[LB89 LB147 LB543]

The Committee on Health and Human Services met at 1:30 p.m. on Friday, February 6, 2015, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB543, LB89, and LB147. Senators present: Kathy Campbell, Chairperson; Sara Howard, Vice Chairperson; Roy Baker; Sue Crawford; Mark Kolterman; and Merv Riepe. Senators absent: Tanya Cook.

SENATOR CAMPBELL: Good afternoon and welcome to the hearings for the Health and Human Services Committee. I'm Kathy Campbell and I serve as the Chair for the committee. And I represent District 25 which is east Lincoln. We will go ahead and start with introductions and then go through some of the procedures. So I'll start on my right, Senator.

SENATOR BAKER: Roy Baker, senator for District 30, Gage County, part of southern Lancaster County.

SENATOR CRAWFORD: Good afternoon. Senator Sue Crawford, District 45. That's eastern Sarpy County, Bellevue, and Offutt. Thank you.

SENATOR HOWARD: Sara Howard, District 9, the true midtown Omaha. (Laughter)

JOSELYN LUEDTKE: Joselyn Luedtke, legal counsel.

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

SENATOR CAMPBELL: And today we have with us our pages. Jay is from Dalton, Nebraska, at UNL majoring in ag economics. And Brook is at UNL also. And she is studying advertising, public relations, and poli-sci, and she is from Omaha. So we'll go through the procedures for today. And then we'll have Senator Harr have a moment of rebuttal for the true midtown district in Omaha. (Laughter) If you have a phone or a device that makes noise of some type, would you please silence it or turn it off? Handouts are not required in the committee. If you are going to provide handouts, we'd like 15. And you certainly can confer with one of the pages if you need assistance there. If you will be testifying today, we'd like you to complete one of the very bright orange sheets that are located on either side of the hearing room. You can also just sign in on a position if you'd like. And please write as legibly as you can. And you will need a sheet for each time you testify. So if you are testifying on more than one bill today, you're going to need more than one orange sheet. We do use the light system in the Health and Human Services Committee. You will have five minutes. It will be green for four, yellow for one, and it will go to red, and I

will truly be trying to get your attention. When you come forward, you can give your orange sheet and any handouts that you might have to the clerk, Brennen Miller. And the pages will distribute it for you. As you sit down and start your testimony, please state your name for the record and spell it so that the transcribers that will be listening to the tape can clearly identify your voice and name. And with that, Senator Harr, you're back. Wow.

SENATOR HARR: Yeah, twice in one year. [LB543]

SENATOR CAMPBELL: This is great. Usually you're here once a year, but... [LB543]

SENATOR HARR: Yeah. [LB543]

SENATOR CAMPBELL: ...we're always glad to have you, and if you'd like to make any comment about your district and Senator Howard's district, feel free. (Laughter) [LB543]

SENATOR HARR: Those who know, know. (Laughter) Good afternoon, Madam Chair and members of the Health and Human Services Committee. My name is Burke Harr, H-a-r-r. I'm state senator from Legislative District 8. And today I'm introducing LB543. LB543 would allow certified community paramedics to provide specific services to eligible recipients. Community paramedic services and eligible recipients are defined in Section 5 of the bill, so I won't go into greater detail of those definitions. However, the services would include such things as health assessments and hospital discharge, follow-up care, and eligible individuals would primarily be people who have received services many times at a hospital emergency department over the course of a year and have been identified by hospital healthcare providers as someone likely to be admitted or readmitted to the hospital. By expanding the role of community paramedics, this would potentially expand the ability to deliver healthcare in our urban and rural communities. Additionally, this would relieve the burden of our 911 facilities, since in many cases these individuals would be calling 911 to receive these supportive services. This bill also directs the Department of Health and Human Services to apply for a waiver to allow for reimbursement of community paramedic services. According to the fiscal note, these services are currently covered, and it would only increase the number of providers for these services. Today's hearing begins a dialog on the future role and responsibility of community paramedics. It is my understanding there will be testifiers today who have concerns about this LB543. I look forward to receiving their input, and I want the committee to know I am open to changes to the bill and will work with those who would like to see changes to the legislation. Off script, I spoke with the Policy Review Office and Department of Health and Human Services earlier today. They had concerns with this bill, specifically whether this should go through a 407 process. And in addition, on the...in the green copy on page 6, line 20, and I mentioned in my...about the waiver, Section 5, "The department shall apply for a waiver to implement this section," the proper

verbiage would be a state plan to implement this section. So that would be the first of, I would assume, several amendments that would be needed to have this bill advance to the floor. With that, I would entertain any questions you may have. [LB543]

SENATOR CAMPBELL: Questions from the senators? Senator Howard. [LB543]

SENATOR HOWARD: Thank you, Senator Campbell. Thank you, Senator Harr. Can you tell me a little bit more about what you mean by an eligible recipient and how we would be able to verify who is eligible? [LB543]

SENATOR HARR: I can. You know, this is a bill to start the conversation. And so it's kind of written broadly with the idea that we can come back and really define once we have people testify for and against the bill and in the neutral position. At that time I think we'll have a better idea. As much as anything we're just trying to flesh out who the players are. [LB543]

SENATOR HOWARD: Oh. Perfect. [LB543]

SENATOR HARR: And at that point, I think we can work together to find a more...you're right, it's very broad. You did a very good job (inaudible). And so we'll work on that. [LB543]

SENATOR HOWARD: And then I also had a question about...so these services are already covered in Medicaid. [LB543]

SENATOR HARR: That's my understanding. [LB543]

SENATOR HOWARD: So essentially we would just be allowing this type of provider to be able to bill for these services? [LB543]

SENATOR HARR: Well, the idea...this is built off of a Minnesota plan... [LB543]

SENATOR HOWARD: Okay. [LB543]

SENATOR HARR: ...where they already do something similar to this. The idea is to provide this care at a lower cost and provide some more consistency so that these recipients aren't going back to the hospital and to the emergency rooms but are instead receiving these services in their homes at a more reasonable price. [LB543]

SENATOR HOWARD: Okay. Thank you, Senator Harr. [LB543]

SENATOR HARR: Thank you, Senator Howard. [LB543]

SENATOR CAMPBELL: Senator Crawford. [LB543]

SENATOR CRAWFORD: The answer may be similar here. I thought that waiver had interesting language about that the community paramedics do not duplicate services already provided. So I don't know if you've already had discussions about that component or that's just, again, a start of a discussion about what that would really mean. [LB543]

SENATOR HOWARD: Right. [LB543]

SENATOR HARR: Again, it's more...yeah, it's more of a starting point. And I don't know how many paramedics there are in the state. [LB543]

SENATOR CRAWFORD: Nor the history. (Laugh) [LB543]

SENATOR HARR: Yeah, or nor the history. [LB543]

SENATOR CAMPBELL: Did you have another question? [LB543]

SENATOR CRAWFORD: No, that's fine. [LB543]

SENATOR CAMPBELL: Senator Riepe. [LB543]

SENATOR RIEPE: Thank you, Senator Campbell. Senator Harr, thank you. Was this being brought to us by...in concert with the rescue squad paramedics? Who's the one that's asking you to...that you're working with primarily to move this forward? [LB543]

SENATOR HARR: Well, I wouldn't say I'm working with anyone specific. You know, Hospital Association would only come in on a neutral position on this, but I think you'll see that hospitals like this because it saves costs. There are certain community fire paramedics that like this program. But it's about providing services at a cheaper rate hopefully and a more efficient rate so we can provide better healthcare at a cheaper cost. Cheaper, faster, better, that's what...you know, that's what it's all about. [LB543]

SENATOR RIEPE: I think I had some correspondence from nursing homes that had some concerns and I assume that we'll probably hear from some here as we go along. [LB543]

SENATOR HARR: Yeah. And that's what I think as much the 407 is about. You know, any...I don't know if you've ever noticed scope of practice can get a little dicey. You know, some people are a little more possessive than others. [LB543]

SENATOR RIEPE: Senator Crawford is an expert on that. (Laughter) [LB543]

SENATOR HARR: So, I appreciate the comments, so thank you, Senator. [LB543]

SENATOR RIEPE: All right. Thank you. [LB543]

SENATOR CAMPBELL: Any other follow-up questions or comments? Senator Harr, will you be staying to close? [LB543]

SENATOR HARR: I plan to, yes. I have three bills this afternoon. If the other one I get called...but I do plan to stay and listen to the testimony. [LB543]

SENATOR CAMPBELL: Okay, excellent. Thank you. [LB543]

SENATOR HARR: Thank you. [LB543]

SENATOR CAMPBELL: Our first proponent for LB543? Good afternoon. [LB543]

MIKE KELLEY: (Exhibit 1) Good afternoon. Chairman Campbell and members of the committee, my name is Mike Kelley, K-e-l-l-e-y. I appear here today as a registered lobbyist for Douglas County and we were one of the ones instrumental in getting this bill introduced. And we thank Senator Harr for doing that. And again, as he said, this is a work in progress. This is...we took this as a place to start. We took it off the Minnesota model. The expert...our expert is Commissioner Borgeson who we thought was going to be able to attend, could not make it. So I am not the expert. So, Senator Howard, if you start peppering me with questions, good luck, because I'm not going to be able to...I'll get you the answers but I may not be able to give them to you. Couple of things, broad statements: We obviously know there will be...this is going to have to be amended. There's work to be done on this. And we will work with Senator Harr and the committee to do that. The basic theory: Douglas County thought it would be a way--just exactly what Senator Harr said--to save some money, get some services performed cheaper, and get them

paid for by the federal government where they're not now, which would save the county. So that's all the bill is about. And we may have stepped on some toes unintentionally, didn't try to. We'll try to unfix that as we go here. And we look forward to the discussion. With that, on a limited basis, I'll try to answer any questions you have. (Laughter) [LB543]

SENATOR CAMPBELL: Do I have questions from the senators? Mr. Kelley, I have one. Are all the paramedics coming out of the county or are they from the city of Omaha? Do you know? [LB543]

MIKE KELLEY: I don't know the...to me, anybody that follows the rules set out in the bill would qualify. [LB543]

SENATOR CAMPBELL: Okay. [LB543]

MIKE KELLEY: But it's kind of a subspecialty, and I don't...we're not trying to take work away from other folks that are doing it now. [LB543]

SENATOR CAMPBELL: Okay. Any other questions? We might come back to that later and have you get some information. [LB543]

MIKE KELLEY: Be glad to. [LB543]

SENATOR CAMPBELL: Thank you, Mr. Kelley, very much for your testimony today. [LB543]

MIKE KELLEY: Thank you, Madam Chair. [LB543]

SENATOR CAMPBELL: And our next proponent? While the gentleman is making his way up to the front, are there other proponents in the room? Okay. You might want to come forward and maybe take a seat closer to the front and then you're already in line. Good afternoon. [LB543]

JOE WIEBOLD: Good afternoon. My name is Joe Wiebold, W-i-e-b-o-l-d. I am the director of business development for Medics at Home, ambulance and community paramedicine. I also function as a paramedic for that service. And I've also been an ER paramedic at Midlands here in Papillion for about seven years. I've got a little testimony here that just kind of goes into greater detail of what this whole community paramedic program is to help kind of educate everybody. A community paramedic is an experienced EMS professional assigned to visit people with an increased risk or likelihood of being readmitted to the hospital. The primary goal of the

community paramedic program is to save healthcare dollars by reducing illness, injury, and preventing unnecessary ambulance transports, ER visits, and rehospitalizations through more efficient use of existing services. Right now the average number of people rehospitalized within 30 days after discharge is 28 percent. When a patient is rehospitalized within 30 days of discharge, the hospital has to eat that cost. The hospital will not get paid for that rehospitalized patient. The hospital will also get penalized on their Medicare reimbursement percentage not just for that patient but for all patients. Many of these discharged patients often have new equipment sent home they're not familiar with, new medications, new routines, appointments, etcetera. And misuse of this new equipment and mismanagement of their new medications or routines often lead to preventable trips to the emergency room and eventually rehospitalization. Our community paramedic program staff are visiting these patients within hours of discharge, helping reduce rehospitalizations. We're nearing the end of our pilot program with the local hospital in Omaha. It's been a group of 30 patients that the hospital and the hospital's home health have deemed high risk for rehospitalization. The hospital and home health approaches these patients and enrolls them in the program. We are notified and we make the visits as necessary. The very first call we did was for a gentleman who was admitted and treated for pneumonia. He qualified for home health. He was read his discharge instructions. He was...said that he has this new equipment, shown how to use it. He got home, put his paperwork down. He put on his oxygen, and found out that he didn't really know how to use it properly. He started to panic. His wife started to panic. She didn't know how to use it. As they were getting ready to dial for an ambulance because he became short of air, we showed up for our scheduled visit, showed him how to use it. So just that quick response and showing up within hours of discharge avoided an unnecessary ambulance trip, admit to the ER, and more than likely an admit to the hospital for 24-hour observation. We are an extension of the current healthcare system with the ability to see people faster. We can visit people as much or as little as needed. Should these recently discharged patients start to not feel well, our community paramedic program staff can visit these patients in their home; perform a wellness check which is similar to a triage in the ER, so a head-to-toe medical and physical assessment, 12-lead EKG, blood glucose check, etcetera; determine what the issue is through our findings and through communication with medical direction; and provide an intervention right then and there, so IV fluids, medication administration, breathing treatments, things like that. Once the intervention is complete, we reevaluate. If the patient's condition is improved, we sign off and go home. If not, we transport to the ER. We're able to do this because we operate under a physician- and state-approved EMS protocol. We are able to assess the situation and provide medical care right in the patient's home. Hospital discharges are just the start of this. Community paramedic program staff can also address frequent fliers to the ER, so these are the people that unnecessarily use 911 and the ER. About two years ago, MedStar in Texas ran a study and found that they transported 21 patients over 800 times to the emergency room, racking up about $1 million in ambulance charges. According to the National Center of Health Statistics, 80 percent of adults visited the ER because they have no other way to access medical care. These are the people who continue to be readmitted to the hospital for reasons that could have been prevented.

