bus that stops near their neighborhood, they usually take that. These people are just a small subset of the 50,000 people that are uncovered throughout the state of Nebraska. Late last year a woman came in. She had just lost insurance through her work and she had severe heavy breathing. She was going into an asthma attack. She had ran out of her medications because she was no longer covered. We evaluated her; we gave her, her rescue inhaler. She was okay. We refilled her medications at a very low cost to the clinic. But like her and many other patients that come through, she would have ended up in the emergency room if this clinic was not there. Unfortunately, our clinic can only take 70 patients, when there's still 50,000 more out there just like her that all they need is care at a primary level but will end up in an emergency room. And with the passing of a bill like LB887, things like this that are...can become emergencies are taken care of at a primary level. Critics may condemn this bill as big government interference, but with the cost sharing for the abuse of emergency rooms and a 2 percent monthly contribution for...if they do not permit their wellness requirements, this puts some responsibility in the hands of the beneficiaries of people receiving this insurance. In keeping with the...or in my education and what I've seen in clinic, healthcare works when the patient is actively involved in the process of giving them their treatment and

figuring out their treatment regimen. And in the spirit of this cooperation and the accountability, I believe this bill performs us through the wellness requirements that are required to get this insurance and not pay a penalty. This will also aid in the education of when to use the emergency room and when not to abuse. I believe these requirements will promote better management of the chronic conditions that many of these patients see and reduce the number of avoidable ER visits and also hospital admissions. This model also enables physicians to expand care to a larger number of beneficiaries while ensuring the level of reimbursement necessary to run a sustainable practice. The provision of private insurance coverage creates a greater incentive to accept patients into a new or existing clinic, because the reality is me and many of my students, we're going to be doctors in the very near future. It is possible that we have to leave for residency because of just how it has to pan out, but it's just troubling to me to think that it would be more beneficiary to stay in another state and serve an underserved population and still be able to run a feasible clinic, but going back into Nebraska it would be much tougher serving this exact same population. Thank you for your time. [LB887]

SENATOR KRIST: Thank you. Senator Gloor. [LB887]

SENATOR GLOOR: Thank you, Senator Krist. Thank you, Paul. Are you going to specialize in family medicine? [LB887]

PAUL HOMER: Very unlikely. I am very interested in internal medicine, though, which is still primary care,... [LB887]

SENATOR GLOOR: Sure. [LB887]

PAUL HOMER: ...and I don't know if I would specialize somewhere in there. [LB887]

SENATOR GLOOR: But your hope would be to be in the general realm of a primary care physician of some kind. [LB887]

PAUL HOMER: Yes. Yeah. [LB887]

SENATOR GLOOR: What can the Legislature do that would make a difference in your...above and beyond passing this bill? What else can the Legislature do, because, as we've talked about, we're concerned about work force issues. [LB887]

PAUL HOMER: Yeah. [LB887]

SENATOR GLOOR: We're concerned about having enough caregivers to take care...adequately take care of people who would be added to the rolls of people seeking care. What can the Legislature do to make it more likely that you'd want to practice in

Nebraska? [LB887]

PAUL HOMER: I think there's a lot of things at many different levels, not just at a doctor level. But the tuition reimbursement is a huge, huge factor and I know people take that. And usually when you put somebody in an area for five years, they're going to sit there and stay there. Also, increasing residency spots, right now we have a problem where med schools have increased their admission, but residency spots have not increased. So we need to somehow, and this is...some of it is at a federal level as well, but increase the residency spots of what they're taking in terms of all levels, primary care up to specializations for schools. [LB887]

SENATOR GLOOR: Is it safe to say that if somebody does their residency out of state, there's a good chance they're going to stay out of state? [LB887]

PAUL HOMER: You know, I honestly don't know if they've even looked at that or what the facts are. But I do think that when you're coming back and you're putting together your private practice or even in another practice, you do have to look at how much of your patient population is going to be made up of Medicaid patients or, you know, any kind of patients from any poverty level. They're going to have some (inaudible). If you come back here, you know, we want to make sure that those patients can be covered and physicians can expand their care and still run a feasible practice when they come back and start another practice. [LB887]

SENATOR GLOOR: Thanks. I appreciate your perspective. [LB887]

PAUL HOMER: Thank you. [LB887]

SENATOR GLOOR: Thank you and good luck. [LB887]

PAUL HOMER: Thanks. I appreciate it. [LB887]

SENATOR KRIST: I'm surprised Senator Gloor didn't ask you if you were going to practice in outstate Nebraska, (laughter) because that's where our providers, I know. Anyway, thank you. Thank you for coming. [LB887]

PAUL HOMER: Thank you. [LB887]

SENATOR KRIST: Any other questions for the soon-to-be doctor? Thank you very much. [LB887]

PAUL HOMER: Appreciate it. [LB887]

SENATOR KRIST: Next proponent. Welcome. [LB887]

JORDAN DELMUNDO: (Exhibit 19) Thank you. Good afternoon, Senators. My name is Jordan Delmundo, J-o-r-d-a-n D-e-l-m-u-n-d-o. I am the policy and program director at Nebraska AIDS Project. Nebraska AIDS Project is the only statewide agency that supports Nebraskans living with HIV/AIDS and their families, supports LB887, the Wellness in Nebraska Act. LB887 presents the opportunity to keep people living with HIV, among so many others in our state, much healthier. Today, only 50 percent of the people living with HIV are linked to regular medical care, and only 25 percent are effectively treated with medication. Only 13 percent of people living with HIV have private insurance coverage, and nearly 25 percent are uninsured. Two hundred of NAP's current clients would qualify for coverage under LB887. These people do not receive the care they need because they fall into the coverage gap. They earn too little to qualify for assistance under the ACA, but they earn too much to qualify for Medicaid under the current law. These Nebraskans would not qualify for Medicaid unless they have been deemed permanently and completely disabled. This means that their disease state has progressed to full-blown Acquired Immunodeficiency Syndrome, or AIDS. The costs associated with treating AIDS are at least three times larger than the costs to treat someone living with only HIV. Many people with an AIDS diagnosis struggle with other comorbidities, like cancer, diabetes, hepatitis, and pneumonia, that complicate treatment and multiply the cost. It makes sense and would save a lot of money to treat people before they become disabled and to prevent them from becoming disabled. LB887 solves this cruel reality of the AIDS crisis by providing access to healthcare coverage to low-income, nondisabled people living with HIV. Health insurance coverage ensures the existence of reliable coverage necessary to maintain continuous medical care, without the interruptions caused by inadequate coverage or an inability to pay. Not only would people have access to care, but treatment is cost-effective and has been proven to prevent HIV transmission. LB887 provides the intervention that can defray the greater costs when someone living with HIV has been deemed disabled. Those costs associated with hospitalizations, later-stage disease, Social Security disability payments would be greatly reduced. LB887 makes sense for Nebraska. At least 54,000 people would gain access to healthcare. As a state, we would reduce the hidden tax of uncompensated care and bring back over $2 billion to our economy. The Wellness in Nebraska Act would be a major victory for people living with HIV and countless others who have been shut out of the current health insurance market. The benefits to Nebraska, both medical and financial, are absolutely clear. And I wanted to touch real quickly on a question Senator Gloor asked of Todd Ruhter earlier about access to doctors. Todd had said that he has access to Medicaid, but a lot of the people that I'm talking about only have access to Ryan White. Ryan White only covers outpatient visits and labs, so I wouldn't consider it primary care. So their access to doctors is very limited based on whether or not they have enough money to get transportation to Omaha, Lincoln, Grand Island, or Scottsbluff. And one other thing I want to point out, a similar increase in eligibility for coverage that took place in Massachusetts between 2006 and 2009 showed a 44 percent decrease in mortality amongst people living with HIV and a

25 percent decrease in new diagnoses. So that's just to backup the idea that treatment can help prevent the spread of HIV. So I'd ask you to please support LB887 and advance it to the floor. Thank you. [LB887]

SENATOR KRIST: Thank you, Mr. Delmundo. Any questions? Senator Gloor. [LB887]

SENATOR GLOOR: Thank you, Senator Krist. Thanks for your testimony. [LB887]

JORDAN DELMUNDO: Sure. [LB887]

SENATOR GLOOR: If you said it, I missed it. How would meds be paid for? Will Ryan White funds be used for meds or will Medicaid pay for the meds? [LB887]

JORDAN DELMUNDO: It depends. So people who are 200 percent or below the federal poverty level qualify for Ryan White, and right now there's a program called the AIDS Drug Assistance Program and that has some money to help purchase medications for people. However, for what we call ADAP, AIDS Drug Assistance Program, the average cost per person for one prescription I think per month is about $1,000, whereas for Medicaid it would be a lot cheaper--economy of scale. The other thing is that Ryan White ADAP, we experience waiting lists because of, you know, lack of federal funding, redistribution of funding to areas of the country that are more impacted by HIV, say the South of the United States. What we can do and what we're working on right now with Ryan White in partnership with HHS is to find a way to wrap...use that money as a wraparound to help pay for copays; to help pay, if we can, for premiums; to make the money go even further. [LB887]

SENATOR GLOOR: Thank you. [LB887]

JORDAN DELMUNDO: You're welcome. [LB887]

SENATOR KRIST: Any other questions? Thank you so much for coming. [LB887]

JORDAN DELMUNDO: Thank you. [LB887]

SENATOR KRIST: Next proponent. Welcome. [LB887]

MELISSA FLORELL: (Exhibit 20) Hi. Thank you for allowing me to testify today. My name is Melissa Florell, M-e-l-i-s-s-a F-l-o-r-e-l-l. I'm a registered nurse from Kearney, Nebraska, and I'm speaking on behalf of the Nebraska Nurses Association. The NNA is the voice for registered nurses in Nebraska, and we're asking for your support of LB887. Coverage expansion under LB887 will provide access to affordable healthcare to citizens in Nebraska who can't purchase their own insurance and may not currently qualify for Medicaid. Prior to coming to the Nebraska Nurses Association, I worked in a

cancer center in Kearney. I can't tell you how frequently we encountered people in the gap that is created by the Affordable Care Act, hardworking Nebraskans, frequently self-employed in rural areas, or employed in positions that don't have insurance offered to them. Their cancer diagnosis was devastating, not only emotionally as a cancer diagnosis would, you would expect to have that be, but also financially and emotionally. LB887 would help to take away some of the stress and concerns that those patients have when they are newly diagnosed. It's not only cancer patients. Frequently, individuals who lack adequate healthcare coverage have all sorts of complex chronic conditions that aren't being adequately managed. Those patients are admitted to hospitals through the ER, stabilized, and then discharged without adequate resources for follow-up or prescriptions. LB887 would limit those costly readmissions and ER visits by focusing on disease prevention and care coordination. The Wellness in Nebraska Act places an emphasis on patient-centered care and prevention. Patient-centered care is an innovative model that engages patients, families, their support systems in order to identify models of care and methods of treatments that fit their resources and their needs. And this increases patient compliance and improves outcomes at a much lower cost. With the implementation of LB887, new jobs, including nursing positions, would be created in an expanded marketplace, and federal dollars, partially funded by our Nebraska taxpayers, would bring additional income into our state. Potentially providing healthcare to an additional 54,000 Nebraskans through LB887 has raised concerns by some of the adequacy of our primary care providers. Registered nurses, and nurse practitioners in particular, stand ready to continue to do their part to provide primary care to all Nebraskans. Thanks to the support of the Legislature with the new UNMC nursing program in Norfolk and new facilities planned for Kearney and Lincoln, we're working to meet the additional demands for primary care. LB887 will impact healthcare and the Nebraska economy positively. And the Nebraska Nurses Association supports LB887 and we respectfully encourage the committee members to vote in favor of LB887 and for a healthier Nebraska. Thank you. [LB887]

SENATOR CRAWFORD: Thank you. [LB887]

SENATOR KRIST: Thank you. Any questions? Senator Gloor. [LB887]

SENATOR GLOOR: Thank you, Senator Krist. Thank you, Ms. Florell. So as we talk about work force issues, is expansion of the scope of nurse practitioners' scope of practice one of the solutions to work force issues for us? [LB887]

MELISSA FLORELL: I think any conversation about work force issues and nursing in Nebraska is a team conversation. Nurse practitioners being able to practice in rural areas without the current constraints of the IPA agreement would help access in rural areas of Nebraska. It's being done very successfully in many parts of the country and has outcomes to back that up. That said, healthcare going forward, in whatever conversation you have, is a team effort and requires a team model--registered nurses,

nurse practitioners, physicians--and we have to work together to find those solutions. [LB887]

SENATOR GLOOR: Okay. Thank you. [LB887]

SENATOR KRIST: Thank you so much for coming. [LB887]

MELISSA FLORELL: Thank you. [LB887]

SENATOR KRIST: Next proponent. Welcome. [LB887]

JON BAILEY: (Exhibit 21) Good afternoon. Good afternoon, members of the committee. My name is Jon Bailey, that's J-o-n B-a-i-l-e-y. I'm the director of the Rural Public Policy Program at the Center for Rural Affairs in Lyons, Nebraska, and I come before you today in support of LB887. First of all, I'd like to thank Senator Campbell and all the sponsoring senators, Senator Howard, Senator Crawford, for introducing LB887, and thank you for your commitment to providing access to health insurance and healthcare for all Nebraskans. Being passed out are my written comments. I'm not going to take the time to read those to you, but I will focus on a couple of items. First of all, I would like to let you know, as you have heard earlier today from several people, about the coverage gap. The coverage gap in rural areas is very real and the stories you've heard today we hear over and over again, and there are a thousand, thousands of stories in rural Nebraska about the coverage gap. Over the last few months, we have spent a lot of time going across rural Nebraska providing information, education about the Affordable Care Act, helping people with enrollment, usually in conjunction and collaboration with the community action agencies, as Ms. Hansen talked about earlier, and also local public health departments. Some of those observations I've included in my written testimony about those presentations, but suffice it to say the coverage gap in rural Nebraska is real. It's probably growing and it's affecting thousands of people. To piggyback on some research that you heard earlier today, we have done research showing that about 20 percent to 25 percent of households in nearly every rural legislative district would qualify for LB887, so I think that shows the need out in the countryside for this bill and for the services it provides. The one thing in my written testimony that I really want to focus on is how LB887 would be critical to rural small businesses. Small businesses, including farms and ranches, are vital to the economies of rural communities, often being the only employers and the only economic force in many communities. The Center for Rural Affairs operates the Rural Enterprise Assistance Project, REAP, the largest statewide microenterprise development organization in the nation providing loans and business assistance to businesses with ten or fewer employees. In the nearly quarter of a century that REAP has existed to help start and expand small businesses in rural Nebraska, we have noticed two happenings related to small businesses and health insurance. The first is that few small businesses now provide or offer health insurance to their employees. Every other year we survey

REAP businesses on a variety of topics, including health insurance coverage. We are just starting the 2014 survey. Actually tomorrow the survey goes out. But in our most recent survey in 2012 we found that over 74 percent, almost three in four employers, three in four small businesses with employees do not offer health insurance to their employees. Cost was the primary reason cited why health insurance was not provided. That lack of health insurance coverage provided by small businesses has some effects. For one, it seems to be causing uncertainty in the job market for employees...for employers. It's become more difficult for employers to retain workers without offering health insurance benefits, particularly if insurance is offered elsewhere. Employers invest in employees and need employees to reach the potential of the business. The churn that we're seeing in small businesses--employees coming, employees leaving a business--that churn in small business employment, due at least partially to the inability to provide health insurance, damages the return on the human investment that the employer makes and makes the potential of that business more difficult to achieve. So for all the reasons you have heard today and the ones I just offered, and all the reasons you heard last year in the LB577 debate, for the financial and economic benefits to the state we urge the committee to advance LB887, but, most importantly, for the health and well-being of Nebraska's people we urge you to advance the bill. Thank you very much. [LB887]

SENATOR KRIST: Thank you, Mr. Bailey. Any questions? Seeing none, thanks for coming. [LB887]

JON BAILEY: Thank you. [LB887]

SENATOR KRIST: Next proponent. Welcome. [LB887]

SARAH GERSHON: Hi. My name is Sarah Gershon, S-a-r-a-h G-e-r-s-h-o-n. I'm a Lincoln native. I was born at St. Elizabeth. I attended Lincoln High School. I'm uninsured. I make too much to qualify for Medicaid and not enough to qualify for subsidies. I've had health problems for over ten years, which I've managed by working and paying out of pocket. I have not had adequate care for a very long time, only what I can afford to keep going. Last March I received another blow to my health when I was diagnosed with autoimmune arthritis, on top of the multiple issues. It could be rheumatoid arthritis, it could also be lupus, but I cannot afford the testing, which leaves me at the point where I can't have medication because they don't know what it is. I have worked since I was 16. I've never been fired, I've never collected unemployment, and, other than recovering from surgeries, I've never stopped working. I've worked multiple jobs in order to pay for the prescriptions and doctor's appointments. Without treatment, my arthritis is progressing very quickly. I'm 31 and I have so much more to contribute to this world. Without the Medicaid expansion, I will wither away quickly. Without medical help, I will end up on disability. Last year at this time I was able to work two jobs. I'm down to barely making it through three shifts a week. There is no way to afford medical

care at that point. I am not the only person in this position. I would be able to more than repay what I would borrow into the system once I get to the point where my health is good again. I'm asking you to consider this for people like me, who don't give up, who continue to work, who don't want a handout, who just want a little help to get a little bit further. Thank you. [LB887]

