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Health and Human Services Committee
April 09, 2014

[LR487]

The Committee on Health and Human Services met at 12:45 p.m. on Wednesday, April 9, 2014, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LR487. Senators present: Kathy Campbell, Chairperson; Sue Crawford; Mike Gloor; Sara Howard; and Dan Watermeier. Senators absent: Bob Krist, Vice Chairperson; and Tanya Cook.

SENATOR CAMPBELL: Good afternoon. I'm Kathy Campbell and I serve the 25th Legislative District. And we are opening the public hearing today for LR487, Senator McCoy's, to urge Congress to enact comprehensive healthcare reform. With us today are Senator Howard, Senator Gloor, Senator Crawford, our legal counsel, and our clerk. So identifying everybody, Senator McCoy, go right ahead. Welcome. [LR487]

SENATOR McCOY: Thank you, Chairwoman Campbell, and good afternoon, members. I am Beau McCoy and I represent the 39th District in the Legislature and that's B-e-a-u M-c-C-o-y. I am here to introduce LR487 which urges the United States Congress to enact comprehensive healthcare reform that fits the individual needs of the consumer and encourages increased competition, consumer choice, and cost reduction within the private marketplace. I think it goes without saying that everyone wants as many Nebraskans as possible to have access to qualified healthcare and insurance coverage. We've obviously talked about that a great deal, not just this session but in past sessions as well. The question is, how do we get to that point of making it affordable for our citizens? The Nebraska Hospital Association 2013 Community Benefits Report included some very interesting information, I believe, that in 2012, bad debt incurred by hospitals exceeded \$249.9 million or about 50 percent more than the \$165 million absorbed in 2008. It went on to talk about how bad debt is the fastest growing segment of uncompensated care for hospitals. And due to the uncertainty of many variables associated with the implementation of the Patient Protection Affordable Care Act, the majority of Nebraska's hospitals have more than doubled their budgets for bad debt in 2014. I think that information is very interesting. I've talked about before, our family, along with a lot of Nebraskans, have our own insurance policies. And with all the uncertainty going on today in the insurance industry and in the current state of where our healthcare system is, those costs continue to go up dramatically. And I think any way that we can look across buying insurance across state lines, small businesses being able to pool their resources and their numbers to be able to buy insurance in bulk, I think all that--and, of course, we're one of the good states, I guess, out there for medical malpractice, as all of you know, or one of the better ones than some states, clearly, which helps dramatically, I think. And probably, hopefully anyway, helps us have lower insurance costs than some states. But I think there's more that could be done. Even if you separate all of the things that we can probably agree to disagree on, it would seem to me that there are things that Congress could move forward with that maybe they could look across party lines and agree upon. Not all of them, I'm sure, but

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to me, that's the essence. When I talk to families that are in our shoes, to business owners like us across the state, those are the type of things they talk about is, how do we get at the cost? Not just access, but cost which seems to really escalate at a pace that's awfully hard to control, for one. And to plan for and to budget for, for another. So that's the whole genesis of this resolution. I apologize for bringing everybody in here over the noon hour. But that's really all that it...all that there is to it. I just, you know, some people would say, well, what's the point in doing a resolution like this? And granted, sometimes it's hard to know whether Congress listens or even cares sometimes when we offer up resolutions. But to me, through of the reading and everything that I've done--and I know all of you probably have done that in spades many times over what I have--there seems to be some things that we really could come together on that, hopefully, we could agree on might be ways to lower the cost, especially for our state that is so unique with the diversity that we have across the state. So with that, that's all I would offer up today. [LR487]

SENATOR CAMPBELL: Thank you, Senator McCoy. Questions? Senator Howard. [LR487]

SENATOR HOWARD: Thank you, Senator Campbell. Just a clarifying question. When you're speaking to cost, are you referring specifically to the cost of purchasing insurance or the cost of care overall? [LR487]