MedStar worked with their local hospital to develop a care plan for patients known as the frequent fliers. If a person calls for an ambulance more than ten times in 18 months they are automatically enrolled in this program. These patients receive scheduled in-home visits to be assessed medically, make sure they're taking their meds correctly, and provide them with enough information to navigate themselves through the healthcare system, thus lessening the need to call for an ambulance and land back in the ER. We strongly believe the community paramedic program will become an important part of Nebraska's healthcare system. [LB543]

SENATOR CAMPBELL: Thank you, Mr. Wiebold. Questions from the senators? Senator Riepe. [LB543]

SENATOR RIEPE: Senator Campbell, thank you. Is your program independent of any one hospital? [LB543]

JOE WIEBOLD: No. We were...the best part of this program is that, you know, we compete with nobody. We'll work with everybody. [LB543]

SENATOR RIEPE: Okay. [LB543]

JOE WIEBOLD: And we're able to bend and conform and work with each healthcare facility as needed. What works for one might not work for another and so on and so forth. [LB543]

SENATOR RIEPE: I've been a hospital administrator for a lot of years. [LB543]

JOE WIEBOLD: Okay. [LB543]

SENATOR RIEPE: We're kind of control freaks. (Laughter) And because we have a lot of interest in patients not being rehospitalized. [LB543]

JOE WIEBOLD: Right. [LB543]

SENATOR RIEPE: You know, I would get maybe a little bit concerned about saying, are you on top of it? And I don't care about the other hospitals. I care about mine. [LB543]

JOE WIEBOLD: Sure. [LB543]

SENATOR RIEPE: Are they supportive of this or are they going to want to have a competitive program, is maybe where I'm going? [LB543]

JOE WIEBOLD: Are the hospitals supportive of this? Thus far, every hospital that we've dealt with has been very supportive. The current hospital that we're using in our pilot program, they actually control the situation. So they're the ones that decide which patients we see and don't see. [LB543]

SENATOR RIEPE: Control is important to the industry. Yeah. [LB543]

JOE WIEBOLD: Control is very important, absolutely. [LB543]

SENATOR RIEPE: Okay. [LB543]

JOE WIEBOLD: And then we report back. We have an action form. And if anything needs to be done or we find anything pertinent, that is reported back to the hospital and home health so that they can do what's needed to, to help prevent that person from getting readmitted. [LB543]

SENATOR RIEPE: Okay. Thank you. [LB543]

JOE WIEBOLD: Yeah. [LB543]

SENATOR CAMPBELL: Senator Crawford. [LB543]

SENATOR CRAWFORD: Thank you. And thank you for coming to testify. So in the pilot project now, you mentioned that the frequent fliers to the ER, they get enrolled in this program and then you would automatically go out to visit them. Is that a choice or pretty much show up... [LB543]

JOE WIEBOLD: With...specific to the MedStar program that I was referring to, they don't...they are automatically enrolled. So they get those visits. That's something that they just adopted. Now, we don't do anything like that here now. [LB543]

SENATOR CRAWFORD: Oh, okay. Okay. This is different. [LB543]

JOE WIEBOLD: But it has the potential. Right. Right now we're just dealing with the people that are considered high risk for rehospitalization through the hospital. [LB543]

SENATOR CAMPBELL: Okay. Senator Howard. [LB543]

SENATOR HOWARD: Thank you, Senator Campbell. So the work that you're currently doing...and thank you for your testimony today. [LB543]

JOE WIEBOLD: Sure. [LB543]

SENATOR HOWARD: The work that you're currently doing is already in your scope of practice? [LB543]

JOE WIEBOLD: Correct. Yeah, this is way is redefining anything that we do. We're working under our scope of practice as licensed EMS professionals. [LB543]

SENATOR HOWARD: And so you are already allowed to do med compliance and immunizations and that sort of thing? [LB543]

JOE WIEBOLD: Yes. We can do...immunizations, no, that's not something that falls under the paramedic protocol. [LB543]

SENATOR HOWARD: Okay. [LB543]

JOE WIEBOLD: But if that's something that needs to be addressed, we would then, if somebody required a med administration, if they didn't have a certain type of med, we would report that back to the hospital to make sure that that got done. [LB543]

SENATOR HOWARD: Okay. And so you're able to collect labs as well? [LB543]

JOE WIEBOLD: Yes. [LB543]

SENATOR HOWARD: And perform minor medical procedures? [LB543]

JOE WIEBOLD: Define minor medical procedures. We cannot suture. You're talking about, you know, first aid, stopping the bleeding, transfer the...yeah. [LB543]

SENATOR HOWARD: Right. Okay, so those are sort of technically out of your scope. [LB543]

JOE WIEBOLD: Correct. [LB543]

SENATOR HOWARD: And then, one of my concerns that I asked Senator Harr was, eligible recipients by definition means an individual who is essentially a frequent flier to the ER, correct? [LB543]

JOE WIEBOLD: It can be. Eligible recipient could be somebody that care management or home health identifies. This person is high risk. They have multiple problems. There is a strong chance that they're not going to comply with their discharge instructions and be readmitted. So that's the...when they would put us in touch with them, just to kind of reiterate and be an extra set of eyes to make sure that these people are understanding their discharge instructions. Do you understand the medications that you're taking? Do you have a way to get them? So we go and gather all that information. And if there is an issue we then report that back to home health and the hospital. [LB543]

SENATOR HOWARD: How is your pilot project currently paid for? [LB543]

JOE WIEBOLD: The hospital...we bill the hospital direct. [LB543]

SENATOR HOWARD: And...oh, you're able to bill the hospital directly? [LB543]

JOE WIEBOLD: It's a...since we are private pay... [LB543]

SENATOR HOWARD: Okay. [LB543]

JOE WIEBOLD: ...we bill the hospital for these services, so we're... [LB543]

SENATOR HOWARD: And then is the hospital able to go to another biller for that patient? [LB543]

JOE WIEBOLD: For this program? I'm not following. [LB543]

SENATOR HOWARD: For this program. So, say you come into my grandmother's home and you provide her with some med compliance and other services. [LB543]

JOE WIEBOLD: Sure, if we would do this for the public it would be private pay. We'd have to go after...we'd bill the individual. Right now what we're doing is just working with the hospital. We're billing the hospital for these services. [LB543]

SENATOR HOWARD: And do you bill any insurance companies at this point? [LB543]

JOE WIEBOLD: With...for the community paramedic program? No. [LB543]

SENATOR HOWARD: Okay. All right. Thank you. [LB543]

SENATOR CAMPBELL: Questions? Any other questions on this side? [LB543]

SENATOR RIEPE: May I just ask... [LB543]

SENATOR CAMPBELL: Yes. [LB543]

SENATOR RIEPE: I assume then that you're a subcontractor to the hospital, so they in turn would be able to bill Medicaid or Medicare or any other payer? No? [LB543]

JOE WIEBOLD: You know, the CFO of our company is going to come up next. (Laughter) And he's going to be the guy that's going to be able to answer that a heck of a lot better than I am. [LB543]

SENATOR RIEPE: Okay. Fair enough. [LB543]

JOE WIEBOLD: So I'm going to step aside on that one. [LB543]

SENATOR RIEPE: Okay. Thank you. [LB543]

SENATOR CAMPBELL: So my question...I think I followed Senator Howard's. So at this point, you've had a pilot project. [LB543]

JOE WIEBOLD: Um-hum. [LB543]

SENATOR CAMPBELL: And you then have billed...turned in a bill to the hospital [LB543]

JOE WIEBOLD: Correct. [LB543]

SENATOR CAMPBELL: But at this time in Douglas County, there's no other program like this, correct? [LB543]

JOE WIEBOLD: To my knowledge, no. [LB543]

SENATOR CAMPBELL: Okay. So as a community paramedic, you're serving as a paramedic and I'm assuming that Douglas County is all...ambulance and paramedics are all private not paid...they're not a part of the city of Omaha or the county of Lancaster. [LB543]

JOE WIEBOLD: All of the... [LB543]

SENATOR CAMPBELL: You're a private company? [LB543]

JOE WIEBOLD: Our...correct, yes. [LB543]

SENATOR CAMPBELL: Okay. You are not attached to the city of Omaha? [LB543]

JOE WIEBOLD: Correct. Correct. [LB543]

SENATOR CAMPBELL: Okay. And tell me a little bit about your training as a paramedic. [LB543]

JOE WIEBOLD: What it takes to become a paramedic? [LB543]

SENATOR CAMPBELL: Yes. [LB543]

JOE WIEBOLD: Well, you have to start off by having CPR, and then you have to get your EMT basic certificate, so there's schooling attached to that. And then you apply and get enrolled in paramedic school, which can be anywhere from a year to 18 months straight through. And then there's a variety of requirements that you need to meet in order to take your exam, pass your exam. There's local requirements and then there's national requirements. [LB543]

SENATOR CAMPBELL: Okay. So at the end of all your training there is an exam and then you become a certified paramedic. [LB543]

JOE WIEBOLD: After paramedic school, yes, you take what's called the National Registry exam. [LB543]

SENATOR CAMPBELL: Okay. [LB543]

JOE WIEBOLD: And if you pass both the practicals and written exam, you become a nationally registered paramedic. But then you still have to apply for a license with the state of Nebraska to operate as a paramedic in the state. [LB543]

SENATOR CAMPBELL: Okay. [LB543]

JOE WIEBOLD: So you can be nationally registered. It doesn't matter, you still have to apply for a licensure with the state. [LB543]

SENATOR CAMPBELL: Okay. And by any chance do you know the answer to the question, how many paramedics are in the state of Nebraska? (Laughter) [LB543]

JOE WIEBOLD: I do not. [LB543]

SENATOR CAMPBELL: Okay. Is there are a state association of paramedics or... [LB543]

JOE WIEBOLD: There's multiple EMS associations. There's NEMSA, which is an EMS organization. [LB543]

SENATOR CAMPBELL: Okay. Oh, EMS, okay. [LB543]

JOE WIEBOLD: Yes, ma'am. [LB543]

SENATOR CAMPBELL: So in other words, if we want to know statewide how many people...because once you pass this bill, I'm making the assumption that a paramedic anywhere in the state of Nebraska with the training and that they're licensed could do what is in the bill. [LB543]

JOE WIEBOLD: It's not just actually set aside for a paramedic. This can be any licensed EMS professional. [LB543]

SENATOR CAMPBELL: Okay. [LB543]

JOE WIEBOLD: So this could be a paramedic. This could be a nurse. This could be an EMT. [LB543]

SENATOR CAMPBELL: So there's a number of people...a number of professions that would come under the bill, not just a paramedic. [LB543]

JOE WIEBOLD: Correct. This is a community paramedic program. [LB543]

SENATOR CAMPBELL: Okay. All right. But if you lived in Pierce, Nebraska, and they had a paramedic team or whatever, they could serve as a community paramedic under this bill? [LB543]

JOE WIEBOLD: Correct. [LB543]

SENATOR CAMPBELL: Okay. Any other follow-up questions? All right. Thank you very much for your testimony today. [LB543]

JOE WIEBOLD: You bet. [LB543]

SENATOR CAMPBELL: Our next proponent? Good afternoon. [LB543]

KATHRYN KOEHLER: (Exhibit 2) Good afternoon. Chairman Campbell and members of the Health and Human Services Committee, I'm Kathryn Koehler, K-a-t-h-r-y-n K-o-e-h-l-e-r. And I'm the vice president of patient care services and chief nursing officer at CHI Health Immanuel in Omaha, Nebraska. I'd like to thank you for your time today and also thank Senator Burke Harr for introducing LB543. So in September of 2014, Immanuel Medical Center in northwest Omaha began a partnership with Medics at Home to help prevent readmissions to the hospital and keep patients in their homes. In an attempt to decrease the overall cost of healthcare, the federal government has begun to penalize hospitals for patients readmitted within 30 days, believing there might have, could have, should have been interventions put into place to prevent the readmission. At Immanuel, the readmission rate for patients with COPD, which is chronic obstructive pulmonary disease, had risen to as high as 23 percent. Many times these patients are very elderly. They're medically fragile because they have so many different disease comorbidities, they're called, and they're socially complex. They many times don't have the support level that's necessary to keep them in their homes. And many times their care providers or caregivers are as sick or as fragile as they are. They also have pneumonia, heart failure, and

other cardiac diagnoses which complicates the patients' health and ability to stay in their home. Patients want to return to their homes and stay in their homes as long as they can, and as a result, patients sometimes, although advised, refuse to move to a higher level of care such as assisted living or long-term care. Our partnership with Medics at Home was formed to help support medically fragile patients in their homes. The way this process works is the care managers and social workers identify patients who are at high risk for emergency department visits and readmission to the hospital due to these comorbid conditions and age, previous number of visits to the ED and hospital, and/or new use of oxygen and other treatments. These patients are then referred to Medics at Home. Paramedics from Medics at Home go into the patient's home the day of discharge; review their discharge instructions, medications, equipment use; complete an EKG, an overall assessment; and ensure the patient's safety in the home. Since September of 2014, Immanuel has referred over 25 patients to Medics at Home and have nothing but positive outcomes from this relationship. Patients are very pleased with the service. We have not had any complaints about the Medics at Home being in their home. In fact, we've had many compliments. We've seen where patients said that they would get the prescriptions filled but in the end had no plans to do so, as they could not afford the prescription cost. Once identified by the Medics at Home, we were able to help the patients get financial assistance for their medications. There were situations where the patients' home equipment was not delivered, so they had no oxygen. There were trip hazards that were identified--and other types of safety hazards--and fixed by the Medics at Home. Anxiety was diffused. Many times these patients get into the home and they don't have the support that they think that they need and they get anxious, and they were able to diffuse it. And we believe ED visits and hospital readmissions were averted. Since the Medics at Home partnership, only 2 of the 25 patients had been readmitted within 30 days, which reduced our readmission rate of this very high-risk, fragile population to 8 percent. And there have only been two ED visits. Many of these patients are known to Medics to Home, as they had frequently transported them to the hospital. With their new role, the paramedics are now encouraging patients to stay in their homes, helping them get the resources they need to ensure these patients are able to be safe in their home, get to that doctor visit for follow-up, and if deteriorating medically, get to the doctor's office early instead of the ED. CHI Immanuel believes this is one of the many modalities that is needed to keep patients safe in their homes and to reduce the overall cost of healthcare. Thank you. Do you have any questions? [LB543]

SENATOR CAMPBELL: Thank you, Ms. Koehler. Questions from the senators? Senator Riepe. [LB543]

SENATOR RIEPE: Senator Campbell, thank you. I'm still trying to drive away here at the point of, why is it that you don't have these just as another department division of your home healthcare? I mean, why is it...I'm interested in continuity of care here and communication. [LB543]

KATHRYN KOEHLER: Right. [LB543]

SENATOR RIEPE: And it seems like yet another organization makes it that much more difficult to get that continuity. [LB543]

KATHRYN KOEHLER: What we know is that...and what we...our experience has been, some patients refuse home care even though they might be eligible for it. They don't want anybody in their home...might be due to previous experiences with home care, social services, people taken out of the home, kids taken, you know, homes, you know, become...or seem to be unfit, that kind of thing. And so what we believe is that Medics at Home fills this niche. And so if a patient refuses home care, we can't make them have it. So we offer them Medics at Home and explain it would be a medical...a paramedic coming into the home, and they many times will take it. Now, the other thing is that home healthcare cannot respond like these individuals have. They are in those homes sometimes two hours after the patient has been dismissed, whereas home care sometimes takes 24/48 hours to get in there. So that's a very critical time frame period that patients need to know what to do, have what they need, before they get, you know, transported back to the ED. What we also have found: a couple situations when Medics at Home were in there that first day, did that first visit, they were able to talk the patient into then receiving home care, which is, you know, just part of that, like you said, the continuity of care that is necessary to keep these patients safe and in their homes. [LB543]