SENATOR KRIST: Thank you for your courage. Questions? Thanks. Next proponent. [LB887]

JESSICA MEESKE: I wanted to give her a hug. Great. [LB887]

SENATOR KRIST: Welcome. [LB887]

JESSICA MEESKE: (Exhibit 22) Thank you. My name is Jessica Meeske, J-e-s-s-i-c-a, Meeske is M-e-e-s-k-e. Good afternoon. I'm a pediatric dentist with practices in Hastings and Grand Island. I also chair the Medicaid committee for the Nebraska Dental Association. And in my spare time I sit on a school board that has 55 percent of its kids that qualify for free and reduced lunch, as well as a trustee of a small private liberal arts college where about one-third of the kids are Pell Grant eligible. I'm here testifying in support of LB887 because I see it as a practical solution for young adults, working-class parents, and my special-needs patients that have now become the only citizen group that's left out of having the protection of health insurance. I am proud that I'm a dental practice that sees over 60 percent Medicaid, and we work really hard to make this program work for our families. However, I'm concerned, both for my patients that are 19 and are going to age out of the Medicaid system, as I am for their parents. These parents are often working more than one job or attending school themselves. These include college students, dental students, dental hygiene students, single parents, and many grandparents that are now bringing their grandkids into the practice. I'm witness every day to these parents trying their best to take care of their kids, all while they themselves are suffering from something as simple as a toothache. And often, the dental disease that they live with, it's exacerbated by a chronic medical condition, such as diabetes, heart disease, mental illness. And what started out as a very simple $50 filling for a cavity, over the course of time, if left untreated, it becomes an extremely painful, debilitating situation that can lead to early loss of permanent teeth and thousands of dollars for needed dental care, something that was totally preventable. Countless Nebraskans go through our hospital emergency rooms seeking help for a toothache at very high costs--not a good way to access dental care. The Wellness Act in Nebraska, it's both courageous and it's a commonsense proposal. From a dental perspective, it encourages individuals to take responsibility for their own disease risk factors, positive health behaviors, and it covers preventive services as well as treatment. It encompasses the medical home concept as a way to coordinate such care, an idea borne from one of your own, Senator Mike Gloor. And we look forward to someday having a dental home as well. Now if I forget about my role as a healthcare

provider and I think about myself in terms of being a small business owner, I share concerns that others have shared. Will we have an adequate infrastructure? How am I going to see more Medicaid patients in my practice? What if Medicaid fees actually go down in order to cover more people? These are all real concerns. But most of these problems go away if the newly eligible Nebraskan group, those in that 100 to 138 percent of poverty, can use that premium assistance option to purchase private or commercial plan. And the majority of Nebraska dentists participate in these insurance plans that already accept these patients, system ready to go. For those Nebraskans that make less than 100 percent, they'll be added to the Medicaid group. Something you might not know is adult dental Medicaid is already capped annually $1,000 per eligible. We already understand cost containment. So now we're down to the last question: How do we meet the capacity of more Medicaid? And the honest answer is I don't know exactly how I'm going to do this. But I know this. For 35 years our practice has survived fee decreases; red tape administrative barriers; managed care; the addition of Kids Connection; electronic data claims systems; MMIS, which I affectionately refer to as monstrous, mostly outdated, indescribably complicated software; and many Governors and Medicaid directors, all who have their own ideas how to make it work. But we'll find a way because we're here for the long-run and we want to be a partner with the state to serve the dental needs of Nebraska's most vulnerable populations. Like any partnership, each stakeholder will have to work together to make the program better. Nebraska Dental Association is committed to doing this. This is a start down the right path to providing a fair and just way to help every Nebraskan have reasonable healthcare, and there's going to be bumps in the road. In summary, I challenge you to find a way to expand the number of adult Nebraskans that will have health insurance, and I, in turn, pledge to you I'm going to do my best to see them and to get my colleagues to do the same. Thanks. [LB887]

SENATOR KRIST: Questions? Senator Gloor. [LB887]

SENATOR GLOOR: Thank you, Senator Krist. Thank you, Dr. Meeske. And you and I have had discussions off and on about some of these issues. Are there discussions in the Dental Association about the numbers, the need to not just train more dentists but also get more dentists established in practices across the state of Nebraska? I mean we lose dentists to other states just like we lose... [LB887]

JESSICA MEESKE: Sure. [LB887]

SENATOR GLOOR: ...physicians to other states. [LB887]

JESSICA MEESKE: Yeah. Yeah, absolutely. Nebraska Dental Association is very proactive in getting dentists into counties that are underserved, that don't have enough dentists, as well as getting dental specialists into those areas. I'm one such specialist, being a pediatric dentist, participated in the Nebraska Loan Repayment Program, came

down last year, testified on that bill. So there's a number of things that we're doing. There's also many creative ways we're trying to get more dentists to increase their capacity to see Medicaid. One of the things you're going to hear about in the future is Nebraska Dental Association recently passed an expanded proposal for allowing nondentists, such as hygienists and assistants, to be able to do more in the practice setting. We're at the point we're getting ready for a 407 application, but, as we've learned, we need to get our ducks in a row and try to come to some agreement before we come and ask you for anything. [LB887]

SENATOR KRIST: Please. [LB887]

JESSICA MEESKE: So there's quite a few things. [LB887]

SENATOR KRIST: Please. (Laughter) [LB887]

SENATOR GLOOR: That takes care of one question I was going to ask. So I'll give you an underhand and you can hit this one over the fence, I'm sure. What difference, and it should be known that you're one of those dentists who actively seeks patients in need, kids obviously, that are Medicaid, Medicaid-eligible, or charity cases. So you do put your actions...you walk the talk and so... [LB887]

JESSICA MEESKE: Thank you. [LB887]

SENATOR GLOOR: ...you have a lot of credibility with me on these issues. What difference would it make in your practice, in terms of the children that you see, if we were more aggressive in our fluoridation? [LB887]

JESSICA MEESKE: Oh. Well, fluoridation is the number one, most cost-effective way to reduce dental disease and, you know, Medicaid costs. You know, for every $1 that's spent in fluoridation, you're going to spend $30 to $40 preventing preventable disease, like tooth decay. So, you know, fluoridation is another one of those hot topics that we certainly want to come back with, but one issue at a time. And having lived through fluoridation on a local basis, both in Hastings and Grand Island, that's one you can only tackle about every five years because of the amount of energy and the political toll it takes on you and your family and your practice and all those things. But we're certainly committed to that. [LB887]

SENATOR GLOOR: Thank you. [LB887]

JESSICA MEESKE: Uh-huh. [LB887]

SENATOR KRIST: (Exhibit 37) I'd just use the opportunity to note that Nebraska Dental Association has also sent a letter of support for LB887. So thank you very much for

coming. [LB887]

JESSICA MEESKE: Thank you. [LB887]

SENATOR KRIST: Thanks for what you do. Next proponent. Welcome. [LB887]

KAY OESTMANN: (Exhibit 23) Good afternoon, Senator Campbell, Chairman, and Senator Krist, members of the Health and Human Services Committee. My name is Kay Oestmann, and I'm speaking today for Friends of Public Health, which is an arm of the local health departments across the state. [LB887]

SENATOR KRIST: Kay, can you spell your name for us. [LB887]

KAY OESTMANN: Oh, I'm sorry. [LB887]

SENATOR KRIST: It's all right. [LB887]

KAY OESTMANN: Kay, K-a-y, Oestmann, O-e-s-t-m-a-n-n. [LB887]

SENATOR KRIST: Thank you. [LB887]

KAY OESTMANN: We support LB887, which is to adopt Wellness in Nebraska, the Wellness in Nebraska Act. Most of what I want to say has been said already, but across our state the health departments are faced with finding ways to access care for low-income adults who don't have healthcare coverage and have serious healthcare problems. They're hardworking community members who sometimes work two or three jobs, face almost insurmountable problems to independently meet their basic needs and keep their families intact. Rural pride is evident throughout Nebraska. We've also learned that public health is...we know that public health is based on a science, and the research has shown that access to preventive care reduces healthcare costs for the entire health system. Prevention is one of the best methods of controlling costs, such as fluoride. People who lack access to preventive healthcare tend to have more serious healthcare needs and, thus, create greater costs and burdens on the healthcare system. These individuals may then be admitted to hospitals. They're stabilized and then they're discharged without adequate resources to complete recommendations or follow up on appointments or prescriptions. When I was preparing this testimony, I talked to the local health directors and asked them to send me some examples of things that were going on in their districts. I was deluged, you know, with stories that, you know, just made me...kept me awake at night thinking about, you know, what can we do? I have highlighted four that I would like to share with you from various parts of the state. Mary is a single parent of four in central Nebraska, who works full-time and has an income of 89 percent of the federal poverty level and is not eligible for tax credits, making premiums unaffordable, and yet she does not qualify for Medicaid. She works to

help hundreds weekly to figure out their options while she has no coverage for herself. Justin lives in southwest Nebraska and he's self-employed--he has a landscaping business--with four children, one of whom has special needs. He and his wife tried to access insurance through the Marketplace, but they fall into the gap. Susan is a 43-year-old, single mother of one who lives in western Nebraska. She worked for a community college as an educator in two different departments. Since she worked in two different departments of the college, she wasn't eligible for benefits. It's somewhat ironic that the major focus of her work has been assisting people in her community to obtain an education so they could seek gainful employment. She suffered a major illness and received charity care through UNMC and Great Plains Medical Center and other medical facilities. Many bills also ended up in collections. She falls into the gap. Linda, who is a nursing assistant, lives in northeast Nebraska and works at a local nursing home and earns $9 per hour. Her child has health coverage but Linda has no health insurance coverage. She pays rent, utilities, phone, gas, vehicle insurance, car payment, day care, and groceries on an income that puts her in the gap for accessing healthcare coverage. Currently the cost of uncompensated care is passed on to Nebraskans and businesses in premium rate increases while additional costs are paid by the state and counties. Coverage under the new program will reduce the amount of uncompensated care, thereby reducing the cost shift for insurance premiums. The bill will provide a means for 54,000 Nebraskans to access preventative care and ongoing healthcare. And as I started, the local health departments, Friends of Public Health support LB887, the bill to adopt Wellness in Nebraska Act, and we encourage you to do the same. Thank you. [LB887]

SENATOR KRIST: Thank you, Kay. Any questions for Ms. Oestmann? Thank you for coming. [LB887]

KAY OESTMANN: Thank you. [LB887]

SENATOR KRIST: Next proponent. Welcome. [LB887]

JOHN CAVANAUGH: (Exhibit 24) Senator Krist, Senator Campbell, members of the committee, my name is John Cavanaugh, J-o-h-n C-a-v-a-n-a-u-g-h. I'm the chief operating officer of the Holland Children's Movement, and we are also members of the Nebraska Children's Health Alliance. The Holland Children's Movement, founded by Richard Holland and directed at finding solutions for children and families in poverty, is directly engaged in support for the Wellness in Nebraska Act, LB887. And I'd like to commend Senator Campbell and the cosponsors, Senator Howard and Senator Crawford, for your persistence in keeping this act effort alive. I want to make two points that I think are important and haven't been really emphasized and primarily focus on the children. There are 27,000 children in Nebraska who are uninsured. Now most of those children are eligible for CHIP or Medicaid coverage, but they are in families that are not insured. Those 55,000 uninsured people in the Medicaid gap have children and their

lack of familiarity and lack of ability to access...on how to access medical care directly impacts those children. So as you proceed through with the consideration and arguments in favor of the Wellness in Nebraska Act, I think it is important. That's a very big number, 27,000, and it's growing. Two years ago it was 25,000. So as we've seen the population in the gap grow, we've also seen the number of children that are in those families also grow. I've also provided you in the handouts, in the handout, my written testimony but a chart that was put together by research through Voices for Children, who does an outstanding job, and it does focus on the financial conditions of those families in the gap with incomes between $13,000 with a family of four and $23,000 and a family of four. And what it dramatically highlights is the lack of an alternative, an economic alternative, to secure healthcare coverage in the Marketplace. And that's really the essence of what you're dealing with. I want to commend Senator Campbell again for bringing a truly Nebraska solution. And I think that the head of the Medical Association earlier described this as a win-win-win situation. It's certainly a win situation for those uninsured Nebraskans in need of healthcare. It's a win situation for the taxpayers of Nebraska. It's a win situation for the providers of healthcare in Nebraska. And it's actually a win situation for the entire economy and health of this state. So I'm pleased to be here and to offer our support for the Wellness in Nebraska Act, LB887. Thank you. [LB887]

SENATOR KRIST: Thank you for your continued public service, John, and also a special thanks to Mr. Holland and the group for taking on a new endeavor. It is always inspiring to watch those folks who come forward when there's a cause, so thank you very much. And I guess you don't want to take any other questions, so... [LB887]

JOHN CAVANAUGH: Oh. (Laughter) [LB887]

SENATOR KRIST: I'm just kidding. [LB887]

JOHN CAVANAUGH: I'm happy to, but... [LB887]

SENATOR KRIST: No, that's fine. [LB887]

JOHN CAVANAUGH: ...John will answer them. [LB887]

SENATOR KRIST: Okay. You're on the hot seat. Welcome. [LB887]

JOHN HANSEN: (Exhibit 25) Good afternoon, Vice Chairman Krist, members of the committee. For the record, my name is John Hansen, J-o-h-n, Hansen, H-a-n-s-e-n. I'm the president of Nebraska Farmers Union. We are the second largest general farm organization in the state. We have over 6,000 farm and ranch family memberships and all the folks that come with that. We work to ensure the economic well-being and the quality of life of family farmers, ranchers, and members of the rural community. This

issue is a two-for-one issue. This is not only the quality of life. It is also the economic well-being of not only our farmers and ranchers but also the members of our rural community. We have a lot of working poor in rural Nebraska. We provide services and have been in the business of helping our folks when things don't go well. We are celebrating our 30th year this year of the Farm Crisis Council, the longest continuous-serving farm crisis hot line in America. We are one of the founding members, along with the Methodist Church and Interchurch Ministries. We help folks in their time of crisis. And what we find over and over again is that the uninsured medical incident that happens becomes the primary precipitating event that then sets off a chain reaction of nothing but trouble and misery. And so we are in a very dangerous profession. Half of all of our insured members get their insurance through single policies. That has been a minefield because it's the easiest way to isolate folks out with preexisting conditions. It's also the easiest way to stick their heads in a stanchion and tail them up and stick them with higher and higher rates once they ever have a claim. So we have folks that have gone 15 years without a claim, have one simple claim and then their policy is off to the races under that situation. And so what happens then when folks are in that situation where they have that medical condition and either that body part is not covered or they don't have insurance? Well, that's when we start running up huge bills in the medical system and then we start liquidating capital assets, including depreciated out farm equipment, and we liquidate land bought at lower levels. And so the doctors and the hospitals and all of the research and all of the labs and everybody else gets their money mostly covered. And then comes the IRS and they are our new partner, and then all of a sudden you've got capital gains liability and you don't any longer have the assets to be able to liquidate to cover it. And so we see time after time that chain of events that starts with uninsured medical situations and it is the number one leading cause, in our view, of farm bankruptcies. So it is not a minor issue for us. If you will read the special orders of business that our members put together at our last state convention, which was our 100th, it is dripping in the one thing that we always encourage our members not to do when they do special orders of business, which highlights a yearly topic of focus for our organization, is they jammed it plumb full of numbers. But when you read it, it is also plumb full of passion. And so our folks view this issue as both a good neighbor and a civic responsibility issue, and they also view it as an economic necessity. And so let's talk just a bit, if we could, about a couple things that we haven't talked about for the most part this afternoon--the relative world of cost-share rates. So I suspect if Senator Watermeier and I were to get together, and we both have backgrounds in natural resources through natural resource district service, we work also with agriculture, I work with economic development. Any time you beat a 50 percent cost-share rate, it's a good day because an awful lot of federal funding does not get much past 50 percent. I've put together a lot of projects that were a third, a third, third, and so...local, state, national. So when you get a cost-share rate of 90 percent after it comes down from 100 percent, that is about the best cost-share rate you could possibly hope for in order to deal with a problem that is real and for which there are no other known solutions on the table. This is it. This is the best train coming out of town. We

encourage you to support LB887, and I'll be glad to answer any questions if you have any. Thank you. [LB887]

SENATOR KRIST: Thank you, Mr. Hansen. Any questions for Mr. Hansen? Thank you so much for coming. [LB887]

JOHN HANSEN: You bet. Thank you. [LB887]

SENATOR KRIST: Next proponent. Hi. [LB887]

JAMES GODDARD: Good afternoon. [LB887]

SENATOR KRIST: Welcome. [LB887]