SENATOR McCOY: Well, I think it's probably both, Senator Howard. And that's the reason I think those statistics are so interesting because I think you have probably a lot of Nebraskans that it's the cost of insurance and it's the cost of medical care. I'll just give you one example. Here a couple of months ago, our youngest, Tess, had to go to the emergency room which, thankfully, was the first time that had ever happened for her or any of our kids, believe it or not. With four kids, it's hard to believe. And I was reminded because we have a large deductible, when we started to get all those bills--and I just paid a couple more of them yesterday--just that it's the cost but it's also insurance because I think that's what's contributing, maybe, to some of that uncompensated care is not just charity care but it's bad debt where people get into a situation, maybe even if they have insurance. Maybe it's not quite the coverage they would like or a very high deductible, that you end up in a situation where the cost is very great. I'm sure we're not the only family. I'm sure there's a lot of Nebraska families that maybe they have health insurance but their cost to meet those deductibles or maybe some prescriptions aren't covered or whatever the case may be. And if you look across the totality of what they're paying on medical, for all that combined, is very large. I know it is for our family of six and I would imagine we're not the only ones out there. [LR487]

SENATOR HOWARD: Thank you. [LR487]

SENATOR CAMPBELL: Other questions? Senator Gloor. [LR487]

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SENATOR GLOOR: Thank you, Senator Campbell. And Senator McCoy, just a suggestion for the future that I think when you're Governor, you can sit down with this same resolution and take a look at it for the state of Nebraska and without an expectation that they'll do something nationally which isn't likely to take in the best interests of a more rural state like Nebraska. I think you'd be surprised, and you and I have talked about this at times, that between some of the initiatives we already have--like patient-centered medical home and focusing on chronic disease management, having appropriate levels of primary care practitioners so people aren't rushing off to neurologists for headaches, the insurance exchange that exists even though it's a federal exchange--I think you'd be surprised at how we could sculpt something that is a Nebraska solution that works even better than an expectation we may have for the feds coming forward with a recommendation. [LR487]

SENATOR McCOY: I think that's very true. Shauna's mom, my mother-in-law, lives with us and has for some number of years and has some very significant health concerns and some chronic diseases. And you and I have talked about this, Senator Gloor. And it's amazed me as we help her sort through all that on a daily basis, just with the legislation that you've worked on. And it's interesting, when you look at medical home and some of the things that we've worked on, to watch that progression act out in your own family and you actually get to see that it does make a difference. It makes a difference when you have a more patient-centered experience that, yeah, you maybe don't have to run off to the specialist for a test or something that's going to really cost an awful lot or cost somebody an awful lot. And ultimately, I think that makes it better, not just for those that deal with those health concerns but for all of us, as a whole, that may not have some of those health challenges either. So I couldn't agree more with that. I mean, I think there's certainly...a lot of the issues that you all deal with in this committee are ones that we even have conversations talking on the floor this morning, very challenging ones. And I think there are ways that we can look at things on a statewide basis that makes sense for us that...no matter what's going on in Washington. [LR487]

SENATOR GLOOR: Thank you. [LR487]

SENATOR CAMPBELL: Senator McCoy, that certainly is the objective in LR22 and LR422. And we're just getting geared up again to take a look at how do we engage the stakeholders and a lot more people. So we certainly would encourage your interest. I know that you and I have talked about that, the resolution, but it is Nebraskans coming forward to find Nebraska solutions. And that's what I'm really encouraged about. Senator Gloor and I talk about that all the time. We have...we certainly have the creative power in the state of Nebraska. We have great people to come forward with ideas, so. [LR487]

SENATOR McCOY: A lot of ingenuity and creativity. [LR487]

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SENATOR CAMPBELL: Exactly. Exactly. And I think we're seeing that in our hospitals and with our physicians. Some of our rural hospitals are being, in some cases, more creative than I think you might see in the metropolitan area or Lincoln, so, good thoughts. [LR487]

SENATOR McCOY: I would agree. [LR487]

SENATOR CAMPBELL: Any other questions or comments from the senators? Thank you, Senator McCoy. [LR487]

SENATOR McCOY: Thank you very much. Appreciate the time. [LR487]

SENATOR CAMPBELL: Absolutely. Anyone else in the hearing room who wishes to provide testimony on LR487? Seeing no one, we'll close the hearing for the day. [LR487]