SENATOR RIEPE: What would take home healthcare two hours? I mean, is it approvals or something like that, and you don't have to have approvals for an EMT? [LB543]

KATHRYN KOEHLER: No, the... [LB543]

SENATOR RIEPE: I mean, if one can do it in two hours, another one should be able to do it in two hours, too. [LB543]

KATHRYN KOEHLER: Yeah. I don't know. It's the level of service delivery. You know, when we first started working with Medics at Home, they came and said, you know, I have these people sitting here waiting for the phone to ring to come transport patients. They could be doing something very constructive and helping you help your patients. And we said, let's pilot this together to see if it truly could help and to fill, like I said, that niche. Currently, in the home care companies that I've dealt with, overnight they have one person that answers the phone. They have one nurse who is available to go into the home. And if there's a death, that nurse is in that home and can't go to this other home, whereas Medics at Home can go right in there, see that patient within 20 minutes, you know, make a determination, help them try to do some problem

solving. So it's a level of service. It is. But it's also flexibility and the sense of urgency that they have. It's not a replacement of home care. It is not. [LB543]

SENATOR RIEPE: I was suspicious that it was an opportunity to maximize reimbursement... [LB543]

KATHRYN KOEHLER: To... [LB543]

SENATOR RIEPE: ...that they might be able to charge more than you could charge in home healthcare. [LB543]

KATHRYN KOEHLER: Oh. I, yeah, I don't think so. [LB543]

SENATOR RIEPE: We'll wait for the finance guy here. [LB543]

KATHRYN KOEHLER: I don't think so, no. I... [LB543]

SENATOR RIEPE: Okay. [LB543]

SENATOR CAMPBELL: It's okay. Go ahead. [LB543]

KATHRYN KOEHLER: One of the things...I know that there's a question...can I try to answer a question from the previous one? The way that we identify those patients that are high risk: We look at the number of ED visits that they had in the past three months, the number of hospital admissions. We look at their age. We look at the number of illnesses that they have. And it all rolls up to what we call...it's a LACE score. It's...and they're length of stay from previous admissions. So we are only sending them the highest, highest-risk patients that we have in our hospital that are going home. And so...and it also does require a physician's order for them to go in. So that's the way that we are identifying, not just everybody gets, you know, a Medics at Home visit, just those that are high risk. And we score them out. And it's a score of a nine or greater. And then a physician has to agree to it and the patient has to agree to it. [LB543]

SENATOR CAMPBELL: Okay. Do you require any additional training? Does the hospital say, okay, if you're going to be in this program, paramedic, we want you to do some training with us first? [LB543]

KATHRYN KOEHLER: The only training that we would have done with them is just the expectation that this is the assessment and the review that we need you to complete when you're in the home, because then, like he said, they fax back that information to us so that we truly know. You know, I say, unless you're in those homes, you have no idea what's happening in those homes. And so that information is also sent to the doctor and to our care coordinators who are making follow-up phone calls to try to keep the patients in their homes too. So, no. [LB543]

SENATOR CAMPBELL: So if they are a licensed... [LB543]

KATHRYN KOEHLER: If they're licensed... [LB543]

SENATOR CAMPBELL: ...paramedic, that's all the requirement that the hospital has? [LB543]

KATHRYN KOEHLER: Yes. [LB543]

SENATOR CAMPBELL: Do you consider this a short-term program for the patient? In other words, is this like, we check when they're discharged but it's not like we stay with that patient for six months of a year? [LB543]

KATHRYN KOEHLER: I guess I don't know. I think...could it develop into something like that? You know, possibly. And that could be a service that could be developed just like home healthcare, I think. I think it could. [LB543]

SENATOR CAMPBELL: So in essence, the hospital is ultimately looking at this as a potential home healthcare, I mean, that they would stay with the patient for six months to a year and go back periodically or check once a week or... [LB543]

KATHRYN KOEHLER: I'd say at this point we are not looking at it. We are looking at it as a niche player, somebody who can be emergently into that home and prevent failures. [LB543]

SENATOR CAMPBELL: So during the pilot...he talked about a pilot, and I'm assuming the pilot is with you... [LB543]

KATHRYN KOEHLER: Yes, yes. [LB543]

SENATOR CAMPBELL: ...and during that pilot said that they worked with 30 patients. So that's kind of the...what you're looking at, what you're taking the data from. Of those 30 patients, how

many visits did the paramedic team make to those. What was...what's the high number? What's the low number? [LB543]

KATHRYN KOEHLER: I think...from what I know--and I don't know every single thing, but from what I've heard is, I'd say the highest within...and it's not any..it's within a 24-hour period from discharge--two or three would be the high. Most are one. [LB543]

SENATOR CAMPBELL: Okay. So most of the 30 patients were seen once by the paramedics. And then... [LB543]

KATHRYN KOEHLER: Yes, yes, yes, and maybe a follow-up phone call and...which, you know, there's no payment for that. Um-hum. [LB543]

SENATOR CAMPBELL: Okay. And so CHI Immanuel felt that this program was more cost effective, efficient and effective, than your running this service yourself. [LB543]

KATHRYN KOEHLER: I'd say, yes. [LB543]

SENATOR CAMPBELL: Okay, because we've had some frequent flier...the reason I ask some of these questions is, we've had a frequent flier program between the two hospitals in Lincoln. And the hospitals came together and did the program themselves. And it was sponsored...it was an endowed program for a while by the Health Endowment here in Lincoln in order for us to see. But it was a case management also, a part of that. So that's why the questions, because I'm trying to determine, of...in that pilot of 30 patients, what did that really look like? And I appreciate your answers. Senator Crawford. [LB543]

SENATOR CRAWFORD: Thank you, Chairwoman Campbell. And thank you for your testimony. Maybe it would also help clarify, you mentioned that sometimes when the paramedics went in that they...that the patient would then accept home healthcare. So maybe that would also help us understand the difference between what the medic does and what they would get enrolled in home healthcare to do. [LB543]

KATHRYN KOEHLER: Right, right. There... [LB543]

SENATOR CRAWFORD: Could you maybe explain that? [LB543]

KATHRYN KOEHLER: Well, our pilot program was really, truly just for that first 24 hours and for, you know, mainly one visit. But if there was some perceived need to go back in during that short time frame and...the specific example of this was that they got into the home and the patient was...the patient said two things, and the wife: We'll get the prescriptions filled and we'll...and we can borrow my son's nebulizer machine. Okay, so when the paramedics got in there and went over the discharge instructions for that patient, there was no nebulizer. So that was equipment that was never ordered. And they had no intention to get the prescriptions filled. And so then the paramedics checked on, you know, why, and why no equipment, or how to get an order for equipment from the doctor, called the company, tried to get that, you know, all of that and then made another trip back because they...once it got delivered, they didn't know how to maneuver it. They thought they understood it and by the time they left, they didn't understand. I mean, these are very elderly people lots of times. So they went back and they helped them fix it. And then I think there was a call during the middle of the night that the oxygen was empty, and so they tried to get a hold of the company and then I think that they couldn't so they took the oxygen tank from one of their squads out there. It's just, you know, if you look at how complex this is to really keep people safe, you just...you know, they can't make up some of the stories that you hear about this and how the coordination of care is that we've failed our patients in so many ways. So we're just trying to shore it up and keep them there. [LB543]

SENATOR CRAWFORD: Okay. [LB543]

SENATOR CAMPBELL: Okay. Any other questions from the senators? I have one last question, Ms. Koehler. I understand the pilot was of the 30 patients, but Senator Howard's grandmother was one of those 30, let's just suppose, so she was in the program. But my husband was not. Does the hospital, aside from the pilot, do a follow-up when my husband goes home from the hospital? [LB543]

KATHRYN KOEHLER: There...every single patient that is dismissed from our hospital gets a discharge follow-up phone call. [LB543]

SENATOR CAMPBELL: Okay. [LB543]

KATHRYN KOEHLER: And then those patients who are in certain programs for care continuity would get multiple phone calls up until 90 days or beyond so, yes. [LB543]

SENATOR CAMPBELL: Okay. Thank you. That's very helpful. Thank you for your testimony today. [LB543]

KATHRYN KOEHLER: Thank you. [LB543]

SENATOR CAMPBELL: Our next proponent? Good afternoon. [LB543]

JIM PETTID: Good afternoon. My name is Jim Pettid, P-e-t-t-i-d. I'm one of the owners and the CFO of Medics at Home. I think a lot of the testimony that's been given kind of covered what I was going to, but I'll cover some points that weren't. You know, currently in EMS, the real goal is to transport the patient right now. This is...it's the current way of utilizing EMS in the state of Nebraska. That doesn't matter if it's your Omaha Fire or Lincoln Fire or private companies such as ourselves. The reason for that is it's the only way that we get paid. So if we show up on scene to a call, again, whether it's ourselves, a private company, or a fire department, we don't get paid unless we transport. So we can show up. We can help people out. And there's no recognition of a way to charge for those services currently. The community paramedicine program allows us to take a different look at that and become part of the continuum of care for the patients, whether that's going to be follow-up for discharges or eliminating some of the frequent flier uses. So that's sort of the new goal of EMS in theory, would be to keep people in their homes rather than always transporting them in order to get paid for services rendered. You know, some of the programs that were talked about, the Texas program, it saved over $3.2 million with over 2,200 patients that used the system. Minnesota saved $10.5 million to their Medicaid program using a community paramedicine system in their state. And we feel that Nebraska could eventually reap those same benefits financially, both for the Medicaid system and also privately for individuals in healthcare. You know, it's for those reasons that we think that passing LB543 would be beneficial for the citizens as well as the taxpayers of Nebraska. And I think there's going to be a lot of financial questions, so I thought I'd go ahead and start that when you're ready. (Laughter) [LB543]

SENATOR CAMPBELL: Questions? Senator Howard. [LB543]

SENATOR HOWARD: Thank you, Senator Campbell. I just wanted to clarify. So right now, you would not get paid unless you transported a patient? [LB543]

JIM PETTID: Correct. [LB543]

SENATOR HOWARD: And how did the program work with CHI Immanuel? [LB543]

JIM PETTID: So with them...what we were doing with them is if we went on scene to visit a patient, we were getting a pretty small fee for the visit. If we transported the patient, if we deemed--and I think that there was two patients ended up being transported--we would bill for

the transportation only, not for the visit. So it's a split there where it ends up...you know, if we went there and just transported every patient, we would transport all 30 patients. And we saw each one of those patients at least once. And then if we...in this case we billed for two transportations and 28 visits. The visits were being billed at approximately half of the ambulance trip. [LB543]

SENATOR HOWARD: Thank you. [LB543]

SENATOR CAMPBELL: Senator Crawford. [LB543]

SENATOR CRAWFORD: Thank you, Senator Campbell, and thank you for being here, Mr. Pettid, and for testifying. So just to clarify for the record, the fact that you are only paid for transport, that would be a business practice, not a scope of practice issue. Am I correct there? [LB543]

JIM PETTID: Correct. That's a...it's a business practice. [LB543]

SENATOR CRAWFORD: Okay. So there's no legal reason you couldn't get paid for a certain... [LB543]

JIM PETTID: Well, as of right now, there is, in fact. [LB543]

SENATOR CRAWFORD: Oh, okay. [LB543]

JIM PETTID: It's not, you know...so the visit is not recognized by insurance companies, Medicare, or Medicaid. [LB543]

SENATOR CRAWFORD: Okay. So that's the... [LB543]

JIM PETTID: Their transportation is recognized as a service rendered. So, yeah, as far as what our scope of practice allows our medics and our EMTs to perform...doesn't change at all. It's a matter of, do they transport that person and maybe give a breathing treatment during transportation and still take them to the ER? We'd get paid for that. If we give them breathing treatment in their home and keep them home and wait and see if that clears them up and can avoid the ER visit in conjunction with, you know, maybe the person's primary physician, the ER department, we wouldn't get paid at all. [LB543]

SENATOR CRAWFORD: So it's the reimbursement policies that are the reason you only get paid for transport? [LB543]

JIM PETTID: Correct. [LB543]

SENATOR CRAWFORD: Okay. Thank you. [LB543]

SENATOR CAMPBELL: Any other follow-up questions? Senator Riepe. [LB543]

SENATOR RIEPE: Senator Campbell, thank you. I assume--correct me if I'm wrong--do you have a fee schedule and then you adjust accordingly for Medicare or Medicaid? [LB543]

JIM PETTID: So Medicare and Medicaid have a different fee schedule. Those are automatically preset by the government. So... [LB543]

SENATOR RIEPE: Yes, but you probably have one that's higher than that. [LB543]

JIM PETTID: Our private is much higher, yes. So it goes, Medicaid is the lowest, Medicare, then private. [LB543]

SENATOR RIEPE: And you write off... [LB543]

JIM PETTID: Private would be including private insurance, private pay individuals, yes. [LB543]

SENATOR RIEPE: Okay. [LB543]

SENATOR CAMPBELL: Okay. Any others? Thank you very much for your testimony today. [LB543]

JIM PETTID: Thank you. [LB543]

SENATOR CAMPBELL: The next proponent? Okay. Those who wish to oppose the bill? Good afternoon. [LB543]

DARREN GARREAN: Good afternoon. Senator Campbell and members of the committee, my name is Darren Garrean, first name D-a-r-r-e-n, last name Garrean, G-a-r-r-e-a-n. I am president of the Nebraska Professional Fire Fighters representing approximately 1,300 firefighters/paramedics throughout the state, primarily 911, although we do represent some interfacility transport paramedics as well. Although I oppose the bill as it stands and as it is written, we are not opposed to the community paramedicine concept. I think what you've heard a lot of testimony is going into a patient's home and treating them in a nonemergency fashion. Some of the wording in some of the bill as it is written is for the emergency medical provider. And that's a concept that Department of Health and Human Services, the licensing aspect of it, the training aspect of it, is all primarily old school. And how we were doing business is, you dial 911, you get a paramedic or an EMT to show up to the house and transport. And I think some of that gets into the billing aspect of it as well as we've kind of dived into. I just want to raise a few items particularly. On page 4, it gets into a reduction of continuing education hours which could be construed as additional hours. It just says continuing ed of 12 hours. Currently, Department of Health and Human Services Title 172, Chapter 11 dictates the requirements of continued education. So I don't know if this is going to be in addition to or supplemental. But it's kind of redundant as far as addressing it in this bill. That kind of gets into on page 5, the training requirements. That is currently under DHHS Title 172, Chapter 13, what a training agency is required to do, whether it be a paramedic, an EMT basic, and those requirements as the state required. You heard some testimony on how you have to become a paramedic and that's all detailed and is already there. There's just some wording that I think could be muddying some of the waters, I think. The idea of the community paramedic, I think, is great. And the end goal for everybody is to reduce costs. And I think we do need to address the issues of being able to go into somebody's home and treating somebody on a nonemergent fashion so it doesn't turn into emergency, whether that's addressing some billing issues or Medicaid. But as it is, there are times where, as a 911 provider, you go to somebody's house and they may need services that don't require going to a hospital. It could be social services. It could be mental health. It could be, I don't have a primary healthcare and really what I do need is a primary healthcare provider. Some of those things may not entitle...I don't care, we need to go to the ER to bog the system down and create higher costs. And the last part of it, I think, is the billing aspect of it where it doesn't detail specifically who the eligible provider would be. And I think because of that we would have to be...the wording of that would have to be detailed very specifically, because not only does, you know, the private employee doing the business want to get paid, I'm assuming the government entity providing the service if we get into this would want to get paid as well. As it is now, somebody dials 911 and you don't transport, it is my understanding that you don't get paid. [LB543]