JAMES GODDARD: (Exhibit 26) Thank you. 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 Health Care Access and Economic Justice Programs at Nebraska Appleseed. Nebraska Appleseed is a nonprofit organization that fights for justice and opportunity for all Nebraskans. I'm having my testimony, written remarks, handed out, but I'd like to actually talk about something else. We were just made aware that there was additional information posted by the department about a new draft or an update to the draft of their Milliman report, which would discuss costs associated with LB887. Obviously, there I can't hand you that report and I haven't had a whole lot of time to digest it, but from what I understand about it, we do have a few questions about different pieces of it. There's an estimate of a significant increase in the number of eligibles in there. That would be, I think, nearly twice as high or certainly higher than the Legislative Fiscal Office report. The other question I had about that was the bill requires an actuarial study, as I understand it, to look at who these folks are who might be coming on to the program, what their health status is, so we can get some sort of estimate of what the costs might look like. Obviously, that hasn't happened yet because the bill hasn't been passed. But a study, as I understand it, could not have been done. So I wonder about some of the accuracy there. As I understand it, this also would assume 100 percent participation in the program. You know, we'd obviously love to see 100 percent participation in some of these programs because that means folks are getting healthcare. But in past reports, Milliman itself has stated 100 percent participation is really not likely to happen. Possibly more important is that some of Milliman's estimates have been questioned in the past. They've always been an outlier in some of the things that I've looked at in comparing to national experts, local experts like UNMC, right here in the Fiscal Office, which has had uniformly lower estimates. So with that, I just want to, as I said, I wish I could give you more information than that at this point. Those are some of the questions, but I want to underscore the importance of this bill even if it does cost more than LB577. This is a bill that creates a plan that's unique to our state. It's going to cover thousands of people that otherwise are not going to be able to get health insurance coverage. It utilizes the

private market. It brings innovation to our healthcare system, and it ensures enrollees will take an active role in their healthcare. In short, this is the right thing to do for our state. And we're going to be leaving out thousands of people who are going to have no alternative if we don't move ahead with this bill. So we fully support LB887 and would just like to say this is a win for our state, as others have said today. Thank you. [LB887]

SENATOR KRIST: Thanks for your testimony. It's a little bit of a question and a little bit of a comment. I'm sure it comes as no shock that the release of any kind of information from the department would happen when we are sitting here talking about the issue rather than being able to share it beforehand. I'm sure there's a reason why that happened, but neither here nor there. I have relied on your analysis, along with comparing it with the...what I would consider the other side of the analysis. And I would hope that you would come back to us, to the committee with your analysis of what the Milliman study actually does, first of all. [LB887]

JAMES GODDARD: We will absolutely dig into it. [LB887]

SENATOR KRIST: And my next question is the feasibility of actually doing what we're saying we want to do. You're always very systematically pragmatic about the way that you approach this. We're asking the administration to do things and establish a state plan that would go forward that would establish Wellness in Nebraska. You obviously heard the State of the State, so my question would be, do you think that moving forward now, with very little success with this administration, is wise, or would you recommend waiting until we actually make this a gubernatorial race issue and find out what the next Governor thinks about Wellness in Nebraska? [LB887]

JAMES GODDARD: I would not recommend waiting. I think that this is far too important to wait. And we've heard from so many people here today why this is so important to do now for the health of our state. Waiting would also forgo a considerable amount of dollars, 100 percent funding this year and the next two. So I think waiting is not an option. In terms of moving ahead with the waiver process, I am confident that the committee that will be created to negotiate this process with the department and with the federal government will do a really good job in coming to reasonable conclusions about one issue and other, and we'll be able to move this through to the place where the federal government will stamp their seal of approval on it. And lastly, I mean we do have...this is a unique Nebraska plan, as I said, but we're not in the dark on what the federal government thinks will be approved. And much of the content of this bill, although it is unique to us, has, you know, gotten a seal of approval from the federal government. So we know where we're going. So in short, I think we have to act now, and I feel confident that this can be moved ahead. [LB887]

SENATOR KRIST: So in layman's terms, we've seen CMS approve these kinds of plans from other states. We know that in most cases they are cost neutral and, therefore, no

reason why they would not approve. Is that...am I putting words in your mouth or is that accurate? [LB887]

JAMES GODDARD: I think it's accurate that we have a pretty good sense of whether...what they're going to say yes to and that this bill has a lot of that in it, in addition to some other really great things like innovations: patient-centered medical homes and other things like that. [LB887]

SENATOR KRIST: Thank you, Mr. Goddard. Senator Crawford. [LB887]

SENATOR CRAWFORD: Thank you. Well, one of...may not have enough time to dig into the new fiscal note, but I think even the existing one that we have talks about somewhere over 90,000 expected people eligible by 2020. Now you and other proponents tend to talk about 50,000 people that are in the gap that we're covering. So do you have any explanation for that gap between what we say now a lot of the estimates are, and we're talking about 50,000 people that we're talking about covering, and then a fiscal note that would be talking about over 90,000 people covered? [LB887]

JAMES GODDARD: If I'm remembering this correctly, and I looked at it quickly this morning, I thought that the fiscal note that was produced for this bill from the Fiscal Office indicated around the 53,000 mark... [LB887]

SENATOR CRAWFORD: For now. [LB887]

JAMES GODDARD: ...for now. And I also thought over time it was in the area of 60,000 or so. I could be wrong about the upper end of that. But I haven't seen a number from the Fiscal Office estimates over time that would put us into the, you know, 90,000 or upper numbers. But there could be someone that's following me that could better answer that than I can. [LB887]

SENATOR CRAWFORD: Thank you. [LB887]

SENATOR KRIST: Thank you, Mr. Goddard. [LB887]

JAMES GODDARD: Thank you. [LB887]

SENATOR KRIST: Next proponent. Welcome. [LB887]

MARK INTERMILL: (Exhibit 27) Thank you, Senator. [LB887]

SENATOR KRIST: Every time I see you, I think about my retirement fund. (Laughter) [LB887]

MARK INTERMILL: Oh good. I'm glad we are having that effect. My name is Mark Intermill, M-a-r-k I-n-t-e-r-m-i-l-l, and I'm here today representing AARP. I want to briefly touch on three things, first of all, the reason why we need to do this. Secondly, I want to talk a little bit about the public opinion that AARP has, the research that we've done on that issue. And finally, I do want to touch on some of the fiscal issues. But the reasons that we need to do this you've already heard from Denise and Sarah and Oksana, and AARP has done a lot of presentations. I think we just have passed 100 that we've done around the state, and inevitably there's somebody at the presentation who falls into the coverage gap, and it's one of the most difficult parts of my job is to explain to them that they can't get coverage because their income is too low. And it's counterintuitive to them; it doesn't make sense. And quite frankly, it doesn't make sense to me, but that's the situation we're in right now unless we do something to fix it, which LB887 would do. We are also finding that it doesn't make sense to a lot of Nebraskans. We have, in late 2012, we conducted a poll of our members on a number of issues, including Medicaid expansion, and found majority support for Medicaid expansion. We also presented an alternative, if it can be shown that much of the cost can be offset by savings in other programs would you support it, and found that support went up to about two-thirds. Spring of last year we did another poll with Nebraskans over the age of 18. We expanded beyond the AARP age group, asked similar questions and found similar results. We found about 52 percent supported Medicaid expansion. And then if you added the additional piece of information that much of the costs can be offset, it goes up to about 62 percent. We lose some. We lose some support, but we gain quite a bit of support when you add that condition, which leads to the fiscal piece. I think the question about the numbers of individuals served, what we have seen in the census is that for Nebraskans who have an income below 138 percent of poverty who are uninsured, the numbers that we see are in the 50,000 to 60,000 range. In addition to that, there are about 20,000 Nebraskans who are in that income range that are currently purchasing insurance privately, on the private market. How they're doing that I have no idea, but that's what the census data shows. So that gets us to about 70,000 people. So I'm not sure where the 90,000 would come from unless there's some...we're expecting some transition from other coverage to expanded Medicaid. But the other part of the fiscal issue that I think needs to be stated is that we are forgoing a significant amount of funding for coverage of healthcare services for low-income Nebraskans. Seven hundred and fifty thousand dollars a day, plus or minus, is what we are deferring. And it's not like this is money that if we don't take it we don't have to pay for it. We're already paying for it in higher taxes, in terms of lost reimbursements through Medicare or Medicaid. The money is already going to Washington or staying in Washington. It's just a question of whether it comes back or not. So to paraphrase what others have said, this is a win-win-win situation. There's...I can foresee, I can think of no reason not to move forward on LB887 and provide Nebraskans that I encounter with frequency, who fall into this coverage gap, and give them a break. Thank you very much. [LB887]

SENATOR KRIST: Thank you, Mark. Any questions? Seeing none, thank you for your

testimony. Next proponent. Can I ask how many more proponents there are in the room? Okay, thank you very much. [LB887]

NANCY FULTON: (Exhibit 28) Good afternoon, members of the Health and Human Services Committee. My name is Nancy Fulton, N-a-n-c-y F-u-l-t-o-n. I'm a 34-year classroom teacher and I'm now serving as president of the Nebraska State Education Association. I'm here today on behalf of our 28,000 members that would include teachers, support staff, faculty, retirees, and we're in support of LB887 to expand Medicaid coverage to low-income working people. Being a leader in the education community, I see on a daily basis how a child's ability to learn is impaired when a child regularly brings unmet health needs to the classroom and, alternately, how healthy students thrive in a classroom setting. In a similar way, a parent's inability to access the healthcare they...can detrimentally affect their ability to work, to support their families, and care for their children. The WIN Act addresses important healthcare issues, and the affordability of these issues for many of the parents. It is the position of NSEA that even though the Wellness in Nebraska Act pertains to healthcare coverage of adults, that this significant legislation will lead to healthier classrooms and a healthier school system as a whole. Beyond students and parents, the passage of LB887 is important to the Nebraska school staff members as well. We know that without the passage of this bill around 1,000 elementary and secondary school employees within our state would fall within the coverage gap. There are over 2,000 employees of elementary and secondary schools who make between the 100 and 133 percent of the federal poverty level, and they would be positively impacted by LB887. These school employees include paraprofessionals, janitorial staff, transportation employees, maybe the food service workers, and all hardworking school employees. Finally, I'd like to address the argument that the WIN Act would take away from the funding for our schools and education system. We do not believe that this is the case, and because of this we stand in full support of the bill. The federal funding for this legislation is paid for in full through 2016 and never dips below 90 percent and, therefore, the federal funding makes up for the bulk of the funding for the healthcare provided in LB887. As I understand it, the state costs to pay for Wellness in Nebraska will come from savings to our current health spending in the state. The reality is, at the state level, we already pay for the healthcare of the uninsured Nebraskans through a multitude of healthcare safety net programs. By capturing and redirecting the savings from some of these programs, they will no longer be needed and we can pay for the state's share of the new program without funding for schools being impacted. And in closing, I would state that our schools are only as strong as the communities that surround them. As president of NSEA, this bill is a top priority because it supports families in order to build stronger communities and, thus, stronger schools. To build a better future for our children, there is no better investment than in education and the health of our citizens. Rather than pitting these two policy areas against each other, I believe that the areas must work hand in hand to build healthier communities and a stronger Nebraska. And thank you for your time today. [LB887]

SENATOR KRIST: I'd like to just state the obvious, because it's part of the Governor's pushback last year, and I know he said it again this year and you brought it up, that adding people to the list that need to be taken care of, at some point, when federal funding, if it goes away, should it go away, when it starts to decrease, that that amount of money would have to be cut from someplace. And of course, he says we're going to take it from TEEOSA. Should that issue come to focus, I know in 2009, when we made some very, very, very serious cuts, the teachers supported those cuts. If it comes to the point where health and wellness and WIN becomes an issue in out years, do you see the teachers and NSEA coming forward and saying it is an important thing and that the TEEOSA formula could again be affected because of the offset in funds, if it ever came to that? [LB887]

NANCY FULTON: As I understand it, from listening to Senator Campbell, I believe that is somewhat taken care of in the bill. But, yes, teachers support anything we can do for the wellness of our students. [LB887]

SENATOR KRIST: All right. We have the opt-out part of it, which would probably take care of that. [LB887]

NANCY FULTON: Right. [LB887]

SENATOR KRIST: But it's good to know and thank you, for the record, that NSEA will be there for us again if we have to do what we have to do. [LB887]

NANCY FULTON: We will. [LB887]

SENATOR KRIST: Senator Crawford. [LB887]

SENATOR CRAWFORD: Thank you, Senator Krist. And thank you so much for being here, Nancy, and for your testimony. [LB887]

NANCY FULTON: Uh-huh. [LB887]

SENATOR CRAWFORD: And I appreciate that you brought up the employees in the elementary and secondary schools who are covered. And one of the sheets that we had with the prior testimony was talking about how many there... [LB887]

NANCY FULTON: Uh-huh. [LB887]

SENATOR CRAWFORD: ...there really are in that category. And I think one issue that hasn't gotten as much attention is also related to something that Mr. Otto brought in clarifying that employers will not face penalties when their employees enroll in Medicaid coverage. So I know some schools have been worried about their paras or covering

paras. [LB887]

NANCY FULTON: Right. [LB887]

SENATOR CRAWFORD: But if we pass the WIN Act, those paras, janitors can then get coverage with WIN and the schools would not face any penalty, I don't believe, if they get...if they're getting that WIN coverage. So it's all another win for the schools in that way also. [LB887]

NANCY FULTON: So that would be a win-win-win-win. [LB887]

SENATOR CRAWFORD: I think so. Thank you. [LB887]

SENATOR KRIST: Thank you. [LB887]

NANCY FULTON: Thank you. [LB887]

SENATOR KRIST: Any other questions? Thank you for your testimony. Next proponent. Welcome. [LB887]

MICHAEL CHITTENDEN: (Exhibit 29) Thank you. Good afternoon, Senators. Thank you. My name is Michael Chittenden, M-i-c-h-a-e-l C-h-i-t-t-e-n-d-e-n. I'm the executive director for The Arc of Nebraska. The Arc of Nebraska is a support and advocacy organization with and for people with developmental disabilities and their families. We are a state-affiliated chapter of The Arc of the United States. The Arc of Nebraska is a statewide organization with 12 local chapters and approximately 1,000 members across the state. We strongly support LB887 that creates the Wellness Act in Nebraska. It serves as a catalyst for long-range planning and forethought into developing medical infrastructure in the state of Nebraska. This act will affect approximately 15,000 people with disabilities in the state of Nebraska that are currently uninsured. You have my written testimony. The rest of it is, quite honestly, duplicative. You've heard it all from everybody else that's testified before. So I would simply add that The Arc stands ready to assist the senators and this committee in any way possible to get this legislation passed. [LB887]

SENATOR KRIST: That was very nice of you not to repeat, not to be duplicative. We appreciate that very much. Any questions for Mike? [LB887]

MICHAEL CHITTENDEN: Thank you very much, Senators. [LB887]

SENATOR KRIST: Thank you, sir, for coming. [LB887]

MICHAEL CHITTENDEN: Have a good day. [LB887]

SENATOR KRIST: You bet. Next proponent. Welcome. [LB887]

BRIAN MARY: Good afternoon. [LB887]

SENATOR KRIST: Afternoon. [LB887]

BRIAN MARY: My name is Brian Mary, B-r-i-a-n M-a-r-y. So many professionals working in this field and others have told their stories today and all of them so excellently. Not a one do I feel that I could equal in what I have to say. But this is for people frustrated by the lack of Medicaid expansion in Nebraska, and I feel that frustration. This lump on my neck, I don't know if you can notice it here, I've first noticed August or September and I thought it might be something related to some dental work I needed done, so I got the dental work done in October or November. I have dental insurance through my job, which I work 29 to 30 hours a week, but even then it's not free and often there are bills that still have to be paid. And I have a broken tooth here which I have to pay about still $700 on the bill before I can get taken care of. But then after that, since I thought it was some infection affecting a lymph node, it hasn't gone away and it hurts and it burns and it feels like someone is punching me in the collar bone. So on February 7, I have an appointment at People's Health to get it checked on and I made that appointment December 4. So it's been about two months I've been waiting to find out. Now those who say that there's no need for the expansion of Medicaid or concerned about the uninsured say that, well, you can just show up to an emergency room and get everything taken care of. But that's not true. You can't get cancer screening. You can't get chemotherapy or radiation or any of the other things you need. The Emergency Medical Treatment and Active Labor Act of 1986 requires ERs to evaluate, screen, examine, and stabilize a patient, and the screening is to determine if a medical emergency exists. I don't even know what this is, certainly not a medical emergency, but someday it might be and then I would have to show up at the hospitals and, well, just give up on trying to be responsible for my medical bills. I don't want to run up medical bills, so I've been waiting for this People's Health appointment to get this looked at. Now the American Hospital Association says that $41.1 billion in uncompensated care was given in 2011, so it's not that the hospitals don't give care. But their funding is being cut for providing that care and many hospitals are closing, many rural hospitals in many of the states that have not expanded the Medicare coverage...Medicaid. Excuse me, get that confused sometimes. And to hold education hostage to discourage support for the expansion of Medicaid shows nearly as much contempt for aid to education as aid to health insurance. And it would cost a lot of money to not expand Medicaid. It doesn't make any financial sense. I heard the Governor say there's nearly $674 million in the state's Cash Reserves, yet it's, you know, tax cuts for income tax and property tax that are his priority rather than, I guess, aid to education as well as expanding Medicaid. Like I said, I don't know what's happening with this. Maybe it's nothing. I don't know. And I don't want to run up a lot of

bills at the hospitals and burden the taxpayers and all that. I try to be responsible. I'd sort of like to get things together, turn my life around, make things better, maybe be able to afford things like this. The past two and a half years I've been homeless. It's because I've cared more about paying for the storage than renting an apartment. Been sleeping in my van, and when it's gotten down to the teens or colder, have been on a friend's floor, paying them to stay there. Yet I've managed to hold on to my job and continue with all the other activities I engage in and keep a working vehicle, pay for some dental care. But now this is happening and, well, maybe my plans to turn everything around...I might not be able to do that; might be dying in some sort of way which would cause emergency rooms to feel they had to do something for me, maybe manage my decline until, you know, they have to dispose of me in some socially responsible way. So anyway, this has been kind of a ramble, I know, but in conclusion, and it's not been nearly as good as everyone who's been before me, but I must say I'm frustrated with the lack of Medicaid expansion in the state of Nebraska. And if I wasn't concerned with trying to liquidate all the stuff in storage, maybe I should just move to Colorado or Iowa or someplace that has it. Thank you very much. [LB887]