SENATOR CAMPBELL: Okay. Are there questions? Senator Riepe. [LB543]

SENATOR RIEPE: I have a question. Thank you, Senator Campbell. My question is, do you see any consumer confusion between what I will call paramedics associated with professional firefighting groups and this group of "paramedics" that are more with the ambulatory care? [LB543]

DARREN GARREAN: Well, I guess that's...when you call yourself a paramedic, I think some of the concept is you are representing an emergency service provider. That being said, I think there could be some confusion. But I think that's where we kind of need to move away from the paramedic just being emergency service provider and the concept of this community paramedicine. Is there a way that some of that can be done, for instance, for a company that the 911 service doesn't have to go out there and transport? Is there a benefit to everybody to reduce costs? Right now the paramedic does have some skills at some...whether it's...medicine compliance is a huge one, where people don't comply with their medicine and it creates bigger problems which turn into an emergency and increases costs. I just use that as an example. So maybe it's a terminology issue or an educational issue that we need to address. But I think you are correct that as you...somebody says a paramedic and they usually consider that person as an emergency service provider. And that's actually what their listed on, you know, according to DHHS, so I would agree with that. [LB543]

SENATOR RIEPE: Okay. Thank you. [LB543]

SENATOR CAMPBELL: Senator Kolterman. [LB543]

SENATOR KOLTERMAN: Thank you, Senator Campbell. Would you...this is a pretty probably stupid question, but I'm going to ask it anyway. You represent the Nebraska Fire Fighters Association? [LB543]

DARREN GARREAN: Correct. [LB543]

SENATOR KOLTERMAN: Would you mind telling us who that is? Is that volunteer plus paid plus... [LB543]

DARREN GARREAN: It's all...I represent paid firefighters and paramedics, primarily urban, in 15 different cities throughout the state from North Platte, Omaha, Lincoln, Papillion, Scottsbluff, and some of those providers do interfacility transports like from hospital to hospital or a nursing care facility to hospitals. But most of it is 911 service that I represent. [LB543]

SENATOR KOLTERMAN: But you don't deal...can I keep going? [LB543]

DARREN GARREAN: Please, I'm... [LB543]

SENATOR CAMPBELL: Sure, absolutely. [LB543]

SENATOR KOLTERMAN: You don't deal with...you're not representing the volunteer firemen throughout the state... [LB543]

DARREN GARREAN: That is correct. That is correct. [LB543]

SENATOR KOLTERMAN: ...even though they do have paramedics, correct? [LB543]

DARREN GARREAN: Correct. And if I may, we are not opposed to the concept of this. I think what we're hearing is, a paramedic...from this bill, the idea is to open up some ability to go into somebody's home and do basic care. And we're not opposed to that and reducing costs. I mean, that helps everybody. But as it is written, the bill as it sits right now, I think there are some things that need to be addressed. And I've talked with Senator Harr and appreciate that his testimony is...you know, there may need a lot of movements in this bill in order for it to be written. [LB543]

SENATOR KOLTERMAN: So in essence you just feel there's some ambiguities with it? [LB543]

DARREN GARREAN: Absolutely. And that's why I say, as it is written right now, there are some things that I just can't...I can't be in support of it as it's written because of some of those things. There's some redundancies, I feel, particularly with the administrative code, you know, Chapter 11 and 13 on scope and additional education and particularly the billing, you know; and not because we get billed for anything. I would think that the private entity or the, you know, the public government or whoever is doing the billing would want that more so. [LB543]

SENATOR KOLTERMAN: All right. Thank you very much. [LB543]

SENATOR CAMPBELL: Thank you for your testimony today. [LB543]

DARREN GARREAN: Thanks. [LB543]

SENATOR CAMPBELL: Our next opponent? While the gentleman is coming forward, how many people wish to testify in opposition to the bill? Okay. So we have two...did you say...raise your hand, sir? Okay. Go right ahead, sir. [LB543]

MATT OESTMANN: (Exhibit 3) Okay. Thank you, Senator Campbell and fellow members of the committee. My name is Matt Oestmann, last name spelled O-e-s-t-m-a-n-n. I serve as the administrator for Hillcrest Home Care in Bellevue, Nebraska. And I'm also a member of the Nebraska Association of Home and Community Health Agencies. Today I'm representing not just 57 member home health agencies in the state of Nebraska. Nebraska's home health agencies employ registered nurses, licensed practical nurses, home health aides, and therapists. These home health professionals provide skilled nursing care and other therapeutic services to Nebraskans in their homes. More than 325,000 annual home health visits are made across the state. Nebraska home health professionals comply with the care, treatment, and operational standards and home health agency licensure requirements as written in our state rules and regulations under Title 175, Chapter 14, for home health agencies. Our agencies also comply with the Centers of Medicare and Medicaid conditions of participation for skilled healthcare delivery in the home. LB543 proposes allowing community paramedics to conduct health assessments, provide chronic disease monitoring and education, ensure medication compliance, provide immunizations and vaccinations, laboratory specimen collection, provide hospital discharge follow-up care, and perform minor medical procedures for individuals that have received services at a hospital emergency department. These same services are already being provided across the state by licensed, trained, and highly qualified home health agency nurses and therapists. Research continues to show the need for investment in team member training to provide continuous professional and vocational development which is crucial to building a skilled work force that can recognize and respond to the medical, functional, psychosocial, and cognitive needs of these complex patients in our community. Home healthcare providers are specially trained, educated, and maintain best practices to provide quality, safe care. We respect and value the work of paramedics in the community. Our home health agencies have always worked side by side with other providers in the continuum of care to assist patients in staying safe in their homes. If paramedics choose to perform the same services to the citizens of Nebraska as home health agencies do, they should comply with the same operational standards and licensure requirements as home health agencies. LB543 could potentially put home health agencies out of service. If home health agencies were forced to compete with entities that were not subject to the same regulatory requirements, it would be challenging to remain open, which would lead to an increase in unemployment and less agencies to care for our citizens. In the long run, this will increase costs to the state of Nebraska due to the fact that there will be less skilled providers to care for our patients in their homes and force them into institutional care settings. I'd also like to go off script just briefly. I know there's been a lot of talk of hospitalization this afternoon and the hospitalization rates being up in the 20 percent; 28 percent, I think, was one figure that was mentioned. According to the Centers for Medicare and Medicaid Services, the

hospitalization rate for certified Medicare home health providers in the state of Nebraska is approximately 15 percent. So our home health providers in the state are already doing an excellent job keeping these residents safe, these patients safe and in their homes. And I'll take any questions that you may have. [LB543]

SENATOR CAMPBELL: Senator Baker. [LB543]

SENATOR BAKER: Thank you, Senator Campbell. And thank you for your testimony. I'm...I've had some recent experience with my wife's aging parents with regards to, you know, home health agencies helping out. I'm wondering about the time factor. You know, the earlier testimony was that there would be, upon request, someone there within two hours. [LB543]

MATT OESTMANN: Right. [LB543]

SENATOR BAKER: Are you able to meet that kind of a time line? [LB543]

MATT OESTMANN: Our...you know, and I can speak for my particular agency, Hillcrest Home Care in Bellevue. I can't speak on behalf of all of our member agencies. But one of our requirements for our certification and our licensure is to have a physician's order. If we have a physician's order to start care on the same day as that discharge from the hospital, we will be there on that day that they discharge from the hospital. That is not a problem. [LB543]

SENATOR BAKER: Okay. [LB543]

MATT OESTMANN: But again, speaking just for my agency, not for the member agencies across the state. [LB543]

SENATOR BAKER: Thanks. [LB543]

SENATOR CAMPBELL: Mr. Oestmann, to your knowledge, do any of the home healthcare agencies have a contract or an arrangement with hospitals to do this kind of service that was described? [LB543]

MATT OESTMANN: Not this particular service that I'm aware of. [LB543]

SENATOR CAMPBELL: Okay. [LB543]

MATT OESTMANN: I can speak to...our agency, in particular. It does not have a contract with a facility for this type of service. [LB543]

SENATOR CAMPBELL: Okay. To your knowledge, does any other state...as you work with other home care associations across the United States, do you know of any? [LB543]

MATT OESTMANN: You know, not that I'm aware of. I know that Minnesota, Colorado, and some of these other states have had similar programs, but I cannot speak to the, you know, the home health involvement in those other states. [LB543]

SENATOR CAMPBELL: If it's not too much trouble or inconvenience, if you would...if you could check with some of those state associations. [LB543]

MATT OESTMANN: Absolutely. We don't have a problem with doing that. [LB543]

SENATOR CAMPBELL: I'm interested in knowing the answer to that question, because I think there was some kind of an arrangement here in Lincoln between Bryan and Tabitha. [LB543]

MATT OESTMANN: Okay. [LB543]

SENATOR CAMPBELL: But I'm not quite sure what that was, and I'll follow up on that one. [LB543]

MATT OESTMANN: Well, and Tabitha is a member agency of ours as well, so we can follow up with them as well. [LB543]

SENATOR CAMPBELL: Right, right. Anyone else with questions? Thank you, Mr. Oestmann. [LB543]

MATT OESTMANN: Thank you. [LB543]

SENATOR CAMPBELL: Whatever you can provide would be helpful. Our next opponent? [LB543]

JAMES SUMMERFELT: Good afternoon. [LB543]

SENATOR CAMPBELL: Good afternoon [LB543]

JAMES SUMMERFELT: (Exhibit 4) While the page is handing out the handout I'll go ahead and start my prepared remarks. [LB543]

SENATOR CAMPBELL: Sure. [LB543]

JAMES SUMMERFELT: But, Senator Campbell and fellow members of the Nebraska Legislature Health and Human Services, thank you for the opportunity to testify today. My name is James Summerfelt, S-u-m-m-e-r-f-e-l-t. And I serve as the president and CEO of the Visiting Nurse Association in Omaha. And I'm also a member of the Nebraska Association of Home and Community Health Agencies. Our state's home health agencies, including the VNA, have a vision to improve the health and the lives of the people, the communities that we serve. To achieve this lofty vision, we undertake the mission to provide community-based health services with multidisciplinary teams centered around the patient and the family. It also includes registered nurses, licensed rehab therapists, certified home health aides, a licensed pharmacist, registered dieticians, medical social workers, medical physicians, all who have the skill and education required to care for the patient with a myriad of diseases and injuries including cardiopulmonary disease, pulmonary disease, neurological disease, endocrine disease, degenerative joint disease, orthopedic injuries, behavioral health disease, surgical wounds, infections, and pain management, to name a few. They're experts in home assessment, teaching activities of daily living, medication reconciliation and management, fall prevention, nutrition and diet education, and much more. Many of these skills require advanced degrees involving years and years of training as well as ongoing continuing education. LB543 proposes that a discipline titled community paramedic would be able to provide many of these same services with 12 additional hours of continuing education on clinical topics related to their field of emergency medical services. While that training might help enhance the ability for community paramedics to provide emergency services, it wouldn't meet the state of Nebraska's criteria for skilled medical services in the home, which includes supervision by a registered nurse or a therapist following a plan of care ordered and signed by a physician...a patient's medical physician. We'd be very concerned for the safety and well-being of Nebraskans, including our state's most fragile and vulnerable citizens who are elderly. And over half have five chronic conditions and might also have paralysis or need respirators, ventilators, "traches" for daily living. Our state can't afford to put our citizens requiring high, skilled medical care at risk of injury or worse. After talking to our counterparts in other states, we've learned that there's a national movement for creating this community paramedic and other emergency medical services providers are requesting state plan amendments. Efforts are also being made to request permission for the Centers for Medicare and Medicaid, CMS, under the state waiver to allow for reimbursement under the Medicaid program. You've already heard that, I think, today. A longer-term goal is to request reimbursement through Medicare, which is a primary payer for home- and

community- based care. We respect and appreciate the work of the community paramedics as first responders and when life or death situations arise. There is a place for all providers. As a part of the continuum of care for Nebraskans, we continue to welcome and encourage the referrals to home health agencies and...who are staffed well and equipped well to provide short-term and long-term skilled care for our state's citizens in the comfort and safety of their homes. We respectfully request that you would carefully consider the safety and well-being of the citizens of Nebraska as it relates to the needs for high-quality, skilled healthcare in the community. And off script, we do...in fact, the VNA has a contract with Nebraska Medicine where we have a contract with them and we send our what we call transitional care coaches to Denver to be trained in the Coleman model, which is a evidence-based practice. And so these folks meet with the patient prior to discharge. And the hospital has identified them, similar to what you heard from Immanuel. They've identified vulnerable, high-risk patients for hospital readmissions. And then they have been trained in the Coleman coaching model that has four pillars: medication management; disease education; taking on the responsibility of their management themselves, very patient-centered; and involving primary care physician, making sure that they have a follow-up visit with their primary care. So it's really getting to the root of rehospitalization. It's teaching people about their disease and how to manage it themselves. We've been doing this for close to three years now. The first quarter, I can tell you we had zero percent hospital readmissions, it was so successful. So they do a visit in the hospital, and then they follow up with a home visit. And these folks are trained. They could be certified nursing assistants. They could be a social worker. They could be an RN. But it's typically not a higher paid person, because it is lower cost. So there already is...and we're not the only ones that are using this model. It's across the country that are using transitional care coaches, very highly successful. So with that I'll... (Laugh) [LB543]

SENATOR CAMPBELL: We probably ought to...I was going to say, we'd probably better go to the questions. Questions from the Senators? Senator Crawford. [LB543]

SENATOR CRAWFORD: Thank you, Chairwoman Campbell. And thank you, Mr. Summerfelt. How often would you say that you visit someone once? Like, is that a very common type of care that you provide or is your care generally multiple visits? [LB543]

JAMES SUMMERFELT: I can tell you, four visits or less, it's 11.2 percent of the time. [LB543]

SENATOR CRAWFORD: Okay. Okay. And I don't...I'm sorry, I don't know very much about this. So maybe just help me understand what...is your visit prompted by a physician order or by a patient request? What prompts your visit? [LB543]

JAMES SUMMERFELT: It can be either one. Some of the reference materials that I gave you there, you can see by looking at the different diagnoses and chronic conditions, it's usually physician ordered services. And as I said before, we have to have a physician's order in order to provide drug care service just as a previous person said. But it can come from...if someone goes home without discharge instructions for home healthcare, they can request it. But we'll still need to follow up and get a physician's order for it. [LB543]

SENATOR CRAWFORD: Thank you. [LB543]