SENATOR KRIST: Thank you for coming forward. Any questions? Thank you. Thanks for your testimony. Next proponent. [LB887]

BRAD MEURRENS: (Exhibit 30) Good afternoon, Senator Krist and members of the Health and Human Services Committee. For the record, my name is Brad, B-r-a-d, Meurrens, M-e-u-r-r-e-n-s, and I am still the public policy specialist with Disability Rights Nebraska, the designated protection and advocacy organization for Nebraskans with disabilities. I am here today in support of LB887. LB887 would provide an opportunity for individuals who have traditionally been locked out of healthcare access to have a real chance at getting healthcare coverage. We support LB887 because, simply put, it increases access to vital healthcare coverage for thousands of Nebraskans who would traditionally find it impossible or difficult to obtain healthcare coverage otherwise. For many people with disabilities who are not able to access either traditional Medicaid or the insurance exchange, this is a real opportunity to maintain or improve their health status. Access to healthcare should not be relegated to those who are affluent, have employer-sponsored insurance, or are fortunate enough to have a health condition so severe--assuming that they meet the other criteria, for example, not being a childless adult--that they could potentially qualify for traditional Medicaid. It is false to assume that all Nebraskans with disabilities or who are medically frail are using Medicaid or would be covered under traditional Medicaid. Not all people with disabilities or those who would be defined as medically frail meet the current financial family size or disability-specific eligibility limits for traditional Medicaid. Thus, without LB887, many people with disabilities or who are medically frail would be left in the gap between current Medicaid eligibility and the insurance exchanges under the Affordable Care Act. The National Association of State Mental Health Program Directors notes that, "Many people recognize Medicaid as a program that provides coverage to the poor, but few

know that millions of working adults--mainly childless--do not currently qualify for Medicaid even if they have little income. And about 25 percent of this population has serious and moderate behavioral health conditions. The Medicaid expansion will significantly increase access to health insurance, which is the passkey to receiving high-quality care." Even if Nebraska chooses not to pass LB887, Nebraska will still have to serve uninsured people with or without disabilities in hospital emergency rooms at a much higher cost and very little opportunity to recoup that expense. These costs will be even higher for states under the ACA because it calls for the reduction in the disproportionate share hospital payments. LB887 presents Nebraska with the opportunity to provide healthcare to thousands of our citizens who would otherwise be forced to go without or to access emergency rooms with a minimal cost to Nebraska that only appears three years out. LB887 is truly a win-win, or in the reverse, not passing LB887 is a lose-lose for all. We recommend this committee advance LB887. Thank you. [LB887]

SENATOR KRIST: Thank you for your testimony and I almost didn't recognize you for the lack of data that you brought us. (Laughter) [LB887]

BRAD MEURRENS: Well, that's coming. [LB887]

SENATOR KRIST: Okay. We always appreciate when you come visit. [LB887]

BRAD MEURRENS: Well, there's...I do have footnotes, though, so... [LB887]

SENATOR KRIST: Okay. (Laugh) Any other questions for Mr. Meurrens? Thank you, sir. [LB887]

BRAD MEURRENS: You're welcome. [LB887]

SENATOR KRIST: Thank you for your testimony. Next proponent. Senator, how are you? [LB887]

LOWEN KRUSE: Senator Krist,... [LB887]

SENATOR KRIST: Welcome. [LB887]

LOWEN KRUSE: ...and hello to all. Thank you all for what you're doing. Appreciate it. My name is Lowen Kruse, L-o-w-e-n K-r-u-s-e. In the interest of time, I have one point, and it comes because I've been grumpy about our unwillingness to fund mental health treatment over the years and our willingness to pay the huge costs of not doing that. It's a great frustration and I appreciate you gathered here as my therapists today. A little over ten years ago, we on the Appropriations Committee called the warden of the penitentiary and instructed him--you know how much authority we have as committees

(laugh)--we instructed him to find the money, $10 million at least, in his budget to begin treatment of mentally ill and other...you know, that was the major group since that's...at that point was about half of the population. We figured that that would bring us in $50 million. Pretty hard to tell; you don't know how many of them are going to go out and be able to be employed because of the treatment we give, and you're well aware of all of that. But I remember hearing at the time that we were a bunch of do-gooders or bleeding heart liberals or something. I'll assure there wasn't any liberals around that table. And there we weren't even being nice. It wasn't partisan. It was 100 percent vote of the committee instructing that and accepting it when he came in with his response that he had found $13 million that could be moved over. I am annoyed when I hear people, and it's not everybody, there's lots of reason for debate, but when somebody postures on this and acts like it's partisan or it's one-sided or the other. No, it's not. And I can't afford any posturing on anybody's part. Thank you. [LB887]

SENATOR KRIST: Thank you, Senator. Any questions? Always good to see you. Thanks for coming. [LB887]

LOWEN KRUSE: Thank you. [LB887]

SENATOR KRIST: Next proponent. Okay. Do you want me to read all these in or...? No. We have a stack of proponents here. So let's move on to the opponents. First opponent. Welcome. [LB887]

DOUG KAGAN: (Exhibit 31) Good afternoon, Senator. Going have to raise these chairs up for short people. Good afternoon. My name is Doug Kagan, D-o-u-g K-a-g-a-n, Omaha, representing Nebraska Taxpayers for Freedom. Our group strongly opposes LB887. From our reading of the bill, this legislation does not expressly prohibit Medicaid or subsidized health insurance for illegal aliens. A typical eligible participating family of four could have incomes up to $31,152--that's 133 percent above the federal poverty line according...those are U.S. Census figures. It relies on federal government total subsidization at 100 percent, dropping to 90 percent within years. However, this pledge is nonbinding and the federal deficit may cause its reversal. Then state taxpayers must pay for the entire program if it continues. Recall that the feds reneged on their promises to fully fund No Child Left Behind in special education. This huge expenditure would syphon off, moreover, needed funds now pegged for the state highway system and state aid to education. We suggest a number of conservative alternatives for state senators that would accomplish most of the objectives that this bill intends to accomplish: allow untaxed state health savings accounts; permit groups of citizens to pool together to buy insurance policies; permit small businesses to pool together to obtain lower insurance rates for their employees; offer tax credits to the poor to purchase health insurance; allow wellness tax credits of $500 or more to individuals and employees who follow a specific wellness regimen; reform our state legal system to reduce medical malpractice liability, offering as one defense a professional who follows

what's called "best practices"; permit medical licenses to apply across state lines so that a physician could work remotely from another state; allow the chronically uninsurable to gain access to coverage in a high-risk state or a multistate pool; safeguard individuals with preexisting medical conditions from discrimination against purchasing health insurance by bolstering a state high-risk pool; lobby Congress to allow purchase of policies across state lines. These proposals would offer individuals, not government, control over their insurance and increase competition among insurance companies to drive down costs. For example, just like Medicare Part D, one of our members shopped around, selected a private supplemental insurance plan to cover his prescription drugs, and saved $10 per month this year. That's $120 per year. The state could establish an information center where citizens could find information on health insurance alternatives. These options would encourage personal responsibility, benefit employers who want to offer employee insurance, and focus on prevention and wellness, health promotion, healthy behaviors, competition, consumer choice, and cost reduction in the private marketplace. Moreover, and most importantly, these solutions would not make more Nebraskans dependent upon government. Thank you. [LB887]

SENATOR KRIST: Thank you, Mr. Kagan. Any questions? I'm not...seeing none, thank you for coming. Thanks for your testimony. [LB887]

DOUG KAGAN: Okay. Thank you, Senator. [LB887]

SENATOR KRIST: Next opponent, please. Welcome. [LB887]

PAUL VON BEHREN: Thank you. My name is Paul Von Behren, P-a-u-l, last name is V-o-n B-e-h-r-e-n. I would very much like to come here today, and I think I would have every justification, to ask you to pass LB887. I have a daughter laying in rural Nebraska right now almost unable to move from her sofa. She has been through two bouts of cancer with the full complement of radiation and chemotherapy which made her susceptible to fungal infections, one of which took 80 percent of her lung capacity before it was turned around, the other of which destroyed her esophagus and her ability to swallow. She cannot travel to testify because she currently has two herniated disks that will hold up the knee replacement surgeries that she's going to require that will be just ahead of the hips replacement that's going to be needed because of all of the effect of the drugs and the chemo. So I think to describe her situation right now as medically desperate would be an understatement. And to add insult to injury, she is one of those people who makes just enough that she doesn't require...doesn't qualify for the affordable healthcare subsidy and she is too poor to afford her own care. But I will give her credit. She is a better person than I am because she is wise enough to take the long-term view on this issue. The problem that I see with LB887 is it's a classic solution that does not make the system work. There is nothing in this bill that helps the system. Now if you want expert answers, go to Doug Kagan. He is much better versed than I am on the options that might work. But I have yet to see anything about LB887 or LB577

that would fundamentally make any change in the way that we really take care of people. It's the classic solution of trying to throw money after something that we aren't sure worked and we've never been able to prove works. I have seen not one study. I've looked at states. Like you can take the state of Oregon, you can look through the New England Medical Journal, you can look at the Platte Institute, and I have not yet seen one study--maybe you have--where Medicaid has yet to improve healthcare outcomes. There appears to be no additional healthcare or benefit added to those recipients. But it has been shown in many cases to be even worse than being uninsured. And I'm trying to understand how we want to apply that solution to a state that needs help, but why are we not being creative enough to come up with something that is truly innovative and more than just has been tried? Your own Health and Human Services Department last year, I believe, sat before this very committee and asked you not to pass LB577 because they testified that it would hurt the very people it was designed to help. That would be single women, dependent children, the physically challenged and disabled. And yet there was a massive campaign to expand Medicaid last year. The 54,000 that would be added by this, if you look at the University of Nebraska Med Center studies, that is expected to explode to 92...possibly up as high as 108,000 in the next six years. Now most of my career has been spent in business where I have to be accountable for a decision, so I have to look past all the benefit, and there could be just a cost in this. What I fear is what the federal government has already demonstrated. They have already demonstrated the believability of their product...of their promises. If you like your healthcare plan, you can keep it, period. If you like your doctor, you can keep it, period. What have we found? We've tried to insure 15 (million) uninsured Americans, 15 million. How many now are uninsured because they do not fall under Obamacare? My concern is that there's nothing innovative here, there's nothing new, there's nothing to change. The fundamental problem with our healthcare system is an overabundance of bureaucracy, spending, and regulation, and all this does is add more. I have a daughter that's wise enough to see that and I would simply ask that with the federal government that's already $17 trillion in debt, with 90 million people not working and with the broken promises, the record that we have, how long do you really think that federal funding is going to be here? And are you willing to stake Nebraska's and our own education system on that? I would ask you to think about that. [LB887]

SENATOR KRIST: Thank you so much for coming. Any questions? Senator Crawford. [LB887]

SENATOR CRAWFORD: Thank you. Thank you for coming to testify. [LB887]

SENATOR WATERMEIER: Paul, I think you have a question here. [LB887]

SENATOR CAMPBELL: Senator Crawford has... [LB887]

SENATOR KRIST: Do you...would you like to take a question? [LB887]

PAUL VON BEHREN: Excuse me. [LB887]

SENATOR CRAWFORD: All right. Oh, thank you. Thank you. Thank you for coming to testify. I really appreciate that. I'm very sorry to hear about the situation that your daughter is in. I appreciate you bringing her concern before us. I just want just to assure you that we have looked at a lot of research. We don't take this lightly at all. And in fact, including looking at those research articles in the New England Journal of Medicine. We've looked through those very carefully. And I know one of those did talk about the...some important differences, like a reduction in fatalities, from expanded of care. And also one of the concerns was it...there...it didn't quickly change blood pressure and blood sugars but it did reduce depression, it did reduce medical situations that caused added financial stress. So those are important studies that we are looking at as we try to make the changes that we're making. And so I just wanted to let you know we do look at those studies. We...and the bill does really look at studies of what happens when you put patients in a medical home and that's what we're doing here. So we're not just throwing money at it. I just wanted to let you know we are taking that very seriously. [LB887]

PAUL VON BEHREN: I've seen some of that data and I respect that and I realize it's not all negative, but here's the point: Those increases are marginal. For the millions of dollars that you are now looking at spending, if I were in a business environment--and many of you can comment much better, more qualifiedly on this than I can--I would not see that as anything that would justify the level of financial risk that you are about to consider on behalf of this state. My challenge to you is, why not be innovative? There are innovative solutions that can be applied. Doug has mentioned several of them and I would encourage you to take a look at what he has suggested because they've done a lot of work on this issue. I just see a level here of a money grab that says, hey, look at all this free, wonderful money, and nobody...if you're going to be a borrower, which you are from the federal government, you'd better take a look at the lender, his stability, his track record, and his basic ethics in lending, because that, once you become a debtor to that person, that person owns you. And that federal government will own Nebraska under this and you are about to commit us to something that is going to be very long lasting and permanent so judge wisely. [LB887]

SENATOR KRIST: Thank you for your comments and thanks for coming. I appreciate it. [LB887]

PAUL VON BEHREN: Thank you. [LB887]

SENATOR KRIST: Next opponent. Good afternoon and welcome back. [LB887]

KERRY WINTERER: (Exhibit 32) Good afternoon. Afternoon. Good afternoon, Senator

Krist, members of the Health and Human Services Committee. My name is Kerry Winterer. That's spelled K-e-r-r-y, last name is W-i-n-t-e-r-e-r. And I have the privilege of being the chief executive officer of the Nebraska Department of Health and Human Services. I'm here to testify in opposition to LB887. The Nebraska Medicaid program currently provides coverage for low-income individuals in specific categories. In fiscal year 2013, Nebraska Medicaid covered on monthly average 240,639 individuals at a total cost of more than $1.8 billion. The Medicaid program is the single largest program in state government. It is also one of the fastest growing programs in the state budget. The biennial budget approved last year by the Legislature increased Medicaid spending by $228 million in General Funds alone, an amount larger than many state agency budgets. When combined with the federal matching funds, which are also taxpayer dollars, the Medicaid budget increased by $433 million in the most recent biennial budget. This year the department has requested an additional $17 million General Funds for fiscal year 2015 due to a decrease in the federal matching funds for the current program. In my testimony today I would like to address our concerns with LB887. Under LB887 Nebraska Medicaid would be required to cover a new category of adults up to 133 percent of the federal poverty level, 138 if you include the 5 percent disregard. The department estimates that the expansion under LB887 will result in 113,410 new Medicaid eligibles through fiscal year 2020 with the cost of direct services--that's aid--in excess of $3.3 billion. This estimate is based on a draft report just received from the actuarial firm Milliman, Inc. This report has been released today and is now posted on our Web site. As a result of LB887, nearly one in five Nebraskans would be enrolled in Medicaid. Even with initial federal support under the Affordable Care Act, federal funds will decline by 10 percent by the end of the first five years, shifting a huge burden onto the state budget. But LB887 is actually Medicaid expansion at a higher cost. For example, the premium assistance program requires Medicaid to pay not only private insurance premiums for recipients, but also to provide additional wraparound benefits and pay all deductibles and copays. Additionally, premiums for private insurance are based on provider rates which are significantly higher than Medicaid provider rates, making LB887 not only an expansion of Medicaid but, in fact, a very costly expansion. The administrative duties created under LB887 to DHHS are significant. Administrative cost to develop, implement, and administer the additional waiver requirements of LB887 are in excess of $6 million in the first two years. These costs, along with the administrative costs associated with enrolling new recipients, total over $35 million in the first two years alone. Through 2020, these costs exceed $143 million. It is important to keep in mind that these administrative costs are not funded with 100 percent federal dollars but at a 50 percent match rate. According to estimates, as stated in the Milliman report, Medicaid expansion under LB887 will cost some 40 percent more in combined federal and state funds than Medicaid expansion alone. Many providers either limit the number of Medicaid clients they will see or refuse to see any Medicaid patients. Expanding enrollment in Medicaid will exacerbate this problem, we believe. Access-to-care issues always adds pressure to increase provider rates, which would further increase the cost to the state budget, particularly if state law would

require all new enrollees to see a provider within 60 days, as proposed in LB887. We are all familiar with the problems the federal government has had with the implementation of the Affordable Care Act. To date, DHHS coordination with the federally facilitated marketplace has been fraught with problems. Thousands of Nebraskans have been in limbo since October 2013 due to they federal government's failure to successfully move applications between the state and the marketplace. I want to be clear, however, that the state's system to receive and send applications and information to and from the federal marketplace has been in place and working since this past fall. LB887, in addition to increasing the population trying to navigate new and confusing requirements, adds complexity to a system that is still not working. In fact, the bill requires more interfaces with the marketplace and insurers than is now required. As stated previously, the resources and staffing and systems that would be required for DHHS to implement adequately the details of LB887 are significant, especially in light of current concerns with the federal interface. Finally, the Centers for Medicare and Medicaid Services has stated that it will grant a limited number of demonstration waivers, which includes the waiver we are directed to apply for under this bill for premium assistance. CMS has also stated that such waivers will only be effective until December 31, 2016. CMS is approaching this untested territory with limited and very short approval periods, in essence acknowledging the risk involved. There is a significant cost involved in piloting this program with no guarantee of either initial or ongoing federal approval. If it ends in 2016, the options that may then be open to the state are unknown. For all these reasons, the department opposes LB887. I'll be happy to respond to any questions that I am able to answer. [LB887]