SENATOR CAMPBELL: Okay. Any other questions? Thank you, Mr. Summerfelt. [LB543]

JAMES SUMMERFELT: Okay. Thank you. [LB543]

SENATOR CAMPBELL: Our next opponent. Are there any other opponents in the room besides this gentleman? Okay. Anyone in...oh, I'm sorry. I didn't see...oh, okay. And how many people in a neutral position? Okay. Thank you, sir. Go right ahead. [LB543]

JEFF GONZALEZ: My name is Jeff Gonzalez, G-o-n-z-a-l-e-z. I represent the Nebraska Society for Respiratory Care. After review of LB543, Nebraska Society for Respirator Care has concerns regarding key provisions within this legislation. While we understand the need to provide greater access to healthcare providers, we do not believe that simply expanding the role of the paramedic into nonemergency care sites or situations has been fully assessed. One of the provisions of LB543 creates an expanded role from what has been traditionally an emergency care practitioner that...to that as a community paramedic. The provision clearly expands the role of the paramedic and subsequently the sites of care where this new practitioner may provide a new range of service. This expansion in the scope of practice goes far beyond the education and training of the paramedic which is focused on emergency care and medicine. The new provision would add disease management, discharge follow-up care, medication compliance, and other things. There is nothing in the current paramedic accepted curriculum that remotely touches any of these complex and critical care patients. The provision of LB543 states the paramedic will have successfully completed a community paramedic education program from a college or university that has been approved by the board or been accredited by a board-approved national accrediting organization. There is no national standardized curriculum for the community paramedic. Therefore, each college and university can create its own training program making unilateral decisions on what components should and should not be included. What one college or university decides to teach on the subject matter, another college or university may not. For example, what would the curriculum be to teach chronic disease monitoring or medication compliance. We also note that the provision of the bill allows that the education program devised by a college or university can just be approved by the board. The various programs do not have

to be reviewed or accredited by any outside third entity. There's no curriculum to actually teach correctly or in a thorough manner of these new clinical services that the practitioners will legally be allowed to provide to Nebraskans. Additionally, there is no requirement for any type of standardized statewide competency testing. Will this merely be a test of the college program which the college program would administer? There are no assurances that any exam or test would be validated and reliable nor conform to any other test to be given in any other program. We are also very concerned that the provisions of the bill do not address specific board oversight of these proposed community paramedics. As noted, the bill, if passed, would create a legal authority across the entire state to permit paramedics to provide a vast range of new, nonclinical services or noncritical services, excuse me, while not requiring that a basic structure or education and competency testing is in place. The requirements for licensure of other professionals specifically address these issues of education, competency testing, and oversight. This bill would create a subcategory of paramedics that does not address education, competency testing, and oversight. These are all essential components for healthcare practitioners when providing clinical services to patients. The Nebraska Society for Respiratory Care recognizes the vital and critical role of our paramedic healthcare colleagues when they perform emergency care in assisting Nebraskans when health and lives are in immediate jeopardy. Simply expanding the role of paramedics into clinical services that are in no way related to emergency care without standardizing educational curriculum or standardized competence examination does not serve to protect the health and safety of our citizens. Until a standardized and accredited infrastructure of education, testing, and oversight is established with LB543, it should not move forward. And I think if we were to have, you know, the infrastructure in place, our organization would most undoubtedly support it. [LB543]

SENATOR CAMPBELL: Okay. Thank you very much, Mr. Gonzalez. Wait just a minute. Any questions from the senators? Okay. Thank you for your testimony today. [LB543]

JEFF GONZALEZ: Thank you. [LB543]

SENATOR CAMPBELL: Our next opponent? Okay. Sir, are you...I'm sorry, neutral. Thank you. I got the wrong hand. Any other opponents? Okay. We'll go to neutral testimony. Good afternoon. [LB543]

KARI WADE: (Exhibit 5) Good afternoon. Madam Chair and members of the Health and Human Services Committee, my name is Dr. Kari Wade, K-a-r-i W-a-d-e. I'm here on behalf of the Nebraska Nurses Association in a neutral position for LB543. In Senator Harr's statement of intent for LB543, he states, "The purpose of LB543 is to define community paramedics and the services they provide." That is our interpretation of the bill as well. And as a result, the NNA believes this bill defines a broader scope of practice of community paramedics, and we believe it

should undergo a 407 scope of practice review. I think there's been great detail today discussed of scope of practice and training required for health professionals and also for paramedics. So with...these additional services may be justified for community paramedics, but without a 407 review, we are uncertain of that. A 407 review will assure community paramedics are educated and trained for these additional services. Thank you for your consideration. [LB543]

SENATOR CAMPBELL: Any questions for Dr. Wade? Senator Riepe. [LB543]

SENATOR RIEPE: Senator Campbell, thank you. Dr. Wade, are you a clinical nurse practitioner? [LB543]

KARI WADE: I am not a nurse practitioner. I have... [LB543]

SENATOR RIEPE: So you're an educator? [LB543]

KARI WADE: I am an educator, correct. [LB543]

SENATOR RIEPE: Okay. Great. Thank you. [LB543]

SENATOR CAMPBELL: Dr. Wade has a number of credentials listed. [LB543]

KARI WADE: I have a master's degree in nursing and a doctorate of education, to clarify. [LB543]

SENATOR CAMPBELL: Any other questions? Thank you, Dr. Wade. [LB543]

KARI WADE: Thank you. [LB543]

SENATOR CAMPBELL: Our next neutral. Good afternoon. [LB543]

RANDY MEININGER: (Exhibit 6) Senator Campbell and members, I appreciate the opportunity to come down from Scottsbluff, Nebraska, to visit with you today about this. My name is Randy Meininger, M-e-i-n-i-n-g-e-r. I wear multiple hats. I'm the mayor of Scottsbluff. I'm the president of the Rural Nebraska Regional Ambulance Network which covers 53 counties basically from Kearney north and south, west to the state line. I'm also the president and CEO of Valley Ambulance Services, Incorporated in Scottsbluff, Nebraska. And I'm a paramedic. This is our 41st year of operation in the state of Nebraska. I am testifying in neutral of this bill because the

concept is essential to provide care to our residents in Nebraska. However, the wording in it...I can't support the current or the introduced, so it needs some tweaking. And I believe there's been an amendment that's been proposed, AM153, but I don't think it's made it there yet. That...changing some wording in it would make this possible. We've talked about scope of practice and a 407 review. Currently, it is in the scope of practice for the paramedics to do this. In fact, almost 25 percent of our volume over the last 10 years has been to provide care to the patients in home and never transport them. One of the issues that we're coming into, though, is there is no payment source if we treat and release or we do not transport them. It's all based on transport. We've got to get away from that mentality because a diabetic that has a low blood sugar doesn't need a $3,000 ambulance and hospital bill for a $50 fix. However, there is a lot of...education component that go along with that. We went into a partnership with Regional West Medical Center, which is one of the Level II trauma centers in Nebraska. And we went into a pilot program last year to provide a community paramedic education program using both home health nurses and our paramedics off the ambulance. We were very successful to the point that we have been published twice, one in the Integrated Healthcare, which is a national magazine, and also the Nebraska Medicine. We have been published in both of those. It has given us opportunity to take our program, which was very successful internationally...we have spoke nationally at the last seminar in Reno, Nevada. We also spoke in Sydney, Australia, in Warwickshire (County), England, because they've been working on community paramedic programs for years. We're just now kind of coming up to speed. But in our program we had a 169--and if you...I gave you the raw data at the end--169 patients from Regional West Medical Center in the medical oncology unit that we worked with. And of those, we had 69 patients that opted into the program and the rest of them were our control group. The hospital--and we're...I'm not talking about national data; I'm talking about the data that I know absolutely, positively in front of me, because that's the hospital that we work with--Regional West Medical as a control group had a little over 21 percent readmit. When the paramedics were involved with the patients and doing a community paramedic project within our scope of practice, we reduced and we only had a 10 percent readmission rate. We're currently in the process right now of working with Blue Cross Blue Shield to expand this not only to cover congestive heart failure and pneumonia patients that are being released from the hospital, but also to look at joint, hips, and knees. Now, we work very close with our home health agency. And I would say that we benefited and the nurses benefit, because we were both involved with the program. It was never intended to put an us against them mentality, and that's what a lot of them that want to testify want to do this. We are an integrated healthcare system. And if we don't accept that and use all of the components that are available, we're not doing our patients any good. So we have an excellent return on our program. Again, you got 11 percent reduction in patients that were readmitted. And remember, when the patient gets readmitted to the hospital, if they break that threshold, the hospital doesn't get paid or they get a reduction in pay over the next year on all Medicare patients. Healthcare dollars leave our...Nebraska every day. Medicare, Medicaid, your FICA, all that leaves. Healthcare industry is what brings those monies back. And with this community paramedic

program--and I agree, in the current bill, I can't accept that, but with some amendments it's very doable--we have the data to support it...and very successful. And if we can help with some reimbursement on that, we can decrease the cost to the Nebraskans. [LB543]

SENATOR CAMPBELL: Thank you, Mayor. Questions? Senator Riepe. [LB543]

SENATOR RIEPE: Senator Campbell. Thank you for coming all the way from Scottsbluff. That's dedication. We appreciate that. Did you say that you have all the providers participating in this? [LB543]

RANDY MEININGER: Providers as in paramedics or home health? [LB543]

SENATOR RIEPE: Across the board or in the sense of within your community. [LB543]

RANDY MEININGER: Within our community, for this project that worked with congestive heart failure and pneumonia patients, we worked cooperatively with our home health agency and the paramedics. What we did is, when the patients were identified, the home health agency got a patient and then the paramedics would get a patient, so we just went back and forth like that randomly. We didn't know which patients we were going to get. [LB543]

SENATOR RIEPE: So do you coordinate your pricing and everything too? [LB543]

RANDY MEININGER: Well, there's no billable component for that now. So we knew... [LB543]

SENATOR RIEPE: So it's an all whole DRG kind of thing? [LB543]

RANDY MEININGER: Pretty much. [LB543]

SENATOR RIEPE: Yeah. [LB543]

RANDY MEININGER: But we knew that this was so important that we paid for it to...over the last year to get the data, because at some point I was going to be in front of you to present this, as I am today. Without data, it's hard to make decisions. This is the data you need. [LB543]

SENATOR RIEPE: When I was talking about pricing. I was going to see if there were any antitrust problems going on here, but okay. [LB543]

RANDY MEININGER: Not that I'm aware of. [LB543]

SENATOR CAMPBELL: Questions from the senators? Thank you very much for coming...and very helpful information. If...have you had an opportunity to talk to Senator Harr? [LB543]

RANDY MEININGER: No, I haven't. We'll make connection after this. [LB543]

SENATOR CAMPBELL: Okay. What we may do is recommend that they follow up and visit with you, because you have a very interesting program. Thank you, Mayor, for coming and your service to your community. [LB543]

RANDY MEININGER: Thank you. [LB543]

SENATOR CAMPBELL: Senator Harr has gone to another hearing, so this concludes the hearing on LB543. We will take a five-minute break. [LB543]

SENATOR CRAWFORD: Do you have letters? [LB543]

SENATOR CAMPBELL: Pardon? [LB543]

SENATOR CRAWFORD: Do you have letters? [LB543]

SENATOR CAMPBELL: Oh, letters, thank you. It's a good thing I have friends here. Brennen, do we have letters of record? [LB543]

BRENNEN MILLER: (Exhibits 7, 8) Yes, we do. A letter from the Nebraska Hospital Association and a letter from the Nebraska Rural Health Association. That's it. [LB543]

SENATOR CAMPBELL: Okay. Anything else? Okay. We'll close the hearing then on LB543 and you have a five-minute break and I'll get set up. [LB543]

BREAK

SENATOR HOWARD: Okay. We will start the hearing on LB89. We ask that if you have any conversations, please take them out into the hallway. LB89 is Senator Campbell's: Change

provisions relating to aid to dependent children. Senator Campbell, you are welcome to open. [LB89]

SENATOR CAMPBELL: (Exhibits 1, 2, 3) Thank you, Senator Howard and members of the Health and Human Services Committee. I am Kathy Campbell, K-a-t-h-y C-a-m-p-b-e-l-l, representing District 25, here to introduce LB89. LB89 is similar to a bill I introduced in 2013, LB508. The goal, and this is specifically...I thought Senator Baker's question was spot on yesterday when he said to Senator Morfeld, tell me why you're doing this. This is why I'm doing it: The goal of LB89 is the same goal sought by LB508, to prevent children from unnecessarily entering the child welfare system by addressing poverty, which is key to keeping children out of the system. We know from past interim studies that poverty is one of the major causes of children being removed from their families and put into the child welfare system. I'm going to go off of the script a little bit here to say that this is my seventh year in the Legislature. And I have never...I've probably reached...I think it's an unusual plateau here. I have never had a fiscal note that was $45 million. And so I'm going to talk a little bit about that fiscal note before I explain the rest of my comments, because you're all going to zone in on the fiscal. What I want to say about the fiscal note is that...and my apologies to Senator Crawford, because I was not on the floor late this morning. But I called and we had put together a meeting between the Budget and Fiscal Office as well as Appleseed, because I have primarily worked on LB508 and LB89 with Appleseed. The fiscal note for LB508 in total two years ago was $9.6 million with a General Fund of $2.9 million. And this year, in LB89, you're looking at $45 million. So some questions have arisen as to what makes the difference between these two. We have determined that we need to have a meeting between the Budget and Fiscal Office, the department, Appleseed, and my staff. And we will thoroughly go over the fiscal note and come back to you. So my recommendation will certainly be to the committee to hold this until we can sort that out, because there would be no way I would ask for you to forward this bill until we can solve that, because $45 million I have to say, took my breath away when I first saw it. So today what we're going to concentrate on in the hearing is we're going to concentrate on trying to explain ADC, how this works, and tell you about the need that we see exists out there that gets back to the basic question: Why are we doing the bill? LB89 would ensure families are able to provide for their children's basic needs such as rent and clothing through the ADC program. This program is restricted to families with a very low income. For a family of three, this means earning no more than $740 per month after a 20 percent disregard of earned income. All able-bodied individuals on ADC must engage in work requirements. LB89 would align the ADC allotment with the cost of living. The allotment is determined by two factors. And I need Jay or Brook. They're going to get their exercise today, because I have handouts for the committee. What you will see on the handout you have, that there's really two factors. One is the standard of need and the maximum payment. So when you see the chart, you can kind of look. To the left part of it is the family size. Then it says, standard of need. And then it says, current maximum payment level, and then those three columns to the right tells you how the bill would progress. Okay? Through...the standard of