SENATOR KRIST: Any questions for Mr. Winterer? Senator Howard. [LB887]

SENATOR HOWARD: Thank you for your testimony, Mr. Winterer. Do you anticipate maintaining provider rates at the Medicare rate that they're currently at? [LB887]

KERRY WINTERER: I'm sorry, say it again. At the current rate? [LB887]

SENATOR HOWARD: So you had to raise Medicaid rates, provider reimbursement rates to Medicare rates, and you're going to keep them at that level even if you don't have to? [LB887]

KERRY WINTERER: Well, we did that for primary care treatment and we've done that under ACA for, I think, the first two years. [LB887]

SENATOR HOWARD: Um-hum. [LB887]

KERRY WINTERER: Beyond that, I don't know. I don't know what the plans are. It will be, to a certain extent, difficult to return to what Medicaid previous reimbursement rates were. Was that your question? [LB887]

SENATOR HOWARD: Yes. Just in looking over the Milliman study, it relies on the fact that you would maintain those Medicare rates for the next few years. [LB887]

KERRY WINTERER: Um-hum. [LB887]

SENATOR HOWARD: I also have a question. In your...how long have you been serving in this role? [LB887]

KERRY WINTERER: Four-and-a-half years. [LB887]

SENATOR HOWARD: Okay. And in four-and-a-half years, has the federal government ever failed to pay the matching rate on Medicaid to the state of Nebraska? [LB887]

KERRY WINTERER: No, but it does...but, as you know, it does change. [LB887]

SENATOR HOWARD: And then Milliman report has "draft" written on it. Is it still a draft or is it a final? [LB887]

KERRY WINTERER: Let me explain a little bit about that. And I know that Senator Krist had previous...to a previous testifier was concerned about the time frame for providing this report. [LB887]

SENATOR HOWARD: Sure. [LB887]

KERRY WINTERER: Let me explain a little bit about that. This bill was dropped two weeks ago yesterday, January 14, I think the date was. We spent about the next three days ourselves trying to figure out, well, what does it mean, what should we say, what are the fiscal implications. We came to the conclusion, particularly because it had the premium assistance component to it, that we needed some outside help to try to analyze that. We contacted Milliman on that Friday, ultimately came to an agreement on the following Monday, which was a week ago this past Monday, that they would provide a report and an analysis for us. It took them a week, which I thought was actually very good service from them. We got this report late Monday night, the day before yesterday. We spent yesterday going through it and being sure that we understood it, being sure that it responded to what we needed. And then we were concerned, obviously, about having it available for testimony today, so we did make that available. I apologize for the lack of that notice, but I...it seems to me we did jump through a lot of hoops to get even to the point that we are now. It is currently stamped as a draft because we still haven't got...we're still having some conversations with Milliman so we're sure that we understand it so we're sure and have some confidence with the numbers. We felt, in all fairness, we obviously had to share it, but I don't know that we necessarily are going to say it is, bang, final at this point. It could very well be, but we're not prepared to say that

right now. [LB887]

SENATOR HOWARD: Sure. Thank you. May I ask a few more? [LB887]

SENATOR KRIST: Sure. [LB887]

SENATOR HOWARD: Okay. On page 6, you note that...in the third paragraph Milliman notes that they have assumed that all newly eligible enrollees will enroll in all of these programs. But then when I look at the bottom, it indicates that final expected participation in the program would be 19 percent of our current population. Currently, we've got 13 percent enrolled in Medicaid and that would leave us at about 35,000 who would be enrolling in this coverage... [LB887]

KERRY WINTERER: Yeah, can... [LB887]

SENATOR HOWARD: ...although throughout the preliminary report they're using every eligible person as...in terms of figuring out their fiscal numbers. [LB887]

KERRY WINTERER: Well, they've made some assumptions here. And much of this flows from the previous Milliman work in terms of their assumption about enrollment. [LB887]

SENATOR HOWARD: Um-hum, um-hum. [LB887]

KERRY WINTERER: And there's different stages of enrollment. There's full enrollment. There's what has been determined as kind of the medium or the medium enrollment, which I think much of their assumptions are based upon, and that's kind of in the context of consistency with what...with the work that they'd done previously. [LB887]

SENATOR HOWARD: And then they don't address at all the potential savings from the healthcare innovations that are listed inside of the legislation. [LB887]

KERRY WINTERER: That could be true. And I...and I would have to actually go back and think about that in the context of the report. [LB887]

SENATOR HOWARD: Sure. [LB887]

KERRY WINTERER: But I think that merits some further discussion. [LB887]

SENATOR HOWARD: And then I did just have one more question. On page 15 there is an expenditure line for the state disability program where it says a shift to Medicaid is newly eligible. There are no population numbers. There's not a population estimate. However, there are estimates of a cost there versus a savings. Can you speak to that?

[LB887]

KERRY WINTERER: Are you talking about state fiscal year 2015 and on page 16? [LB887]

SENATOR HOWARD: Yeah, so we see a savings... [LB887]

KERRY WINTERER: Or 15, I'm sorry. [LB887]

SENATOR HOWARD: ...and then we also see some state funds that would need to be expended as well. [LB887]

KERRY WINTERER: There is a $9.2 million savings and that is...and that's reflected in our fiscal note. [LB887]

SENATOR HOWARD: Okay. [LB887]

KERRY WINTERER: And which...what are you referring to as additional state funds that...? [LB887]

SENATOR HOWARD: Well, I guess I'm just confused why there isn't a population number attached to it to back up the savings. [LB887]

KERRY WINTERER: Well, I don't know whether it's reflected in this report. That would be based on what our actual enrollment is in that disability program. And you'll see on our fiscal note, interestingly enough, actually, about a $2.5 million savings in the first year that reflects this and some other paybacks from the federal government. [LB887]

SENATOR HOWARD: What are the other paybacks? [LB887]

KERRY WINTERER: Well, it reflects the $9 million and it also reflects that they're going to pay the...there is a health insurance fee that essentially we pay, which then becomes reimbursed to us by the federal government. And so if you take the net of that against the additional costs of your in-state funds for the first year, it still nets out at a positive $2.5 million. That then disappears in subsequent years. [LB887]

SENATOR HOWARD: Okay. Thank you. No further questions. [LB887]

SENATOR KRIST: Okay. I guess...Senator Crawford, go ahead. [LB887]

SENATOR CRAWFORD: Thank you, Senator Krist. And thank you for being here, Director. I think you can understand from our earlier Milliman estimates that then other studies came out and then they came back with another revised estimate, some of the

skepticism we might have about the enrollment numbers and numbers from an initial report. I haven't had a chance to see it yet or read it yet. All I have seen is what I have in front of me from the fiscal note, which is earlier, what we have from the Fiscal Office, talking about by 2020, projected about 65,000 enrollees, and then that jumping up to 113,000 enrollees. And so much of these fiscal estimates are based on information estimates about enrollees and that seems like a pretty big jump in enrollees to expect. [LB887]

KERRY WINTERER: Right. Yeah. I understand that. And the 113,000 was assuming when and assuming the premium assistance program and so on. And, you know, people can have different opinions if they project further in terms of the rate of participation and how many folks that amounts to and such. I think the fundamental...whether it's 113,000 or 90,000 or 80,000 or whatever, the fundamental point is that it's more expensive to go through this WIN proposal, if you will, than just providing Medicaid expansion coverage. And so that's essentially the issue. [LB887]

SENATOR CRAWFORD: Would you like to go back and change your testimony on LB577? (Laugh) Just teasing. [LB887]

SENATOR KRIST: Any other questions for Mr. Winterer? I get one before you get another one. [LB887]

SENATOR HOWARD: Okay. (Laugh) [LB887]

SENATOR KRIST: Just a comment. I mean, my sarcasm before is still funded...still founded, I think, in my sarcastic remark. If you had it on Monday and we were going to have this discussion, it was paid for with taxpayers' money, why wouldn't you share it with us when you got it? And so I don't want to put you on the spot. But I do want to say, if we're going to have this discussion and we're going to have these numbers that I didn't get a chance to look at,... [LB887]

KERRY WINTERER: I know. I appreciate... [LB887]

SENATOR KRIST: ...that I can't give you an educated question on, I'm not happy. So I'll express my opinion in my sarcasm. [LB887]

KERRY WINTERER: I appreciate that and I can understand your frustration. From our point of view though, getting it late on Monday, it took us some time to say...to look at it and say, well, are their assumptions in any way accurate? Are they responding to the questions that they were asked for? It seems to me that to the extent...we wouldn't have been doing anybody a service if we had released it immediately an then said...Tuesday morning and then by Tuesday afternoon we said, oh, well, by the way, we have to change these numbers, and then again we say, oh, by the way, we have to change

these numbers. [LB887]

SENATOR KRIST: Well...yeah. [LB887]

KERRY WINTERER: And I appreciate that. [LB887]

SENATOR KRIST: I kind of have to respectfully disagree because at some point...this has happened with reports that have not come to this committee because Family Services, for example, held back a report so that they could confer with the people who were providing the report. We know about the situation. You know, I...the Milliman study is not going to change. Your understanding of it is going to change; our understanding of it should have changed between Monday night. So I'm...my sarcasm is not withdrawn. Do you have another question, Senator? [LB887]

SENATOR HOWARD: Last one. You mentioned in your testimony, it says: LB887, in addition to increasing the population trying to navigate new and confusing requirements, adds complexity to a system that is still not working. Are you indicating to us that the Nebraska Medicaid system is not working currently? [LB887]

KERRY WINTERER: No. We're talking...we're essentially talking about the ACA enrollment, the federal marketplace, if you will, and the fact that it's still very difficult. We still can't get what we need from the federal marketplace, the exchange, used to be called the exchange. We still can't do the communications back and forth to do what we need to do to determine Medicaid eligibility. [LB887]

SENATOR HOWARD: Is that a... [LB887]

KERRY WINTERER: And so what we're saying is, you know...and this, because of the insurance component to it and participation by these plans, at least as I understand it, in the marketplace is just going to add to that problem. Now by the time this all occurs, maybe that's gone away. But all we're saying is that that's a component that needs to be thought about when we're going to talk about more elements that have to be part of that marketplace. [LB887]

SENATOR HOWARD: Is that a computer system challenge or is that something that this committee could potentially work with you to fix in the future? [LB887]

KERRY WINTERER: No, it's...right now, the problem exists in the federal marketplace and the problem exists...we finally...I don't know how much of this you want to go into, but we finally got to the point where we can get Medicaid applications from the federal marketplace. That didn't happen until the last ten days. We have no...the federal government has no capability, at least as far as I know today, to take anything back from us. So we determine Medicaid eligibility but we can't communicate that back to the

federal marketplace. [LB887]

SENATOR HOWARD: Would it have been wiser then at this point to have a state-run federal market...a state-run marketplace? [LB887]

KERRY WINTERER: Well, I don't know that you can jump to that conclusion because there are costs associated with that as well and I think, in theory, the federal government ought to have been able to do this. Now why they can't, I don't...why they can't...haven't been able to, I don't know. But I don't...I...it is what it is. [LB887]

SENATOR HOWARD: Thank you. [LB887]

SENATOR KRIST: Thank you, Senator Howard. Senator Gloor, I think you were next. [LB887]

SENATOR GLOOR: You know, I've got piles in my office of notes and things I've been looking at from last year to this year trying to work through some of the questions and concerns that I have based upon a life or a career in health. And you and I have talked about some of those issues. We don't lack for spending money on healthcare in this country. I think on a per-capita basis we spend more than any developed nation. The flip side of that is our health status indicators aren't anywhere near where they should be compared to those same nations. And so you look at the system and think, the money is in there someplace, how can we squeeze and get juice? I mean, the dollars should be there for us to provide the care we want to that's also quality care. But we've got things turned on its head some way, shape, and form, and Mr. Von Behren's frustration about looking at new and innovative ways is a comment well put. Now I think that a focus on primary care can help us get in that general direction. I mean, it's a move in that direction. But one of the other things that we sorely lack is a degree of accountability on how we spend our money. And my frustration since I've been down here with the department has been we don't know how we spend our money. We don't know how much we're spending on certain physicians who may do an awful lot of procedures that might raise a red flag that says, well, okay, maybe they're the type of physician that gets the sickest patients, or maybe everybody that walks in the door has a hernia. I mean we don't have the...and you know what I'm talking about. This is...this gets into the issue of medical management. At least this bill provides some degree of setting up measurable criteria that people have to...physicians, practitioners have to answer to. But within the department, when are we going to have the opportunity so that we can look at how we're spending these millions of dollars of Medicaid monies and have a sense that they're being spent appropriately and correctly? And I'm not talking about fraud. I'm just talking about the management that goes on anytime you write checks as a business owner of some kind. Do we have a medical director for Medicaid, as an example? [LB887]

KERRY WINTERER: Yes. [LB887]

SENATOR GLOOR: Is it a full-time position? [LB887]

KERRY WINTERER: No, it's not. It's a part-time contractor. [LB887]

SENATOR GLOOR: Is this somebody that's employed by one of the managed care companies that... [LB887]

KERRY WINTERER: No. It's...my recollection is he's independent. We contract with him individually. We've had a conversation about the need to potentially have a full-time medical director and I think that's something we're seriously considering at this point. [LB887]

SENATOR GLOOR: I mean I... [LB887]

KERRY WINTERER: Um-hum. [LB887]

SENATOR GLOOR: I just kind of came to that realization a couple of weeks ago as I was trying to piece some of this together in my mind and thought, you know, even modestly sized hospitals have clinicians on a full-time basis who help them with the medical management that goes on. And maybe if we had some of this in place, we wouldn't find ourselves struggling over this decision the way we are. But we need to do a better job managing the millions of dollars that we spend on medical care, not all of which is acute care. [LB887]

KERRY WINTERER: Sure. [LB887]

SENATOR GLOOR: We've got, as you well know, as big an expenditure when it comes to long-term care without any accountability there also. I mean, and we ought to hire somebody full time soon. [LB887]

KERRY WINTERER: Yeah, I would tend to agree with that. A couple of other responses is that we...I think there's more of that going on than you may be aware of now. The question is, is there enough of that? I don't...probably not. To the extent that anybody--you or anybody--has some interest in a particular type of procedure or something that might be helpful, we could do what we...I mean we can...we're certainly happy to provide data and so on. In all honesty, the other issue we have is an ancient MMIS system through which we pay Medicaid claims which we struggle with, frankly, all the time in terms of it isn't state of the art, it's not state of the art in terms of getting data out, none of that. And so we struggle with a good way to get data out of that, that becomes useful at all. But I understand. I mean, I used to play...I used to be in the claims-paying business and I understand what the data means and how you analyze

where the dollars are going because our clients wanted to know that and that's what we had to provide. [LB887]

SENATOR GLOOR: When I came here five years ago, we were, I thought, getting ready to develop an MMIS system and then that got cancelled. [LB887]

KERRY WINTERER: Um-hum. [LB887]

SENATOR GLOOR: And so we are all just going to sit around here and say, gee, it'd be nice if we had an MMIS system? I'm...I think the Legislature could be convinced to help budget for an MMIS system, certainly as part of managing the millions of dollars that go through here. But we need a little help from our friends, if I can use that term. [LB887]

KERRY WINTERER: And part of it is we've been overcome by events because since that time we've had ACA, we've had all these other things that we...that have absorbed our time and effort in the Medicaid Division to get caught up with and do that have essentially trumped, if you will, pursuing the MMIS. And so that's why it's not raised to a priority at this point. [LB887]

SENATOR GLOOR: But there are consulting firms that would be happy to come in. Obviously, it costs more to pay a consultant than it does to do it ourselves internally, but, you know, even if we start tomorrow on an MMIS system, it could be years before we're comfortable and trusting the information that kicks back at us. And right now we're kind of riding on the backs of what insurers do. With a lot of the decisions I think we make on making clinical decisions, I'd like to think the kind of money we could save in just managing formularies would be huge amounts of dollars. So I'm back to my issue of we may be surprised that the cost isn't as great as we think if we do a better job managing those dollars because I don't think we're managing the dollars we spend very well, and neither do you, obviously, and it's a frustration for you, too, I can tell. [LB887]