need increases every two years by a percentage based upon the cost of living. That's the far left column. So it gets us...it gets by law and statute an increase based on cost of living. But the current maximum payment level has not been changed in nearly 30 years, making it completely out of sync with the cost of living. To correct this, LB89 would raise the maximum payment every two years until it is at 70 percent of the standard of need. LB89 would also change the amount of gross earned income that is disregarded for ADC applicants. Currently, the level of cash assistance is determined after disregarding 20 percent of earned income. Under LB89, we would retain the 20 percent during the application process. Once eligibility is established, the amount would be 50 percent. This portion of the bill is intended to address the so-called cliff effect. And in fact, it was very interesting. The other day, I had a visit from the Omaha Chamber of Commerce, and they're very interested in looking at how we look at childcare and childcare subsidies and trying to gain some information. And one of the questions they brought up to me was this cliff effect. Well, we see the cliff effect in ADC, too, which causes families to lose access to ADC when income goes up. Several senators in the past--and the primary person that used to ask me about this all the time was Senator Carlson--have brought this to my attention over the past few years. It doesn't make sense that a small hourly wage increase should disqualify all assistance. With that in mind, LB89 changes the earned income disregard to 50 percent after a family has qualified. So we want to make sure they're qualified, and then as they can work, go to school, increase that, they don't just fall off a cliff, because we've had some people who have said, I'm not going to take that increase or I'm not going to take that job. That's exactly the opposite of what we want to see happen. In connection with LB89, I would like to mention research I learned of through my membership on the Legislative Planning Committee. At the first meeting I attended in 2013, Senator Harms said that he would like the planning committee to look at the question of children in poverty. One report that we used then and which is updated regularly to incorporate the most recent available data is the percentage of children under age 6 living in poverty in each of the 49 legislative districts. And, Brook or Jay, I have another handout for you here. I asked Jerry Deichert at UNO who does...UNO does all of the work for the Planning Committee. And this figure will be in the latest update. What's important about what you're going to see in front of you is you're going to see the highest percentage children in all the districts down. So you can kind of run down the page and go, where is my district? Just so that you have some idea, District 11 is Senator Chambers' district. Senator of District 46 is Senator Morfeld. (District) 5 and (District) 17 (sic), I believe, is Nordquist and Mello. For the Omaha people, is that correct? Am I saying that correctly? District 7 (sic) or District 38, one of the two there, is Senator Bloomfield's district and also then would...Senator Gloor's district comes in, because when I did this for the committee two years ago, five of the committee were in the top ten. Now, you can go down and see this, but it's important for you to have some idea what the percentage of children living in the 100 percent of poverty or less...that percentage in your district. And when you get the Planning (Committee) report, there will be a lot of others. We'll have children 6 to 12 to give you some idea, and that changes a little bit. Just so that you have some idea that this is not, certainly, a project of my district, you will note that District 25 has the

lowest percentage. But that doesn't make me any less concerned about the children in the state of Nebraska. I checked the most recent data and we've given that out to you. Looking at all 49 districts, the average a couple of years ago was 19.6 percent. Using the most recent data, the average has now grown slightly up to 20.8 percent. Two of us, Senators Howard and Cook, represent districts with a higher than average percentage of children living in poverty. The rest of us have lower than average percentages in our districts. But that doesn't mean that we're not concerned about children in poverty, especially when we know that there is child poverty in both rural and urban districts of the state. Child poverty is not restricted to only one size of community. And by the way, I'd be happy to share all...you'll get to see all of that data when the Planning (Committee) report comes out. I mention this research because it shows that many Nebraska families are struggling financially. Adjusting the maximum payment level for ADC, something that hasn't been done in nearly 30 years, is one way that we can begin to address the problem. More importantly, it can help prevent children from entering our child welfare system. People are here today who will give you far better testimony about the need and what we have been talking about for families. I also did...oh, Brook, I need you again. What I did is...for the continuing senators on the committee, you will remember that we did an interim study and we had a hearing. And Appleseed had a presentation. And I took from Appleseed some of that PowerPoint for you to kind of get some idea of, how do you get eligible for ADC? That's kind of the first page. Then it goes on a little bit more to talk about eligibility on the second page. What's critical is the third page, because the member's monthly cash allotment is determined by--and again, you go back to that very first chart--by subtracting a family's earned income from the standard of need--that's the far left--or by the maximum payment level, whichever is less. And I think that was a startling fact for the committee this summer when we saw that. The next page kind of gives you what the maximum payment is, and it's also on your chart and talks about, on the very last page, in terms of trying to prevent families being in poverty. We know the largest number of calls into the hotline, the number of calls that are investigated all across the state of Nebraska on child abuse and neglect, it's because of neglect. And actually, we pay foster parents far more per month to take care of a child than we do to help families keep that child in their home if they are very low income. And to some extent, that is not right, that a family would have to say, well, you know, we can't provide for the needs of the child. This is a neglect situation. And they are taken out of the home and placed into foster care. So I hope today you will listen to the need and know, colleagues, that we'll make every effort to clarify and understand the fiscal note. I knew two years ago that I would be asking of the Legislature...$2.9 is nothing...is not a small amount of money. But on the other hand, we have to start making a dent into poverty for children. Thank you, Senator Howard. [LB89]

SENATOR HOWARD: Thank you, Senator Campbell or Chairwoman Campbell. Are there any questions? [LB89]

SENATOR CAMPBELL: You might want to wait till the end. There's a lot of...we don't have a lot of people today, but we think it will give you a good background. The other thing that I want to give a commercial before I move away is, I hope that you'll spend some time looking at the book from Voices for Children. And I'm assuming Voices is going to reference it, but there's a great section in the back by county data and a lot on children in poverty...a great resource, and so, commercial announcement there for Voices. Thank you, Senator Howard. [LB89]

SENATOR HOWARD: Thank you. All right. The first proponent. Good afternoon. [LB89]

BECKY GOULD: (Exhibits 4, 5) Good afternoon. Senator Howard, members of the committee, my name is Becky Gould, B-e-c-k-y G-o-u-l-d. I'm the executive director at Nebraska Appleseed. And Nebraska Appleseed is a nonprofit organization. Our mission is to fight for justice and opportunity for all Nebraskans. And we are here today to testify in support of LB89. I first want to thank Senator Campbell for bringing this bill. It's a critically important issue for so many families and kids in Nebraska. And I think Senator Campbell did a really fantastic job of laying out the poverty that exists in our state. One in five Nebraska children live in poverty. And the connection between children living in poverty and their child welfare system is also present: 67 percent of kids who are entering our child welfare system are entering due to neglect. And so there definitely is a connection in the ability of families to be able to meet their basic needs and what happens when they can't and the repercussions of that. But the good news is that we have a program, the Aid to Dependent Children program, the ADC program, that's designed to help families meet their basic needs and help prevent that from being the case, prevent families from being in a situation where they can't take care of their children. The ADC program was designed to do a number of things: to support families in meeting their basic needs, to help keep families together so that you didn't have children entering the child welfare system, and also to encourage work. And what LB89 does is really strengthens and makes sure that the ADC program can achieve all of those goals. The first thing that it does is increase the payment standard. And as you heard, we haven't increased the payment standard since at least 1988. And I think, as we've looked at it, you may even be able to go back to 1980 and see that we were still paying families the same amount that we're paying them today. And just to give you an idea of what that looks like, for a household of three, the cash payment, the maximum cash payment amount, is $364 a month for a household of three. If you adjusted that for inflation, in today's dollars they should be--if we'd kept pace with inflation--they should be receiving $728 a month. So we really have not, you know, kept pace with what it takes for a family to meet its basic needs in terms of the cash payment amount. So increasing the payment standard, I think, is a critical thing. I think the approach in this bill is really reasonable in terms of stairstepping up the increase in the payment amount over time and getting some additional help for families in meeting their basic needs. The other key piece of this bill is the cliff effect, as Senator Campbell was mentioning. And I think in the fact sheet there are two charts that do a really nice job of demonstrating or illustrating what the cliff effect looks like. So on the second page of the three-page fact sheet, you'll see a graph

that shows the current situation with the 20 percent earned income disregard and where families come off of this program. And it's at just a little above 50 percent of the federal poverty guideline. And so that kind of striped bar there is where families leave this program and are on their own for meeting their basic needs. Under what's proposed in LB89, adding the 50 percent earned income disregard, you can see it gives a much better transition for families and that they are leaving the program much closer to being at the federal poverty guideline as opposed to halfway there. So I think that is a key thing. What you see often in what cycles people back on public assistance is a real drastic change in their income and a need to cover a lot of expenses right away without the capacity to do that. And so really easing that transition does help reduce that kind of cycle of folks coming on and off programs. And I think this bill does a really good job of setting that up in a smart way that will really help families. So with that I would, I guess, open up to any questions that committee members may have. [LB89]

SENATOR HOWARD: Are there any questions for Ms. Gould? Senator Crawford. [LB89]

SENATOR CRAWFORD: Thank you. I just had a question. So as we're looking at the budget, we...I mean, have a set amount that we get, as I understand it, from the federal government and a set amount that we have to contribute. And so in part, if we're doing something that's more generous, it's only costing us more if we're going above and beyond those commitments we have already made. And so I think that's going to be part of that budget discussion as well, is how much do we have in that, that we've already committed. And how much do we have in our rainy day fund that maybe goes towards this as well? [LB89]

BECKY GOULD: There's a pretty healthy amount of money that has built up in the TANF rainy day fund. And I believe in the fiscal note, they indicate that the payment standard piece of this would be covered by what is included in the TANF rainy day fund. [LB89]

SENATOR CRAWFORD: Okay. [LB89]

BECKY GOULD: The thing in the fiscal note that is different or that is the additional expense that Senator Campbell is mentioning relates to Medicaid. And so I think we have some questions about whether or not... [LB89]

SENATOR CRAWFORD: Oh, okay. [LB89]

BECKY GOULD: I would say, for Appleseed, we have some questions about whether or not this actually does what the department is saying it would do in terms of creating additional Medicaid eligibility. [LB89]

SENATOR CRAWFORD: Thank you. [LB89]

BECKY GOULD: So...but in terms of the payment standard, that should be covered out of rainy day funds. [LB89]

SENATOR CRAWFORD: Oh, okay. Thank you. [LB89]

SENATOR HOWARD: Other questions for Ms. Gould? Senator Riepe. [LB89]

SENATOR RIEPE: Senator Howard, thank you. Help educate me a little bit. Under the current versus proposed ADC rate, it says two would be potential...I'm looking at seeing how to...keeping fathers in the household as well. That would be two? One child would be three? Is that the way that works on this, or... [LB89]

BECKY GOULD: I'm sorry, can you say that again? [LB89]

SENATOR RIEPE: I'm trying to sort out if a husband or a--it would have to be a husband for a legal relationship--and a wife would be two under the payment? [LB89]

BECKY GOULD: So you can only qualify for this program if you're taking care of a dependent child. So by necessity, there's got to be a child in the household. If you do have two parents and a child, you're dealing with a three-person household. [LB89]

SENATOR RIEPE: Like I said, if you have two adults and one child, then you have a three. Okay. Then does this serve as a motivation for the fourth? I mean, and is that the cap? Or what is...I mean, does this run up then per child after that? [LB89]

BECKY GOULD: There is a...yes, so there is, as the household size increases, there is a increase in the payment allotment. So a household of four receives more money than a household of three. [LB89]

SENATOR RIEPE: But four is the max? I mean... [LB89]

BECKY GOULD: There isn't a max. [LB89]

SENATOR RIEPE: There...so if you had 12 kids, (inaudible) okay. [LB89]

BECKY GOULD: We used to have a policy in place called the family cap that capped at...when you entered the program, your household size was capped, and if you had any additional children, your payment standard wouldn't increase. And that policy was in effect for quite a few years, actually. And what was shown by having that policy in place is that it didn't actually disincentivize people from having children, that they had children and then those children lived in deeper poverty because we weren't increasing the grant allotment. So the Legislature actually voted to eliminate the family cap and go back to a system that would continue to adjust the grant size over time. And the data really showed that it...you weren't seeing that, that it didn't incentivize folks to have kids. But then the folks who did, it was a huge penalty to those kids. [LB89]

SENATOR RIEPE: Most incentive programs work that if you want more of it, you put more money there. If you want less of it, you take money away. So that's kind of counterintuitive for me. [LB89]

BECKY GOULD: Part of the reason is that the additional funds that you get are $71 a month. And so that didn't compensate for the cost of actually taking care of another child. So that was the reason that it really didn't serve as an incentive for those families. I'd be happy to provide some additional data on the family cap. It's an issue we worked on for a long time, and there's really good national data. It was a policy that's been abandoned across the country because it didn't work the way folks thought it would. [LB89]

SENATOR RIEPE: May I ask one more? [LB89]

SENATOR HOWARD: Absolutely. [LB89]

SENATOR RIEPE: Thank you. In the past, there's been some discussion--it's a little controversial--about some, you know, drug testing in terms of participants in the program. Can you react to that? [LB89]

BECKY GOULD: Sure. I mean, we don't support drug testing within the program, in part because it's been challenged legally and determined in a number of states where they've tried to set it up to not be something that states can do legally. But I think what's important is, when folks come into this program, there's an assessment that's done. And when you do that assessment, part of what you're identifying is, is there substance abuse? Is there a mental health issue? Are there services that we need to get in to help support that family so that the parents can reenter the work force successfully? And so, our view on it would be, we need a really good assessment and really good referral process and that should take care of, you know, the goal behind adding drug testing to the program. [LB89]

SENATOR RIEPE: If the state can't do drug testing on beneficiaries, people it benefits, can they also do drug testing on their own employment or employees? It would seem that the precedent is set there that, no, they can't. That I find very interesting. [LB89]

BECKY GOULD: So there...and we can provide you some additional information on this, too, because it is a trend that's been playing out across the country. There's been a lot of litigation on it and how you do it. And some of it has to do with how it's structured, when you're doing it, what the implications are if you determine that there has been drug use, what kinds of appeal rights families have. So it ends up becoming expensive, for one, to implement if you implement it in a way that is compliant with the law. And it hasn't been shown to catch that many people for the states that have implemented it. And so again, it is a policy that's out there. It's not something we support for those reasons. And I think there's just a better way. I think the assessment piece and the referral piece is a better solution to that. [LB89]

SENATOR RIEPE: Having recently been elected, I can assure you that in campaigning and going door to door, there are a lot of people out there that believe that if they are tested at work to make the money, that the recipient should be tested to get the money. Those are the people I talk to. Maybe (inaudible). [LB89]

BECKY GOULD: I think there's a lot of assumptions out there about who is on this program that aren't necessarily accurate. So drug use among this population isn't necessarily any higher than drug use among any other population. And so I think you're sometimes confronting stigmas that are out there. And part of our work at Appleseed is to help educate folks about how these programs work, how we can make them work in the most cost-effective and efficient way. And again, drug testing is really an expensive policy choice if we decide to go down that road. And I think we'd want to make sure that the gains of doing that were worth it. And I really feel like the most cost-effective way of getting at those issues is on the assessment piece and getting referrals so that you keep these families in a program where they're getting help as opposed to implementing drug testing that might alienate the family. They don't come into the department. They don't seek services. They don't get help. And the kids end up in a child welfare situation where, if we had addressed it proactively on the front end we could have, through an assessment process, kept the family together, gotten them services, helped them move forward. [LB89]