SENATOR KRIST: I want to follow up on that just a bit. It's my recollection that the MMIS funding has been "on again, off again, Finnegan," in the six years or so that I've been here. So potentially we should look at the chronology of what was suggested, when it was cut out of the budget, when it was put back in, when it was taken out, and find out if it's an issue that maybe we should look at, particularly after January 15 of...or January of '15. Senator Crawford, did you have anything? [LB887]

SENATOR CRAWFORD: No, it's okay. That's fine. That's fine. [LB887]

SENATOR KRIST: Okay. Senator Cook. [LB887]

SENATOR COOK: Thank you, Senator Krist, and thank you, Mr. Winterer, for joining us. I'm just thinking about the Medicaid program that we have now. I understand we

have been fined in some contexts but we've also gotten some awards for minimizing fraud and things like that. [LB887]

KERRY WINTERER: Um-hum. [LB887]

SENATOR COOK: So whether the number is 54,000 or 90,000 or 35,000, we've had people come in, testimony for three-and-a-half hours, telling their stories about being unable to access healthcare either to manage their chronic illness or to address acute things that arise. What has the department brought forward to facilitate provision of care for these working Nebraskans? And I was sitting here over the last five years, and then in my previous life, trying to think of a proposal beyond, no, we can't do it for the following reasons and here's a report to follow it up. [LB887]

KERRY WINTERER: Um-hum, um-hum. [LB887]

SENATOR COOK: Is there anything? I can...I remember when ACA was first passed and there was IT money that came. The state of Nebraska did accept that and it went someplace. But we still have an MMIS issue. So that's kind of an elliptical way of asking, all right, let's take all of this idea and LB577 off the table. We still have...this is still Nebraska. People don't run around looking for free money just to be layabouts. They have issues, health issues that need to be addressed. What is the agency proposing in its stead, instead of this? [LB887]

KERRY WINTERER: Well, I heard a couple questions in there. One, you mentioned something about additional money for IT and so on. Well, that was additional money to comply with the ACA so we could do what we needed to do to communicate with the marketplace and so on, which I talked about before. [LB887]

SENATOR COOK: Okay. [LB887]

KERRY WINTERER: So those additional funds were for that particular purpose. Relative to other issues, I'm not sure that I know how to respond to that without knowing a specific case. And I was listening to the...I was listening to testimony previously from proponents and there were...it seemed to me that, in a lot of those cases, that there should be solutions in the current system for some of those folks. Now I don't know why they're...that hasn't been the case or whatever because I don't know their particular circumstances. I don't know...what we do is we...I mean, we provide the coverage that's available under the terms of the Medicaid plan to those who are in an eligible category that meet income requirements. And we do that and we provide that coverage and I think we...I think, if you look at the rolls, I mean, there's 240,000 folks that are on...at any point in time that are on Medicaid. So there's a substantial number of folks in the state of Nebraska that are getting those benefits. Now, I mean, if we want to talk about a particular case or something, we certainly could do that. But Medicaid, in and of itself,

is serving lots of folks. It's serving lots of folks in the state. [LB887]

SENATOR COOK: Okay. Thank you. How about a case...the case of the gentleman from Grand Island who testified about the gaps that the Ryan White funding does not provide for his other healthcare needs? And I...he was...we didn't get into all this business about what all was going on in his body. But can you use that as an example? [LB887]

KERRY WINTERER: Well, I mean, I hesitate to talk about a particular case without knowing all the...you know, knowing all the details, just as you do. [LB887]

SENATOR COOK: Okay. I thought you asked me for a case. I know. I get it. Thank you. [LB887]

KERRY WINTERER: Well, I...yes, but, you know, without knowing all the circumstances,... [LB887]

SENATOR COOK: All right. [LB887]

KERRY WINTERER: ...it's hard and I don't want to provide a... [LB887]

SENATOR COOK: And maybe we could arrange that kind of a conversation and the... [LB887]

KERRY WINTERER: We absolutely could. [LB887]

SENATOR COOK: ...as we get closer to floor debate. [LB887]

KERRY WINTERER: Have him...and if he's still here, I would encourage him to give me a call and we'll talk about that... [LB887]

SENATOR COOK: And there he is, right behind you. Okay. [LB887]

SENATOR HOWARD: He's right there. [LB887]

SENATOR COOK: We can make that happen. [LB887]

KERRY WINTERER: ...and to the extent we get into some specifics, and we'll see what the answer is. [LB887]

SENATOR COOK: Happy to help, I'm sure. [LB887]

KERRY WINTERER: Absolutely. [LB887]

SENATOR COOK: Thank you. [LB887]

SENATOR KRIST: Any other questions for Mr. Winterer? Thank you so much for coming. Thank you for testifying. [LB887]

KERRY WINTERER: Thank you. [LB887]

SENATOR KRIST: Any other opponents? How many other testifiers do we have tonight for opponents? One, two, three, thank you, four. Welcome. [LB887]

BRUCE RAMGE: (Exhibit 33) Good afternoon and good afternoon, Chairperson Campbell and members of the Health and Human Services Committee. My name is Bruce Ramge. For the record that's spelled B-r-u-c-e R-a-m-g-e. I'm the Director of Insurance. I'm here to testify in opposition to LB887. In reviewing this bill, the Department of Insurance thought we should alert this committee to some issues from an insurance perspective that may arise if this bill passes. This bill mandates insurers participate or provide plans that comply with this act. If they do not, then they are not allowed to participate on the federal health insurance exchange. It must be noted that the insurers who participate on the exchange are making a business decision to do so and enter into a yearly contract with the federal government to participate. Forced participation in the LB887 plans could make certain companies reconsider their current or future participation in the exchange, thus causing a disruption to the overall marketplace. Please keep in mind that only four companies are currently participating in the health insurance exchange. Within the companies that participate in the exchange there are two unique plans created under the Affordable Care Act. The first of these is the new co-op insurance plan in Nebraska which is run by way of a company called CoOpportunity Health. Eventually, a multistate plan would also be required to participate on the exchange. CoOpportunity Health has been funded with taxpayer-funded loans, but these loans are no longer available. In other words, the co-op is on its own and must live on the strength of its business plan. If forced, however, to create these LB887 plans, the co-op may not be in a position to readily acquire capital necessary for such an expansion of their product. The other plan that is mandated to participate on the federal exchange is the multistate plan. The multistate plan has yet to enter the Nebraska market but may within the next two plan years. The multistate plan is under the umbrella of not only state licensure but--this is important to understand--but also the federal Office of Personnel Management, or OPM. OPM has previously indicated only limited willingness to abide by the same licensure rules that state-licensed insurance companies, such as Blue Cross Blue Shield or Coventry, must follow to be an insurer in Nebraska's market. It is unclear that they would in this instance. In evaluating the LB887 plan requirements, our colleagues at Medicaid believe that certain wraparound services may have to be included in the two silver plans that would be required to be offered under this proposal. These two plans would have to be considered qualified health

plans under their proposal. I think it is key for the committee to understand that the use of the term "qualified health plan" has specific meaning. To be on the exchange the plan must be a qualified health plan. It must contain the essential health benefits and comply with federal and state law. A qualified health plan must not only be sold on the exchange but, under federal law, be sold off the exchange as well with the same benefit and price structure. Moreover, a qualified health plan is more than just a silver plan. A silver plan is assigned a percentage value of how much the plan will pay and a silver plan is the plan for which tax subsidies and cost-sharing subsidies are typically available. However, if this bill becomes law, those individuals from 100 percent to 133 percent of poverty level would no longer be eligible for those subsidies paid from the United States Treasury because these individuals would be considered part of the Medicaid expansion population. If wraparound services, such as transportation services, are required to be embedded in a health plan, these would be new and unfamiliar benefits in an insurance plan. It would certainly drive up the cost of insurance. Additionally, it is likely that these services would then be considered a mandated benefit because the plan must be made available to all on and off the market regardless of income status. If it is a mandated benefit, federal law requires that the state reimburse costs for the creation of this mandated benefit as determined by the insurance company's actuaries. Reimbursement would be required then for insured plans that provide these services and not just the proposed LB887 plans, as proposed in this legislation. The state has no voice, no recourse, and no way to appeal the cost of these services. The state would simply be required to pay for these services. Another issue is that this bill appears to include dental benefits embedded in these plans. Under federal law, if a standalone dental plan is offered in the health insurance marketplace, then by federal law an insurer does not have to offer a dental benefit within the insurance plan itself. Assuming that a company would be required to offer these services and policies both in and outside the exchange, the company would be required to create new networks inclusive of transportation services and other services that are not currently preempted by federal law. A company would also be required to file new forms which are the policy's and new rates for those policies. Not only does the department review these rates and forms, but so does the federal government. That review process begins in the spring and ends either late in the spring or very early summer. It's important to note that a company, when it files under federal law, only gets one bite at the apple. In other words, a company can only file one rate per year per plan. If this legislation passes, companies may not have the time to adjust their networks, adjust their contracts, or price their insurance policies correctly. This bill requires access to all networks. If one looks to plans on the exchange, the trend is to have more limited networks as part of cost containment. In other words, there are networks exclusive in Omaha, even as to a certain hospital group, that people in Scottsbluff would choose but would be impractical to do so. All networks are not equal, which is reflected in pricing. Requiring broad networks would hinder an important cost-containment measure that insurance companies currently use. Additionally, this bill requires, where found, accountable care organizations, or ACOs. The bill further defines them as risk-bearing

entities, which equates to insurance. Currently, the Department of Insurance does not have a licensure procedure for accountable care organizations. If passed, my agency would have to create one, monitor solvency of the ACO, and assure compliance with state and federal law. I'm bringing these issues to your attention because the Department of Insurance fiscal note requires additional staffing to perform all of these functions. We will need examination personnel, additional support in our life and health division, more legal staffing, and with the possibility of more insureds we would anticipate more consumer inquiries and complaints from newly insured individuals and would have more questions for our consumer affairs division. Finally, we are also confused on the requirement in the bill for promotion. Typically, our department will be happy to answer questions from the public and provide them facts about plans. As a governmental entity, we cannot, nor should we be, in the business of promoting one commercial plan over another. For all these reasons, the Department of Insurance is opposed to LB887. I would be happy to answer any questions you have. [LB887]

SENATOR KRIST: Just one. [LB887]

BRUCE RAMGE: Yes. [LB887]

SENATOR KRIST: Did you make an attempt to talk to Senator Campbell or legal counsel about this prior to this? [LB887]

BRUCE RAMGE: We have not had that opportunity to visit with her about this. Again, it came out just a few weeks ago. My staff has been busy reviewing it and we'd be happy to answer any questions from anyone here on the committee, or Senator Campbell, as we go along. [LB887]

SENATOR KRIST: Okay. Well, I think the subject matter deserves that kind of cooperation. And probably, if you'll make yourself available to Senator Campbell and to her legal counsel, that would be great. [LB887]

BRUCE RAMGE: Absolutely. [LB887]

SENATOR KRIST: And I've extended the courtesy for more than five minutes to you and to Mr. Winterer, but I'd ask you to just be conscious of it in future testimony. So thank you. [LB887]

BRUCE RAMGE: Thank you. [LB887]

SENATOR KRIST: Senator Howard, do you have a question? [LB887]

SENATOR HOWARD: Thank you, Senator Krist. It's nice to see you, Director Ramge, in a new setting. [LB887]

BRUCE RAMGE: Thank you. [LB887]

SENATOR HOWARD: Have you looked...this bill was modeled specifically on what Arkansas had done in terms of the marketplace and the work within the marketplace. [LB887]

BRUCE RAMGE: Um-hum. [LB887]

SENATOR HOWARD: Have you looked at how that's going in terms of the Department of Insurance working on that legislation or working within that legislation? [LB887]

BRUCE RAMGE: You know, I know that Arkansas has developed a model. I know that Iowa is working on one and on their way. And my colleague here, Martin Swanson, is much more informed on that. It's...his job is strictly Affordable Care Act right now. If you would, Mr. Chairman, permit... [LB887]

SENATOR HOWARD: I'll save that question. [LB887]

BRUCE RAMGE: Would you like to save it? Okay. [LB887]

SENATOR HOWARD: I'll save it. [LB887]

BRUCE RAMGE: Okay. [LB887]

SENATOR HOWARD: When you talked about accountable care organizations,... [LB887]

BRUCE RAMGE: Yes. [LB887]

SENATOR HOWARD: ...we have an accountable care organization currently operating, Uninet, in Omaha. And so my concern is that we already have an ACO operating. Do we need to create a certification program for the ACOs? And is that something that we need to do right away? [LB887]

BRUCE RAMGE: Well, if the accountable care organization is a risk-bearing entity and they're not part of a licensed insurance company or health maintenance organization, then there may be licensure issues. And it is...if these organizations are going to start appearing, there should be thought given to how to structure licensing and solvency regimes. [LB887]

SENATOR HOWARD: Have other states done that? Has it been recommended by...to you? [LB887]

BRUCE RAMGE: We have watched. You know, we're quite involved with...the National Association of Insurance Commissioners... [LB887]

SENATOR HOWARD: Right. [LB887]

BRUCE RAMGE: ...has really followed the developments with healthcare, and that's one of the things they have not accomplished at this time. I think everyone recognizes the fact that there needs to be a licensure and solvency framework, but that's not yet been developed at the NAIC. [LB887]

SENATOR HOWARD: Okay. And then could you point me to where in the bill it discusses promotion so that I can look at that more closely? [LB887]

BRUCE RAMGE: I may need help on that. I'm... [LB887]

SENATOR HOWARD: I can ask Martin as well, but... [LB887]

BRUCE RAMGE: That's...that would be better. [LB887]

SENATOR HOWARD: I'll save that one for Martin. [LB887]

BRUCE RAMGE: Okay. [LB887]

SENATOR HOWARD: And then the last one: Is dental care already in our qualified health plans? I didn't think it was. [LB887]

BRUCE RAMGE: Dental care is pretty much offered standalone. So it's available. [LB887]

SENATOR HOWARD: Standalone. [LB887]

BRUCE RAMGE: Typically,... [LB887]

SENATOR HOWARD: So there wouldn't be a change necessarily. [LB887]

BRUCE RAMGE: Yeah. Typically, dental insurers have different claim payment systems and so it's just typically been differentiated, you know. [LB887]

SENATOR HOWARD: Um-hum, um-hum. [LB887]

BRUCE RAMGE: And it's possible there may be one or two plans that have embedded it, but I'm not even certain of that at this time. [LB887]

SENATOR HOWARD: Okay. Well, great. Thank you so much. [LB887]

BRUCE RAMGE: You're welcome. Thank you. [LB887]

SENATOR KRIST: I'm getting the high sign from the real Chair of this committee that we need to take a break for a few minutes. So five or less, if you would, please, and we'll come back as soon as everyone gets back to the front table. [LB887]

BRUCE RAMGE: Thank you. [LB887]

SENATOR KRIST: Thank you for coming. [LB887]

BREAK

SENATOR KRIST: Okay, let's try to get it all back together here, please. Okay, next testifier in opposition, please. [LB887]