SENATOR RIEPE: Okay. Thank you. [LB89]

SENATOR HOWARD: Thank you, Senator Riepe. Other questions for Ms. Gould? Senator Kolterman. [LB89]

SENATOR KOLTERMAN: Thank you, Senator Howard. Ms. Gould, when you make these comparisons...and I appreciate the fact that you're making the comparison to the other states and how we stacked up and I believe Senator Campbell did the same thing in her presentation. Are we looking at the entire United States in the CPI when we make these comparisons? Or do we ever regionalize the comparisons to look at what our peer states are doing as far as how far the dollar goes in relationship to where we live today and the amount of cost it takes to raise a family? [LB89]

BECKY GOULD: Yeah, so the standard that is used in the bill and that has...is traditionally used in the public benefits programs is the Consumer Price Index which is a, you know, national estimate. So I haven't seen anything using a regional cost of living adjustment measure. It's something we could look into in terms of whether other states have tried to do some kind of more localized cost of living adjustment or regional cost of living adjustment. But what's in here would be using the Consumer Price Index. [LB89]

SENATOR KOLTERMAN: If you'd like the information, my staff has put some information together. And I'd be glad to help. [LB89]

BECKY GOULD: Yeah, we'd... [LB89]

SENATOR KOLTERMAN: My staff would be glad to help show you that, because it's considerably less than the national trend. [LB89]

BECKY GOULD: Yes. [LB89]

SENATOR KOLTERMAN: And for us to be compared with states like California and Washington and New York, they really bring things up differently than where we are today in Nebraska. And I'm not saying that we don't need to, maybe, adjust this. But to adjust it to the level that we're looking at is pretty significant. [LB89]

BECKY GOULD: Well, one thing I would say is, the approach that Senator Campbell has taken is a really reasonable approach in that regard because we aren't just tagging it to where it would be based on inflation. So that number I was giving you in the beginning, $728, would be if we took the payment standard all the way up to where it would be had we kept pace with inflation. And so when you look at what the, you know, increase actually would be, it's a much more modest increase. We're talking about, I think, about $100, you know, in the first two years and then kind of slowly from there. So I think it is a way of sort of capturing what you're getting at

and trying to keep the adjustment that we're making in line with, kind of, where things sit in our cost of living in Nebraska. [LB89]

SENATOR KOLTERMAN: All right. Thank you. [LB89]

SENATOR HOWARD: Other questions for Ms. Gould? I just have a couple. One is, and this is sort of pie in the sky, but what would Nebraska look like if we didn't have ADC? [LB89]

BECKY GOULD: I mean, I think for a lot of families it would be a really difficult situation. The ADC program comes in and helps...a lot of the folks that find themselves on that program are sometimes folks who have encountered a domestic violence situation and are leaving that situation and are starting without employment, without a place to live. And the ADC program is a place that starts people on a new track and how to get back on their feet, back into the work force, and into a situation where they can successfully support themselves and their families. So, and there are other folks, you know, who maybe have a serious health situation that unfolds and they can no longer work or they lost a job. So you find a lot of folks that are in those kinds of situations. And this is a program that helps people get back on their feet. And unfortunately, it hasn't worked as well as it could because of the cliff effect piece, because the payment standard is so low and the requirements to participate in this program are really onerous. You have to do 30 hours a week of a work activity. You have to substantiate every hour of work that you do. There's a lot of requirements and paperwork that you have to comply with in this program, and that becomes a heavy burden for families. And so when the dollars are low and the burdens are high, sometimes folks struggle the best they can without it just to get by. So I think helping this program become more effective and work the way it was intended and give people that support to get into a good job where they can support their family is what we want for the program and what I think this bill will do a lot to make happen. [LB89]

SENATOR HOWARD: And if I may, a follow up, my understanding of the Aid to Dependent Children was that its true intention was to prevent children from being removed from their homes due to neglect. [LB89]

BECKY GOULD: Yeah. [LB89]

SENATOR HOWARD: And so the...is there a comparison between the cost to the state for Aid to Dependent Children versus the cost to the state for a ward in placement? [LB89]

BECKY GOULD: Yes. And I don't have that fact sheet included in here, but it's more expensive to take care of a child in the child welfare program. The amount that we pay foster parents is

much higher than the amount that we pay families under the ADC program. And so if you remove a child, the expense to the state is much greater than if they are able to stay in the home. So there...that...and that is why that was one of the key pieces or purposes of the TANF program, was to keep kids in the home, keep them out of the child welfare system. [LB89]

SENATOR HOWARD: Thank you. Senator Riepe. [LB89]

SENATOR RIEPE: Thank you, Senator. I have one question: Is the program limited to Nebraska...legal Nebraska citizens? [LB89]

BECKY GOULD: Yes. [LB89]

SENATOR RIEPE: Okay. Thank you. [LB89]

SENATOR HOWARD: Senator Kolterman. [LB89]

SENATOR KOLTERMAN: Thank you, Senator Howard. I was thinking as we're sitting here talking about these people, these ladies are working, so they have a requirement to work 30 hours per week? [LB89]

BECKY GOULD: Yes. [LB89]

SENATOR KOLTERMAN: Has any study been done or has it been...has a new minimum wage that's going up been calculated into the projections that we're using here, because that will have some beneficial help to these utilizers? [LB89]

BECKY GOULD: Yeah, no, so the increase in the minimum wage will help just low-income workers across the board. And a lot of folks who are working minimum wage are sometimes working multiple jobs as a way to actually make ends meet if you're working minimum wage. But in terms of the work requirements that are a part of this program, it's not always work for pay. So sometimes folks are doing education and training, and that counts as helping to meet the work requirement. So you can do a GED program, an associate's degree program, bachelor's degree program, technical training. Those kinds of things can count as your work activity while you're on this program. There is also a small subsidized employment program and some other things that are components that people can choose to do. And some of them are doing then work where they are getting paid. And I think what the chart demonstrates is, you know, how that pay offsets the...when you look at the 50 percent earned income disregard chart, it's showing you...the earned income is the blue. So for folks who are working and have take-home pay, that's

what that would be, and the TANF income would sit on top of that and decrease over time. Does that answer your question? [LB89]

SENATOR KOLTERMAN: Yeah, it does, and it brings me to another question then. And I appreciate your helping me learn this, because... [LB89]

BECKY GOULD: Sure. [LB89]

SENATOR KOLTERMAN: ...I'm a newbie. But...so what you're telling me is, when we refer to work, it's not necessarily gainful employment. It can include a whole host of things which they won't get paid for. [LB89]

BECKY GOULD: That's right. That's right. [LB89]

SENATOR KOLTERMAN: But we call it work. [LB89]

BECKY GOULD: So it's a...yeah, it's called a work requirement or work participation rate. [LB89]

SENATOR KOLTERMAN: Okay. [LB89]

BECKY GOULD: And this was really...in 1996, when we did welfare reform as a country, the goal was to move away from just a straight assistance program to a work first program. And so when folks go on this program, the immediate conversation that is had with them is, how are you going to move into the work force? And how are we setting up a plan that gets that done? Do you need education and training? What kind of skill set do you have already? Could you enter the work force and we just need to do job search or help you get a resume together and reconnect you to some opportunities to be able to find a job? So that assessment piece that I was talking about doesn't just include, what are, you know, barriers to employment. But it's also doing an analysis of, what's your best opportunity to reenter the work force? And so then it's pairing people up with, okay, you know, there's opportunities in the healthcare field. How do we get you in a CNA program? How do we get you moving on a trajectory where you can support your family? So in its best form, it does that. [LB89]

SENATOR KOLTERMAN: And one last question: As you...what I'm reading here is it has a five-year shelf life, so to speak. [LB89]

BECKY GOULD: Yes. [LB89]

SENATOR KOLTERMAN: So you can only be in the program five years. Is that extendable? So...and what I'm getting at is, so we have somebody that's in the program. They're working, they're trying to get a degree, whatever the case may be in that arena. If they have another child while in that five-year period, is then the plan extended, because obviously you've taken almost a year out for that circumstance? [LB89]

BECKY GOULD: No, it's not extended. It's a five-year lifetime limit. So you hit the limit and you're done. There is the possibility of requesting a hardship exemption or an extension. And so if you end up in a situation where you really have no means and you're at risk of losing your children, that kind of thing, they can grant you a short-term hardship extension. And there's a process for requesting that and reviewing that. But by and large, you hit the time limit and you're done. [LB89]

SENATOR KOLTERMAN: And then...I said final question, but I have one. But then who makes these decisions of whether they qualify or don't qualify or makes the judgment on whether they should have the hardship extension? Is that done through Health and Human Services? [LB89]

BECKY GOULD: Yes. [LB89]

SENATOR KOLTERMAN: Are there caseworkers that do that? [LB89]

BECKY GOULD: So, the Department of Health and Human Services is responsible for doing that. They do contract with some service providers in some places that are doing some of that work for them. But it's all under regulations and supervision of the Department of Health and Human Services. [LB89]

SENATOR KOLTERMAN: Okay. Thank you. Final...that was my last question. [LB89]

SENATOR HOWARD: Any other...Senator Riepe. [LB89]

SENATOR RIEPE: Senator Howard. A point of clarification: So they're putting in...when you call it work, and which...wasn't the same definition of what I think Senator Kolterman and I accept as what work is. So they're putting in sweat equity? Is that what...is that fair? They're not getting paid, they're just doing something. Is that right? [LB89]

BECKY GOULD: So the...and I called it a work activity, because that's the language that's... [LB89]

SENATOR RIEPE: What was it? [LB89]

BECKY GOULD: A work activity. [LB89]

SENATOR RIEPE: Oh, okay. [LB89]

BECKY GOULD: Because that's the language that's used under federal law, that's the language that the department uses for this program. And the reason it's called a work activity is that it has to be something that's moving you towards gainful employment. [LB89]

SENATOR RIEPE: So it may not pay. [LB89]

BECKY GOULD: So their regulations require...right, and it's not...often not paid. So some folks are doing on-the-job training that might not be paid. They may be doing independent job search that's not going to be paid. And so a good chunk of those activities actually aren't paid activities. There is, like I said, a small subsidized employment program which would have some pay in it. And then some people will enter the work force in a part-time job or even, in some cases, a full-time job and still qualify for this program. But the work activity piece can include things beyond work for pay. [LB89]

SENATOR RIEPE: Okay. Thank you. [LB89]

SENATOR HOWARD: Any other questions, Senator Riepe? Thank you, Ms. Gould, for your testimony. [LB89]

BECKY GOULD: Thank you. [LB89]

JOHN ELSE: Hello. [LB89]

SENATOR HOWARD: Hello. [LB89]

JOHN ELSE: Thank you. My name is John Else, E-l-s-e. I am the social policy director, a volunteer position, with the League of Women Voters of Nebraska. And we will be submitting a letter later in support of this. But because the League of Women Voters nationally, the United

States, has supported efforts for a long time to provide programs at state and federal level that will help low-income people have assistance and in-kind benefits including food stamps and ADC and so forth, our view is that the level of payments in Nebraska are heartrendingly low. I don't know how you can take a payment of $347 and find housing let alone clothes or shoes for your children. I was an AFDC caseworker for...in 1966 in Douglas County. And I saw the tremendous conditions, terrible conditions that people lived in. They...if a refrigerator quit working, they had no way to find $30 to go to a used place to buy another one. And we had a special fund in Douglas County, but it was a limited fund so that, as people...they better run out early in the month. The thing should break early in the month or else you were...we were having to say no to a most essential need. And that hurt a lot, to be working in that situation. And many of you ask about who receives this. They're often maybe high school graduates. And it's mainly women, clearly. I mean, maybe less than 10 percent, 5 percent men are in the household. They're usually divorced. And they seldom have any skills or any experience in the work force. Their husband...when the husband leaves, he's been the--at least then--he was the wage earner. And then they have nothing to sell on the market, no experience in the work force at all, which is why the work placement is so important. I think the Clinton and Republican Congress changes in 1996 were helpful in many ways. They chased out of the program the group of the top 10 percent who were misusing it. But it made it more difficult for the others, because it limited the training opportunities. A five-year maximum, what kind of training can you get in that period of time, I mean, and really go through it and if you have kids that you're worrying about and having to take care of? Well, it takes four years to go to college, but you're supposed to be free to do that, not have kids that you have to take care of. The $728 a month that was ideal sounds low. I mean, I don't know how a person can live on that. I can...even with food stamps and maybe, if you're lucky enough to get into subsidized housing, but most subsidized housing has waiting lists 100 and 200 and 300 people long. So it's really a terrible situation so that it's really critical that this basic payment be increased. And the second thing is the transition payment. And that's critical too. And I think the cliff effect is an important thing that people have to look reasonably at job opportunities. And if the job opportunity increases their wage or their income by a few hundred dollars but it takes off this other income, it's just terrible. So that the transition benefits that you have...that Senator Campbell has offered are just a critical element to making it possible for them to move towards self-sufficiency effectively. [LB89]

SENATOR HOWARD: Thank you, Mr. Else. [LB89]

JOHN ELSE: So we would just like to say that we believe in the poverty programs that give sufficient help that aren't more damaging to people and their families and that help people move to self-sufficiency. [LB89]

SENATOR HOWARD: Thank you, Mr. Else. Are there questions for Mr. Else? Seeing none, thank you for your testimony. Good afternoon. [LB89]

TRACY WILLIAMS: (Exhibit 6) Good afternoon. Dear Senator Campbell and members of the Health and Human Services Committee, my name is Tracy Williams, T-r-a-c-y W-i-l-l-i-a-m-s. I live in Omaha. I've been through the experience of being a single mother. I got married and hoped I wouldn't have to be on assistance anymore. But my marriage did not work out and I had to return to being on assistance to get help with money, food, and medical, or etcetera. Sometimes there wasn't enough assistance to last the entire month. Then I was...then I went and got job training and immediately I was ineligible for assistance and housing assistance. This is because I was working and earning $10 per hour for a family of four. I understand it. LB89 would help others like me have enough assistance to get them through the month and mean that people wouldn't have to lose their assistance immediately after they find employment just because they got a job. For these reasons, I ask you to support LB89. [LB89]

SENATOR HOWARD: Thank you, Ms. Williams. Are there any questions? May I ask, how old are your kids? [LB89]

TRACY WILLIAMS: Oh, 33, 30, 25, and 23. [LB89]

SENATOR HOWARD: Oh my goodness. That's a lot of kiddos. And they're all grown up now? [LB89]

TRACY WILLIAMS: Yeah. Everybody is grown up. [LB89]

SENATOR HOWARD: Was your experience with ADC when they were quite a bit younger? [LB89]

TRACY WILLIAMS: Yes, yes. [LB89]

SENATOR HOWARD: Okay. Perfect. Thank you for your testimony. [LB89]

TRACY WILLIAMS: Okay. [LB89]

SENATOR HOWARD: Oh, missed Senator Kolterman. [LB89]

SENATOR KOLTERMAN: I...Tracy, I'd just like to thank you for coming. It's not easy to do what you did. It's kind of nervous, isn't it? [LB89]