MATT LITT: Senator Krist and members of the committee, my name is Matt Litt, M-a-t-t L-i-t-t, and I am the Nebraska director of Americans for Prosperity, free-market advocacy group with over 40,000 members statewide. I'm here today to express our opposition to LB887. Now Medicaid expansion would cost federal government $930 billion from 2014 to 2022. It's unknown how the federal government can fund nearly $1 trillion in additional spending without gradually shifting the cost onto the states. The cost of Medicaid expansion in Nebraska would be devastating to our state budget. Governor Heineman last year estimated that Medicaid expansion would cost Nebraska as much as $766 million over ten years. And if the federal government does reduce the federal Medicaid match under this program, that number could go up dramatically. President Obama has already suggested funding cuts to this match on two occasions: the 2011 debt ceiling negotiations and his fiscal year '13 budget. States have been negotiating with the Centers for Medicare and Medicaid Services on different ways to expand Medicaid under Obamacare. The latest trend is a quasi-private plan like the one we are discussing today. Americans for Prosperity in Nebraska opposes this bill for three reasons: it will further cut out the vulnerable of our state; it further expands the harmful regulations of Obamacare; and it's simply unaffordable. There are counties in Nebraska without primary care physicians. People are already seeing their appointments cut shorter due to the Affordable Care Act. And we just want to ask, what happens when we increase the number of patients by 54,000 at least and don't increase the number of doctors? Longer waiting times and fewer appointments. More importantly, what does flooding the system with 54,000 more people do to the neediest that are on traditional Medicaid? Medicaid patients already have issues with finding doctors and getting appointments. The LB887 will only intensify this problem and hurt those who are most in need. This bill and others like it around the country have been sold to people as a

private solution, yet Medicaid expansion is anything but a private enterprise. All Medicaid expansion programs must operate under Obamacare's health insurance exchange marketplace. It should be mentioned that the exchanges are still facing issues: children not being enrolled with their families; the backing to the site has yet to be completed; insurance companies are not receiving reliable data; and there are security concerns and more. LB887 does not provide a Medicaid waiver so that enrollees can take their premium subsidies and enter into a truly free marketplace and purchase the type of coverage that's right for them and their families. Instead, according to this bill, enrollees must enter through the exchanges and purchase coverage that meets the essential health benefits test defined by the federal government. Thus, these essential health benefits people don't need and/or don't want are being paid for by the taxpayers. These benefits are leading to more costs. To further illustrate the point that this is a quasi-private, at best, option, the U.S. Department of Health and Human Services still has much to determine. For example, in this bill it discusses how payment models and reimbursement methodology still must be determined. People in Nebraska and their representatives cannot fully know what to expect because things have yet to be determined. Finally, expanding Medicaid under Obamacare is simply unaffordable. Even the...the cost over the long run is unknown but is likely to dwarf LB577 because of its quasi-private option component. You know, private insurance is more expensive than simply offering Medicaid due to higher reimbursement rates and other things. To quote the first draft of the LB887 fiscal note, "There is a great degree of uncertainty in projecting the cost of this provision." I respect the work of the Fiscal Office, but the problem is they're trying to interpret a law--the Affordable Care Act--that is still being written and implementation has been murky at best. No one can accurately project costs and, if you'll recall, the fiscal note for LB577 was modified five different times. In the latest fiscal note for LB577, projected total cost for the state to the end of the decade for implementing Medicaid expansion to be $82.04 million, and now LB887 predicts the state's funding obligation through the end of the decade to be $89.7 million. And that's more than a $7.7 million difference. The point is, every time we evaluate the Medicaid expansion concept, the costs to the state budget keep increasing and there's no guarantee when or how much these costs will stop increasing. Again, President Obama has repeatedly offered cuts to the federal funding portion of the Medicaid in the budget deals. And federal FMA peak cuts are routine. In fact, our state budget absorbed $52 million in Medicaid funding cuts last year alone. Relying on the federal government to fulfill their funding commitments would be irresponsible considering the facts in recent history. Furthermore, Nebraskans may be picking up the tab sooner than later. It stated in the CMS waiver for Arkansas expansion plan that the state is to pick up 100 percent of the costs over what CMS agrees to pay. The Iowa waiver has a similar budget neutrality provision. This is another unknown cost for Nebraskans. Washington, D.C., is out of money, and by rejecting Medicaid expansion under Obamacare, Nebraska lawmakers would protect our state from having to foot the bill when Washington once again fails to deliver. And while providing access to affordable health coverage for all Americans is a laudable goal, simply expanding government programs and adding to

our already unmanageable federal debt is not the right approach. Thank you for your time and your service to our state. And I'll try to answer any questions you may have. [LB887]

SENATOR KRIST: Thank you for your testimony. Any questions? Senator Cook. [LB887]

SENATOR COOK: Thank you. [LB887]

MATT LITT: Yeah. [LB887]

SENATOR COOK: Thank you. How do you access healthcare personally? [LB887]

MATT LITT: As in terms of insurance or a provider I go see? [LB887]

SENATOR COOK: I don't know. When you get sick...you're kind of in the range of people who would be...who aren't covered. [LB887]

MATT LITT: Um-hum. [LB887]

SENATOR COOK: How do you do that? [LB887]

MATT LITT: I have insurance through my employer. [LB887]

SENATOR COOK: Okay. [LB887]

MATT LITT: I have to say, not too long ago I was very close to this income bracket, not completely in the 100 to 138, but I do know the financial stresses that can come from living close to this income bracket. And, you know, I...sorry. I'll let you. I feel like you probably are going to continue. [LB887]

SENATOR COOK: Well, I think that there is a big piece that is missing in the analysis, and that's obviously from my perspective, and that is that people can access the free market because they've got cash to do it. This proposal is to address that group. [LB887]

MATT LITT: Right. And I think it's important to look back that this gap is created because of the Affordable Care Act and the way it was written and not, I don't know, foreseen what the Supreme Court was going to decide on it. And I'm not saying...our organization has not said that the health insurance program or healthcare in general was a perfect industry before. But we're continuing down a path that is doing more damage to citizens. [LB887]

SENATOR COOK: Okay. The gap was created by the...so there weren't people that were working and couldn't afford health insurance before the legislation was passed? [LB887]

MATT LITT: So I'm talking...so...and specifically to what this pool of people that we're discussing, this pool of people are created because of the Affordable Care Act and, as mentioned... [LB887]

SENATOR COOK: But they weren't working and not accessing healthcare before? The law got passed, and then all of a sudden a bunch of working people, who otherwise would have been buying healthcare, didn't have it? Is that what you are saying, based on your interpretation of the Affordable Care Act? It created a population of people who could not afford healthcare? [LB887]

MATT LITT: I'm saying it created a population of people that are priced out of the insurance because of things like the essential health benefits that people don't necessarily need or want to be paying for, create...squeezing the community rating from a 5-to-1 to a 3-to-1 rating increases cost for people. And like I said, it wasn't perfect before but it has only made costs grow exponentially higher because of the law. [LB887]

SENATOR COOK: Okay. [LB887]

SENATOR KRIST: Thank you. Any other questions? Thank you for your testimony. [LB887]

MATT LITT: Thank you. [LB887]

SENATOR KRIST: Thanks for coming. Next opponent. Welcome. [LB887]

DICK CLARK: (Exhibit 34) Thank you. Chairman Campbell, Mr. Vice Chair, members of the Health and Human Services Committee, my name is Dick Clark, D-i-c-k C-l-a-r-k. I'm director of research for the Platte Institute. Thank you for this opportunity to speak today in opposition to LB887. LB887 would expand Medicaid in Nebraska, create a special legislative committee, and implement a new premium assistance program in the state. Although the bill purports to maximize Nebraska's access to federal funding during the period that the federal government will pay 100 percent of the cost, it does not sunset the new programs when federal funding falls below program expense levels and instead provides only that if federal funding falls below 90 percent, the Legislature shall review the law to determine how to mitigate the impact on the state's budget, and that's cool comfort for taxpayers in Nebraska. According to the Heritage Foundation's health insurance microsimulation model, Medicaid expansion will seriously pressure state budgets as early as 2019. The scheduled tapering off of federal funds between now and 2020 will predictably increase the financial burden on states that expand

Medicaid. But there are already discussions, as other testifiers have mentioned before me, about the possibility of reducing the federal reimbursement rate further still to the traditional 70-30 Medicaid split. If that happens, Nebraska taxpayers could be on the hook for additional dollars necessary to make up the difference, and those are potential dollars for schools or roads that will instead be going to pay for Medicaid. What's more, the state's own cost estimates are an educated guess. They cannot be rigorously projected because plan premiums will fluctuate year to year and the predictable overutilization incentivized by these programs will almost certainly drive those premiums up. Proponents of the bill argue that the cost sharing required in the legislation would prevent this overutilization. Unfortunately, these cost-sharing requirements will likely be rendered ineffective by Medicaid rules. They would likely be waivable for anyone who self-attests to facing a financial hardship. Indeed, self-attestation rule was set by HHS with Iowa, based on nearly identical statutory language. Those above 100 percent of the federal poverty line must be given at least a 90-day grace period after failing to pay contributions, again, another rule set by HHS with Iowa based on nearly identical language. Those between 50 and 100 percent of FPL cannot be disenrolled for failure to pay contributions, even if they never pay a single contribution during the entire year, yet another rule from HHS based on the Iowa language that we see similar language here in our bill. Regardless of what rules the federal government sets though, in the first year there is no cost sharing under this bill. In the second year, those above 50 percent of FPL are asked to pay monthly contributions as their cost share. However, these contributions may be waived by getting an annual physical or engaging in other preventative care. As the Legislative Fiscal Office states in the fiscal note, there is a great deal of uncertainty about how much this bill will cost in part because it's impossible to know how many people will participate. Senator Campbell's statement of intent projects 55,000 newly covered. This is much lower than other published estimates. The latest iteration of the Milliman study that we've heard talked about earlier in this hearing projects somewhere between 117,000 to 158,000 newly eligible participants and predicts that over 100,000 would enroll within three years. The Urban Institute estimates the number to be approximately 99,000. Department of Health and Human Services now estimates that about 113,000 additional people would get coverage. The costs of this bill are indeterminate but they will be substantial. This is a major expansion of Medicaid. Currently, about 13 percent of Nebraskans are enrolled and, according to the Milliman study, an additional 6 to 9 percent will enroll with the expansion, increasing participating in Medicaid to approximately one in five Nebraskans. Let's be mindful of the experiences of other states that have voluntarily expanded Medicaid to learn the lesson for Nebraska. Actual costs always exceed initial estimates. And however expensive the program will be, there's no good evidence that it will actually make Nebraskans healthier. Another study that we've already heard about here in the hearing, the Oregon Health Insurance Experiment conducted between 2008 and 2013 by that multidisciplinary team of researchers from institutions including Harvard, Columbia, and MIT, analyzed the results of an expanded Medicaid program in Oregon. Because the state selected program participates by lottery, researchers had

the golden opportunity to study randomly selected control and test populations to scientifically evaluate the impact of Medicaid coverage on health outcomes. While expanding Medicaid increased utilization of healthcare services, the study showed that Medicaid has no statistically significant effect on measured blood pressure, cholesterol, or glycated hemoglobin, a measure of diabetic blood sugar control, or on the diagnosis of or medication for blood pressure or cholesterol. All of these are important measures of health. Almost done here. Hospital admissions increased by 30 percent but not due to emergency room admissions. And although the emergency room visits did go up significantly, it was not because people with emergencies went more often. The 20 percent increase in emergency room utilization by the test group was attributable to nonemergent, primary care treatable, and emergent-preventable cases. It's clear that this bill will drive up healthcare costs in Nebraska. It's clear that this will result in more tax dollars being spent on Medicaid. What is not clear is that there will be any benefit in terms of making Nebraska a healthier state. More comprehensive analysis will be in our policy study that's forthcoming. Thank you again for this opportunity to speak today. [LB887]

SENATOR KRIST: I just have to ask the obvious question. When did you get a copy of the Milliman study? [LB887]

SENATOR CRAWFORD: Yeah. [LB887]

SENATOR HOWARD: Yeah, that was exactly what I was going to ask you. [LB887]

SENATOR COOK Yeah. (Laughter) [LB887]

DICK CLARK: You know, I got it off the Web site and went through it in depth yesterday and that's... [LB887]

SENATOR COOK Oh, yeah. [LB887]

SENATOR CRAWFORD: Yesterday? [LB887]

SENATOR HOWARD: It was on the Web site yesterday? [LB887]

DICK CLARK: Yeah, I found it on the Web yesterday. Actually, one of our analysts that we're working with in Arkansas had found a copy of it and was... [LB887]

SENATOR KRIST: You found it on the department's Web site yesterday? [LB887]

DICK CLARK: I'd have to get back to you with the exact URL, but indeed I was reading it. [LB887]

SENATOR KRIST: I think you should because... [LB887]

DICK CLARK: I certainly didn't get it from any individual in the administration. It was one of our analysts that we're working with through Arkansas who had found a copy. [LB887]

SENATOR KRIST: Just wondering. It begs the obvious question, so thank you very much. Any further questions? [LB887]

DICK CLARK: Yeah. And that may be a previous iteration. I'm not clear on the version tracking and I'd hate to speak for the department. [LB887]

SENATOR KRIST: Oh, okay. All right. Thanks. Appreciate it. Any other comments? Senator Crawford, would you like to ask a question? [LB887]

SENATOR CRAWFORD: In your testimony you say there are already discussions about reducing federal reimbursements still to 70-30 Medicaid split. Can you tell us where you've seen those discussions? Or can you list cites for any of those discussions? [LB887]

DICK CLARK: We'll actually be publishing a more extensive draft of the testimony I've presented today and I'd be happy to provide your office with that, with the full citations, Senator. I don't have those in front of me today. [LB887]

SENATOR KRIST: Thank you. Any other questions? [LB887]

SENATOR COOK: Oh, did I...? [LB887]

SENATOR KRIST: Senator Cook, did you have a...? [LB887]

SENATOR COOK: Sure. Okay. [LB887]

SENATOR KRIST: Go ahead. Yeah. Sure. Go ahead. [LB887]

SENATOR COOK: Thank you. [LB887]

SENATOR KRIST: You're welcome. [LB887]

SENATOR COOK: Dick, there is the second-to-the-last paragraph on the second-to-the-last page, and it is a direct quotation. But I'm going to ask you--you're, you know, a bright, thinking, analytical person--would access to care for a chronic illness, such as hypertension, impact the outcome, do you think, whether or not the quotation...this analysis is true? [LB887]

DICK CLARK: I'm sorry, Senator. So we're talking about the... [LB887]

SENATOR COOK: If you had hypertension or if you had a chronic disease or if you got cancer, would access to healthcare along the way for any of those impact the outcome positively? [LB887]

DICK CLARK: Well, certainly, the intuitive response that I would have given, in addition to, I think, most folks, is that it would. But luckily that's why we, you know, want to look to the Oregon study where we're not talking about anecdotal evidence but we're talking about a rigorous analysis of a, you know, statistical sample that's been randomly selected. And so I think that's where science comes in and where anecdotes fall down, so. [LB887]

SENATOR COOK: Okay. But it's scientific that if you follow through with treatment of your chronic disease, it minimizes the potential outcomes in the case of hypertension, strokes, heart attacks, etcetera. That is scientific, is it not? [LB887]

DICK CLARK: I think that's right but, of course, it's contingent on compliance of the patient with the regimen that's prescribed. [LB887]

SENATOR COOK: Oh, absolutely. I would only assume that people are compliant when they have the opportunity to access care in the same way that some of us are fortunate to be able to access care. [LB887]

DICK CLARK: Yeah. Yeah. I'm not sure that there's strong evidence that everyone who has access to care necessarily follows that regimen that's prescribed, but that may be. I'd have to look to further research on that. [LB887]

SENATOR COOK: Sure. Yeah. I'd appreciate that. [LB887]

SENATOR KRIST: Okay. Any other questions? Thank you so much. Thanks for coming. [LB887]

DICK CLARK: Thank you. [LB887]

SENATOR KRIST: Next opponent. Any other testifiers please raise your hand. One. Any neutral? Okay, so we have two more; three, counting...thank you. Welcome. [LB887]

MARTIN SWANSON: Thank you, Senator. For the record, Martin Swanson, M-a-r-t-i-n S-w-a-n-s-o-n, with the Department of Insurance. And Senator Howard had some questions that she asked me to answer on the record if she... [LB887]

SENATOR HOWARD: Can you tell me how... [LB887]

SENATOR KRIST: Senator Howard, would you like to ask some questions? [LB887]

SENATOR HOWARD: Oh. I'm sorry. (Laughter) [LB887]

SENATOR KRIST: I'm kidding. I'm kidding. Go ahead. Go ahead, Senator. [LB887]

SENATOR HOWARD: Can you tell me how the Department of Insurance in Arkansas is managing their expansion population in regards to the marketplace option? [LB887]

MARTIN SWANSON: What I can tell you, Senator, is that they have been in negotiation with the federal government about it. I cannot specifically answer that question as to what they're doing. And especially the bills, I suspect, what they're doing with their waivers might be different than what this bill proposal is. So I can only analyze what's in this bill. [LB887]

SENATOR HOWARD: Okay. And then can you point to where in the bill it speaks to promotion? [LB887]

MARTIN SWANSON: It was page--give me just a second, I'm sorry--page 15, I believe. [LB887]

SENATOR HOWARD: Okay. Which...do you have the line? [LB887]

MARTIN SWANSON: I'm looking. I apologize for the delay here. [LB887]

SENATOR HOWARD: Totally fine. [LB887]

MARTIN SWANSON: Yeah. I'm sorry. Page 14,... [LB887]

SENATOR HOWARD: 14. [LB887]

MARTIN SWANSON: ...lines 14 through 22 specifically, "promote a regulatory environment where price-competitive choices exist in health plans offered in the state and, where possible, work with insurers to promote at least two qualified health plans from which newly eligible individuals may choose coverage." [LB887]

SENATOR HOWARD: Okay. And then can you speak to the accountable care organization challenge that we're running into? [LB887]

MARTIN SWANSON: Yeah. I got the thing about that (inaudible) Internet, was not

aware offhand, personally, of that accountable care organization existing. I'd had conversations with medical facilities that were thinking about becoming an ACO and had to say, well, if you're risk bearing, you need to come talk to us about getting, you know, some kind of license that we don't have created yet, but are you interested, let us know. So we may have to get something authorized or into the statutes to do so. But this is...when you said that, that was interesting to me to hear that, that...but that conversation has had in the past but nobody really wanted to come to us because they didn't want to be regulated by the department. But if you're risk bearing, you have to be. [LB887]

SENATOR HOWARD: Okay. That's all. That's all I've got. [LB887]

MARTIN SWANSON: Okay. Thank you, Senator. [LB887]

SENATOR KRIST: Thank you, Senator Howard. Senator Gloor. [LB887]

SENATOR GLOOR: Thank you, Senator Krist. And I'm sorry I missed the testimony. I had a little emergency that turned out not to be quite the emergency that it was going to be. But in going through this, I give you the background to say I'm sorry I missed it if it was already covered. But the section about network development, where is that spoken to in the bill? I think the issue was that... [LB887]

MARTIN SWANSON: Yeah, it... [LB887]

SENATOR GLOOR: Let me find it. Or you may know exactly what I'm referencing. It had... [LB887]

MARTIN SWANSON: I believe Director--if I may, Senator--Director Ramge's testimony was in regard to the creation of, essentially, a new network for the insurers to provide wraparound services, such as transportation services, that they currently don't do. [LB887]

SENATOR GLOOR: No. That's a different issue. The issue is requiring access to all networks. [LB887]

MARTIN SWANSON: Oh. I'm sorry, Senator...that there was...and I don't remember the specifics on the bill, but... [LB887]

SENATOR GLOOR: I've been thumbing through, looking for it, and I... [LB887]

MARTIN SWANSON: There was mention of having access to the network. Is it page 8, Senator Crawford? [LB887]

SENATOR CRAWFORD: The testimony against page 8...I mean of the testimony. [LB887]

SENATOR KRIST: In Mr. Ramge's testimony it's page 8, yeah. [LB887]

SENATOR CRAWFORD: In Mr. Ramge's testimony. [LB887]

SENATOR GLOOR: Oh, yeah. That... [LB887]

MARTIN SWANSON: Oh, okay. Yeah. And I was looking for it in the bill, too, Senator Gloor. I...it... [LB887]

SENATOR GLOOR: Yeah. That's where I wanted to find it was in the bill. [LB887]

MARTIN SWANSON: It's there somewhere on the...regard to access to networks. And so there was some concern, I think, when we were reviewing the bill. Does that mean, if I'm in Omaha, can I access a network in Scottsbluff or vice versa? Which you can now under the exchange, but you pay a consequence for doing so because you may have eliminated yourself out of a...excluded yourself out of a certain network or get...have to pay out of...out of rates for other network providers, so. [LB887]

SENATOR GLOOR: Yeah. I don't remember seeing that. It's the sort of thing I think I would have been looking for. But if you can find the reference to it, I'd appreciate knowing. [LB887]

MARTIN SWANSON: I will, and I'll give your office a call, Senator Gloor. [LB887]

SENATOR GLOOR: Yeah. I don't think that was the intent but I didn't help draft it so I don't know. [LB887]

SENATOR KRIST: Any other questions? Thank you so much for coming and for being an expert for us. Appreciate it. [LB887]

MARTIN SWANSON: Thanks. The sacrificial lamb, Senator Krist, is that...? [LB887]

SENATOR KRIST: No, no. We've got to get the information. Thank you very much. [LB887]

MARTIN SWANSON: Yeah. Thank you, Senator. [LB887]

SENATOR KRIST: Next opponent. There's only two of you left. Flip a coin. Thank you for coming. [LB887]

MARY GERDES: (Exhibit 35) Thank you. My name is Mary, M-a-r-y, Gerdes, G-e-r-d-e-s. Chairperson Campbell, Senator Krist, and members of the Health and Human Services Committee, thank you for the opportunity to give testimony today. I rise to testify in opposition to LB887, adopt Wellness in Nebraska Act. Whereas this bill has a different number and a different name and some different features, the bottom line is still Medicaid expansion in Nebraska. Effective January 1, 2014, as a result of the changes required by the Affordable Care Act in the insurance market, states--Nebraska included--are expecting a significant increase in the number of individuals who will seek assistance from Medicaid. This increase will come from individuals who are currently eligible but have not applied previously and from individuals switching from the private insurance to Medicaid because of changes in the private health insurance market. The Medicaid benefit package is richer, has no premiums or deductibles, and minimal cost sharing. For the mandatory provision of the ACA alone, Ms. Vivianne Chaumont...and I would like to preface this next part of the paragraph that we do have updated information from the testimony given by the gentleman from the Department of Health and Human Services. This increase will put pressure on Nebraska's budget. Currently, the state's largest single budget item is Medicaid spending at 40 percent. In January 16, 2014, a report by Creighton University economist Ernie Goss, he states: Nebraska economy is likely to slow in 2014. The primary reason is just simply agriculture and those commodity-based economies, like Nebraska, where you're talking about primarily agriculture, where grain prices are down by 35 to 40 percent over last year. That's spilling over into the broader Nebraska economy. And being a farmer, often those lower prices are cyclical, and so we can not only expect maybe lower prices in 2014, it may spread into 2015 and also possibly '16. No doubt, the slowdown will affect the tax revenues collected for 2014 and, most likely, 2015. Even though Nebraska has a budget surplus now, it may not be the case later. Another thought about fiscal matters: The rules of ACA have impacted many Nebraskans. Numerous families who were above the 138 percent poverty level were forced to give up their current health insurance plans and change to a policy that was often more expensive to comply with those rules. A family of five in my town, Johnson, had to settle for a policy that went from $500 to $800 premium per month with a deductible from $1,000 to $5,000 per family member. As these families absorb this higher cost in healthcare, they will have less money to spend. No doubt, when replicated by thousands of other families, it will have an impact on our state's economy also. In closing, I ask your committee would be...this committee would be fiscally cautious and not advance LB887 because it is unaffordable to Nebraska. Thank you. Are there any questions? [LB887]

SENATOR KRIST: Thank you. Yeah, thank you so much for coming. Any questions? Seeing none, thank you for your patience and for participating. Thank you. Next, and last, I'm thinking. The honor is all yours, sir. Welcome. [LB887]

GEORGE LEVY: (Exhibit 36) Thank you very much. My name is George Levy, George, G-e-o-r-g-e L-e-v-y. I'm from Auburn, Nebraska. Thank you, Senators, for listening to

me, and the committee. I have major concerns about this. And I have read through some of...and the very essence of the bill, it's already been stated that we want to improve healthcare, but there's been other statements already and it's known from other sources. And part of what I provided was part of that Oregon study from different media outlets, and some of those media outlets are progressive and liberal. So they would be in favor of this but they still cite the Oregon study. The things in the bill that catch my eye, I mean besides they want to improve health and whatnot, financial security...and someone made mention that the Oregon study people...mental stress or whatever. And, yeah, part of that was attributed to they didn't have to worry about medical costs. I think that was the greatest contributor. But as far as general health, blood pressure, whatever, cholesterol, it didn't help. I see the same thing on page 3 about healthcare and preventative practices but there's no real penalty or incentive to do that. I think the state ought to have a situation where they put in so much, okay, and the people get so much based on, you know, their thing. They have the state put in 100 percent and the people, the patients, are not putting in any copay. There's no incentive. Okay. They're just going to get sick and go to the doctor and take a magic pill without preventative caution. Okay. On page 4, top of the page, it talks about the period for the federal government. That's not spelled out. That's not clear. I think that needs to be refined better with dates or durations. The other parts of this, on the very back, there's no true incentive to improve healthcare outcomes per se. I mean, yeah, you want to make someone well. But what is the patient doing, the people being covered, the families? And I can give you examples of not fraud, but abuse. Okay. On the last page I've got the most comments. Are there any states that started this that now would prefer to discontinue it? Okay. Federal programs, they...for a federal program they're talking about the state getting $11 million. But the question is: The federal government takes in X amount of money and it comes down here, okay, how much is actually going to the feds? It's probably twice that or three times that with the bureaucracy and the waste in Washington and all the departments and levels. You know, we could do better on our own without the feds. There is a...now for federal reduction, where the feds are going to reduce the funding and the state is going to have to pick it up, the taxpayers, is this committee and the other senators willing to...you know, this is going to cost an increase in taxes to the residents. They're going to have to pay for it somehow there or shuffle money. Is this commission, the senators, and the other senators, are they willing to take a cut in pay to help offset these increases? Because without a doubt, from what these other people said, there's going to be increases and heaven knows where it's going to go. It's going to be out of control. And you've got to look at, is Nebraska paying for poor lifestyle choices, a magic pill? All right. Could people do better with diet, exercise? You know, what's going to happen? Think of these lifestyle choices. People gets in a...person gets in a car accident and doesn't have a seat belt, major injuries where he wouldn't have had any injuries or didn't have a helmet on when he was riding a motorcycle. How much of that are we going to cover? All of it, where it could have been prevented? There is going to be a point in time insurance companies are going to come around and say, this was prevented, you know. You could have had $10,000 worth of

injuries but now you've got $100,000, $200,000, you know, we're only going to pay for the $10,000, you cover the rest. That's coming. Just wait. And people need to start improving our lifestyles. I think the Governor has even talked about lifestyle changes. Why wait to decide? Why not decide now? You're talking about on the last page down the...you know, when the federal funding drops, the state, the Legislature, will decide where to take the money. Why isn't that identified now, up front, so you all know? Okay. And let's look at it again. Is it going to affect education? Is it going to affect med school? You had a med school student here talking about the residencies. I know two or three families now that kids are in med school and they don't know if they're going to get residency. I knew a nephew who got residency, but half his class didn't in another state. Okay. We're investing all this money in med school, all these people, fine people, and you want to help people, healthcare. There's your source right there--residents, med school students, okay? I mean, they're as good as it gets. Okay. [LB887]

SENATOR KRIST: Can I ask you to wrap it up? [LB887]

GEORGE LEVY: Okay. Then on the bottom it says, since an emergency exists. What emergency? Section 5, Department shall be responsible and held liable assuring no violation of HIPAA or loss or misuse of all personal data. We want to impose this, we've got all these new people, and ACA has fumbled the ball. What's Nebraska going to do to prevent that? You know, need incentive that's more than...2 percent copay is not enough. They need to have incentives and this isn't...and then the question is, does this pay for abortion and other lifestyle issues? [LB887]

SENATOR KRIST: Thank you for coming. I appreciate it. Any questions? [LB887]

SENATOR COOK: I have a question. [LB887]

SENATOR HOWARD: I have a question. [LB887]

SENATOR KRIST: Senator Cook, you're recognized. [LB887]

SENATOR COOK: Thank you. Thank you for waiting to testify. I have a question for you. Are you on Medicare? [LB887]

GEORGE LEVY: No. [LB887]

SENATOR COOK: No. Okay. And when you talk about preventative things would... [LB887]

GEORGE LEVY: But let me say one thing. I worked. I retired. I do have medical insurance. [LB887]

SENATOR COOK: Okay. [LB887]

GEORGE LEVY: Part of my retirement is I had two COBRAs that I have elected to discontinue. One was dental. I was putting in like $1,000 a year and I went to my dentist and said, what are my total bills for me and my wife? And they said, total bills are like $400 or $500, and I was putting in $1,000. And the amount of the dental insurance was only going to pay max $1,500. So I dropped it. And I talked to the dentist's office, what are you going to charge? And I dropped the medical insurance. And they said, it's going to be roughly the same, actually, it's probably going to be a (inaudible) cheaper because we don't have to worry about the admin. And then I dropped the vision. That was another thing. We just went and got an eye check and we were paying, oh, same thing, like about $400 or $500 a year. But we...I learned to brush my teeth a whole lot more. [LB887]

SENATOR COOK: Um-hum. [LB887]

GEORGE LEVY: Okay. There's things you can do. [LB887]

SENATOR COOK: Right. [LB887]

GEORGE LEVY: Okay. What was your other question? [LB887]

SENATOR COOK: My other question was... [LB887]

GEORGE LEVY: I'm not Medicare directly. I do know people that are on welfare and Medicare, okay, and I see abuses. Okay. [LB887]

SENATOR COOK: Okay. So you currently do not access your healthcare through eligibility for Medicare in the United States? Okay. [LB887]

GEORGE LEVY: No. [LB887]

SENATOR COOK: The other one. You've talked about preventative and we've got some aspects of this proposal that absolutely reward personal responsibility. Some of the testimony that we've heard over the last year involves people in that window, self-employed folks that were diagnosed with cancer or, perhaps, were in an automobile accident and were wearing their seat belts but it was just a very tragic accident. What would your response be for that? Should there be coverage or not? [LB887]

GEORGE LEVY: Let me say this. Say someone gets in an accident, you know, weren't wearing their...they are the cause of the accident, hit a tree. [LB887]

SENATOR COOK: How about just a gigantic truck runs over a MINI Cooper? [LB887]

GEORGE LEVY: Well, worse yet, yeah. So what happens...yeah. And what happens if...now you were a single driver hitting a tree, you're drunk, okay. [LB887]

SENATOR COOK: Right. [LB887]

GEORGE LEVY: You know, I mean it's one thing if you're an innocent bystander standing on the sidewalk and a vehicle comes by and hits another one, walks, and lands in you, yeah. [LB887]

SENATOR COOK: Right. Um-hum. [LB887]

GEORGE LEVY: Yeah, you're an innocent bystander. But if you look at smoking, lung cancer,... [LB887]

SENATOR COOK: Um-hum. [LB887]

GEORGE LEVY: ...there's a...I've got a friend. He quit smoking, okay, five, ten years ago, but he drinks and...no. I take that back. He quit drinking but he smokes as much as ever, okay, and he's got a container of Mountain Dew all the time and he's talking about his joints hurting, needs a hip replacement. So you've got to get off that soda and drink some more water. Okay. Okay. I mean... [LB887]

SENATOR COOK: Um-hum. You're hired as a health educator. [LB887]

SENATOR HOWARD: Yeah. [LB887]

SENATOR COOK: Thank you. Thank you for going... [LB887]

SENATOR HOWARD: I actually... [LB887]

SENATOR COOK: ...helping people. [LB887]

GEORGE LEVY: I'm sorry I didn't attach my resume to the...to my submittal there. [LB887]

SENATOR COOK: No, volunteer. [LB887]

SENATOR HOWARD: I actually just had a comment. I think it's wonderful how enthused you are about prevention and public health. Often when we talk about forcing people to wear seat belts as a government or forcing people to wear helmets--for the betterment of everybody--we get accused of being a nanny state. So I just think it's lovely that you're so interested in prevention and public health and I really appreciate you waiting

all day to come testify with us about that. [LB887]

SENATOR COOK: Um-hum. [LB887]

GEORGE LEVY: No problem. It was very entertaining listening to both sides. Let me give you another example, a neighbor. There is a house with five people in it--two kids, a mother, father, and a grandmother. Okay. The two work, okay, and they had a...and they have three cars. One, they bought a brand-new car and it just got towed away after a year. They had it like a year; it got towed away about six months ago. Okay. They couldn't afford it. The three adults smoke, and you'll see them out in the minivan at night, idling the car, playing the radio, okay, every night, okay. And you see the ads that...$2,000 a year if you smoke, three of them. That's payment for the new car. I mean, just think of the lifestyle choices. Okay. And we're going to be paying for that when they get sick, okay. There needs to be some definite positive incentives and penalties, okay, and I just beg you, if anything, you know, take a closer look. And maybe you need to delay it another year because this whole ACA thing is still falling apart. And if we're counting on that and the federal government, good luck. We're all in for it. [LB887]

SENATOR KRIST: Thank you so much. [LB887]

SENATOR HOWARD: Thank you. [LB887]

SENATOR COOK: Thank you, sir. [LB887]

SENATOR KRIST: We appreciate you coming. [LB887]

SENATOR HOWARD: Thank you. [LB887]

SENATOR KRIST: Let me just say for everyone who testified who now are not in the building, proponents, opponents, we appreciate the public comment and we will deliberate on all those comments. Thank you. You don't have to go home but you can't stay here. (Laughter) [LB887]

MICHELLE CHAFFEE: Does she want to close? [LB887]

SENATOR KRIST: Oh, I'm sorry. Did you want to close? [LB887]

SENATOR CRAWFORD: Oh. [LB887]

_____: Oh, my gosh. [LB887]

_____: I'm sorry. [LB887]

SENATOR CRAWFORD: Oh, no. [LB887]

SENATOR CAMPBELL: Look at their faces. It's like,... [LB887]

_____: Yeah, now come on, come on. [LB887]

SENATOR COOK: ...we forgot all about the Chair. [LB887]

SENATOR CAMPBELL: (Inaudible). [LB887]

_____: I'm sorry. Did anyone have any more questions? [LB887]

SENATOR KRIST: No. [LB887]

SENATOR CRAWFORD: No. No, thank you. [LB887]

SENATOR KRIST: No questions. Thank you. [LB887]

SENATOR COOK: (Inaudible)...we're doing something else wrong right now. [LB887]

SENATOR CAMPBELL: I just would like to add my thanks to everybody who testified and to Senator Krist for chairing this afternoon. I would like to just make the committee aware that this morning on the floor Liz Hruska came to find me. And she had been sent an e-mail and she said, fortunately, I just looked at it in my inbox, and in that was this...the Fiscal and the draft report. And she felt horrible that she did not have time to look at it and respond because my policy through this whole thing, and I told the Fiscal Office this when we started with LB577, that whatever the Fiscal Office came forward with I would support because they have just done a yeoman's job of taking Milliman and everybody's studies and doing it. And so they will analyze all of this and they will be back in touch with this committee. And I did want to say that for Liz because she was very frustrated when she came to see me. So I'll leave any other comments until later. We're all tired and want to go home. [LB887]

SENATOR KRIST: Thank you, Senator Campbell. I apologize for going through. Now the hearings are over. Can't...you don't have to go home but you can't stay here. (See also Exhibits 38-54.) [LB887]