TRACY WILLIAMS: Okay. Yeah. (Laugh) [LB89]

SENATOR KOLTERMAN: So it is appreciated. Thank you for telling us your story. [LB89]

TRACY WILLIAMS: Thank you. Thank you. [LB89]

SENATOR HOWARD: Thank you, Ms. Williams. Good afternoon. [LB89]

KIM SADOSKI: (Exhibit 7) Good afternoon. Dear Senator Campbell and members of the Health and Human Services Committee, my name is Kim Sadoski, K-i-m S-a-d-o-s-k-i. I live in west Omaha. I live with my two teenage daughters. I am separated from my husband and I am unemployed. I have been off of work due to a work injury. I have no training other than retail work. I can no longer do the lifting that is necessary in retail. And after a case of domestic abuse, my husband was put out of the house because of a protection order I received. I got help and got ADC and SNAP and was put in Employment First. I did not find a job after many months and fell behind on my bills. When I finally started to get child support, it was more than I could receive and still continue with ADC benefits at the same time. In other words, I was kicked off of ADC once I finally got child support. I was also sent home from Employment First, so I also lost gas vouchers, the help that I could receive to register my car, and the car insurance help that I could get from them. I am now having to file for bankruptcy and my house is going into foreclosure and all the child support that I had deposited into the bank to help my family move to a more affordable home had been garnished due to a judgment through the foreclosure. In short, I am struggling. And I think that these programs should be structured to help people get a job, earn a living, and move ahead. I hope that LB89 would pass to help people in my position to be able to do those things. Thank you. [LB89]

SENATOR HOWARD: Thank you, Ms. Sadoski. Any questions? Senator Kolterman. [LB89]

SENATOR KOLTERMAN: Yeah, I have a question. And thank you for coming as well. When you got injured on the job, was there anything...was there any workers' compensation available to you? [LB89]

KIM SADOSKI: I did get workmen's compensation for a short amount of time, but my arm did not recover from that, and we settled with that. I was still together and we paid bills with the settlement on that. And... [LB89]

SENATOR KOLTERMAN: And that ran out as well, is what I hear you saying... [LB89]

KIM SADOSKI: ...that ran out, yes, um-hum. [LB89]

SENATOR KOLTERMAN: ...because sometimes that's ongoing. I was just curious. [LB89]

KIM SADOSKI: No. No, unfortunately that was the end of it. [LB89]

SENATOR KOLTERMAN: Thank you. [LB89]

SENATOR HOWARD: Any other questions? Seeing none, thank you for your testimony today. [LB89]

KIM SADOSKI: Thank you. [LB89]

SENATOR HOWARD: Good afternoon. [LB89]

ERICKA GUINAN: (Exhibit 8) Hi. Chairwoman Campbell and members of the Health and Human Services Committee, my name is Ericka, E-r-i-c-k-a, Guinan, G-u-i-n-a-n. I'm the self-sufficiency programs facilitator at the Heart Ministry Center. And I'm here to read a story of a woman who couldn't be here today but would be affected positively by LB89. Mary...I'm reading this as she wrote it. My name is Mary Ann Kleckner. I'm from Omaha, Nebraska. I would like to thank you for the opportunity to be able to tell my story to you and the struggles I am currently facing. I'm a single parent with one child, a sophomore in college, one senior in high school, followed by a junior, an 8th grader, and a 6th grader. I have four children of my own in my home currently. All is going fairly well. I do make a meager income and am able to support my children. I work full-time. I'm not getting rich, by no means, but my bills are paid. Then in July of 2013, my stepson, who was 24 at the time, was killed in a traffic accident. Our world fell apart. At the time of his death, he had a girlfriend who had a 14-year-old daughter and they had an infant child together. All three of them moved into my home so now I have myself, my four children, his girlfriend, and two children. Within two weeks, the girlfriend abandoned the two children with me and so now I have six children in my home on my income. I had to hire day care to take care of the infant while I worked which costs $100 per week. I am now buying formula, diapers, baby care items, etcetera. I then, after a few months, hired an attorney and got full permanent guardianship of the two children. Now, as you can imagine, this was sudden and a huge financial burden for me. To add to matters, I had already started to notice that something was wrong and just not right with the infant. I would notice little tremors and that she had some deformities in her hands and toes. I started to take her to doctors. And then one day, she had a seizure. I rushed her to the hospital where she would stay for three days. I then started to notice that she did not follow me with her eyes. The ophthalmologist diagnosed her as legally blind. After many hospital stays that started to be monthly, lengthy stays, she was diagnosed with in utero drug exposure brain damage, meaning she has brain damage from...on the right frontal lobe of her brain. Now as you may notice, at this point, I am missing a lot of work, which means no

income. I started going to food pantries, drained my savings, lost my car, had become working poor. I was late on my bills, sometimes only being able to pay part of them and asking for extensions on them. At this point, I knew I needed help, real help. I was in trouble and I turned to state aid. Surely the state would help me, and I had exhausted all other resources: churches, missions, outreach programs, everything I could possibly think of. So I swallowed my pride and signed up for welfare. I qualified, which was great. I thought to myself while in the phone interview with the lady from ACCESSNebraska, this is wonderful. So she listened to my story and was so helpful and she told me, I'm sorry, but I can only give you $293 a month for the two children. The other children did not qualify, because they're receiving child support. She said, that's all I can do to help you. I thanked her and got off the phone and burst into tears. Two hundred ninety-three dollars? Two hundred ninety-three dollars? What am I going to do? How am I going to do this? God, what am I going to do? Now how am I going to pay the doctor bills, the day care? What about the gas to and from work? To drop off and pick up from schools? As you can see, my mind was racing. I was in shock. Then a thought occurred to me: What do people do that do not have jobs? Is that why people are stealing bread from the grocery stores? Is this why there are so many homeless? Could this be one tragedy...could this one tragedy cause me to become homeless? I was in sheer terror. How am I going to take care of these kids, especially the baby? She has so many problems. I'm still struggling. I'm working extra hours as much as I can. I asked my boss for a raise and he did give me one not quite big enough to get me out of the red. I frequently frequent the food pantries. I am very grateful for handouts from the church. They gave my kids Christmas gifts last year because I had no...I had to choose between electricity or Christmas for my children. I stand in line at the food pantries. My kids wear hand-me-down clothes. It's really rough. I asked one day about my...I was asked one day about my opinion for the amount of money the state helps with Aid to Dependent Children. My response was, it's not enough. It's just not enough to help families in need. Please, see this other side of the coin. I was once one who looked down in ignorance to those who were on welfare. I never thought that I would ever be in their shoes. Now I am because of one small tragedy. I would like to thank you for your time and encourage you to remember this story and the one little tragedy that changed my life. Thank you. And she's not here today because the child, the baby, is having surgery which...she has to be at the hospital. [LB89]

SENATOR HOWARD: Thank you, Ms. Guinan. Are there questions for the testifier? Can...Senator Crawford. [LB89]

SENATOR CRAWFORD: Thank you. So you work with recipients and help them identify training and jobs and work with them? [LB89]

ERICKA GUINAN: I do. [LB89]

SENATOR CRAWFORD: So when we talk about that 30 hours, it would be a mix in some cases. They might start out with mostly training, but then they would transition or that would be a mix of the different activities that qualify as work activities. Is that correct? [LB89]

ERICKA GUINAN: By the time they come to us, it's been decided with Employment First and they sign a service contract. So sometimes it's job search or job seek--it depends on the age of the child--20 or 30 hours a week. And we're considered work experience. And sometimes we can...there's two different agencies in our area, and sometimes we can help with job search too. We...I run the Pathway program where we take women that have applied for state benefits and help them look for a job and look...identify obstacles that are in the way. And we have a therapist that works with them and they get work experience in our pantry. And then a lot of them choose education and just have to go to school. [LB89]

SENATOR CRAWFORD: Thank you. [LB89]

SENATOR HOWARD: Thank you, Senator Crawford. Are there any other questions? Seeing none, thank you, Ms. Guinan. [LB89]

ERICKA GUINAN: Thank you. [LB89]

SENATOR HOWARD: Good afternoon. [LB89]

TRICIA MOORE: Good afternoon to the senators and Senator Campbell and the Health and Human Services Committee. My name is Tricia Moore, that's M-o-o-r-e, and I live in Douglas County, Omaha, Nebraska. And I am a mother of 13 children and I adopted two. I am a divorced single parent now still taking care of six children in my home without help from Section 8 or no public housing. Every day is still a struggle for me. Seemed like everybody's testimony, I lived through it. I too had a tragic...two years ago, someone killed my son. And last year, I had to look for employment because I currently receive disability which is SSI but they had terminated it in July. So I had to go to...I had to find work. Even with my disabilities, I had to find employment. So I did work for September and October. At the end of October, they did give me my disability back. I still have six children at home that I care for, and one of the children is a foster child, but it's my grandchild. So I thank you for this opportunity to be able to come and share my story and give my testimony to help pass the LB89 bill. [LB89]

SENATOR HOWARD: Thank you, Ms. Moore. Any questions? Thank you for your testimony. We appreciate personal stories here. They make a big difference. [LB89]

TRICIA MOORE: Thank you. [LB89]

SENATOR HOWARD: Good afternoon. [LB89]

LUKE WALTMAN: (Exhibit 9) Good afternoon. Chairwoman Campbell and members of the committee, I'm Luke Waltman, spelled L-u-k-e W-a-l-t-m-a-n. I'm here today on behalf of the Center for People in Need to urge your support of LB89, legislation that would improve the Aid to Dependent Children program, or ADC, that makes an important contribution to reducing poverty among those individuals that we work with or serve. Among families with children that we see, poverty and hardship are extremely common. In our most recent poverty report, we note that nearly a quarter of our client families live on less than $500 a month. For these individuals, often the only choice is between purchasing clothing for your family, another important necessity, or saving funds for a rainy day. And we saw this this week in Nebraska. The snowstorm illustrated the cascade of problems that can occur to those in poverty. Parents with children must find a way to take care of their kids when school is canceled. And that might mean the choice between missing work or paying for childcare. Or it might mean sacrificing heat, clothing, or food. ADC provides enormous help to many of the families experiencing the challenges of poverty at the center, and LB89 is a critical piece of legislation that would improve it. It makes changes to ADC to modernize the program and make it more efficient. These policy improvements have been a long time in coming. As has been noted before, it has been more than 30 years since the maximum ADC payment has seen any update. And raising the maximum payment is one of the most important improvements in the bill. It would help to align the ADC allotment with the cost of living, which is an important consideration for those at the bottom of the income spectrum. Just to give you some perspective on how things have changed in the last few decades, 30 years ago a gallon of gas cost $1.09. A movie ticket cost $2.75. And stamps cost 22 cents each. Oftentimes, we hold off on making practical changes because we think problems will just solve themselves with time. With issues of poverty, this is a dangerous assumption. The challenges of affording food, clothing, and the necessities of families can just as easily become worse as get better. If we cannot make this change this year, then what year could we make it in? If we cannot assist these working families in seeing some small increase to account for the cost of living then who can we help? In his state of the state address last month, Governor Ricketts cited, and I quote, our need for a commonsense approach to government, one that does not create disincentives for people and families to work. Currently, individuals on ADC must engage in work requirements. Yet the program has a cliff effect that is the very disincentive that Governor Ricketts warns us about. This cliff effect means that those on the ADC program would face a sharp drop-off in benefits if they start to even earn a small amount more. Disincentives, hurdles, and roadblocks for the working poor like this one are of particular concern for us. We see many individuals that work like the families that utilize ADC but still have not made it out of poverty. In fact, to give you one important statistic, around half of the people who seek our services are employed but still live in poverty due to low wages. Currently, ADC cash assistance is

determined after disregarding 20 percent of earned income. And under this bill, once eligibility has been established, it is determined after disregarding 50 percent of earned income. By addressing this cliff effect, we no longer will punish those families by causing a sudden drop-off for those who achieve even a small amount of increased income. Instead, families will face stringent requirements in qualifying for the program but would have the flexibility to earn a little bit more cash without being punished for it. That is a commonsense approach to government and something that will help low-income individuals on ADC have the incentive to grow their skills with time, obtaining work with higher compensation, and saving money for all of us in the long term. Passing LB89 will modernize and improve the ADC program in Nebraska, bring payments a little closer to the cost of living in 2015, and move its incentives towards encouraging work, greater productivity, and advancement. For all of these reasons, we urge the committee to advance LB89. [LB89]

SENATOR HOWARD: Thank you, Mr. Waltman. Are there any questions? Seeing none, we appreciate your testimony. [LB89]

LUKE WALTMAN: All right. [LB89]

AUBREY MANCUSO: (Exhibit 10) Good afternoon, Senator Howard, members of the committee. My name is Aubrey Mancuso, A-u-b-r-e-y M-a-n-c-u-s-o. And I'm here on behalf of Voices for Children in Nebraska. I think you've heard a lot of compelling testimony about why this program is important so I'll aim to be nonrepetitive in my testimony today. But I do think that the ADC safety net is a critical tool, really, for helping keep families together and also addressing our growing rates of child poverty. And without it, I think we'd see those rates grow even more. Predictably, as Senator Campbell mentioned, I do want to draw your attention to some data I've attached from our annual "Kids Count in Nebraska Report." In state fiscal year 2014, a monthly average of 14,350 kids in Nebraska were receiving ADC in any given month. And there is county-level data on ADC in the back pages of the book if you're interested in that as well. The average payment was $326.17. And if that was taken as an hourly wage based on the 30 hour a week work requirement, that would be about $2.72 an hour. There's also a chart in the attachment that shows that ADC enrollment has actually declined significantly, but the number of children living in both poverty and extreme poverty, defined as being at or below 50 percent of the federal poverty level, has increased. And part of that shows that we really do need to make improvements to the safety net to ensure that it's bringing more families above the poverty line. We also support the provisions in the bill that would address the cliff effect and allow families to transition more gradually off assistance. Finally, on the attachment is a chart that compares how the ADC payment ranks relative to other measures of family economic stability. And, Senator Kolterman, the highest measure on there is actually something called the family economic self-sufficiency standard, and that is Nebraska specific that also looks at the family size and ages of children. And so in this case, the example given is for a two adults family

with two children. And you can see that the ADC payment for this family would fall significantly below minimum wage, below the poverty line, and far below the family economic self-sufficiency standard for Nebraska. So with that, I would urge the committee to advance LB89 and continue looking for ways to improve our safety net in Nebraska. Thank you and I'm happy to take any questions. [LB89]

SENATOR HOWARD: Are there any questions for Ms. Mancuso? Seeing none, thank you for your testimony. [LB89]

AUBREY MANCUSO: Thank you. [LB89]

SENATOR HOWARD: Good afternoon. [LB89]

GREG SCHLEPPENBACH: Good afternoon. I also will try to be brief. But I do want the...my name is Greg Schleppenbach, S-c-h-l-e-p-p-e-n-b-a-c-h, and I'm the executive director of the Nebraska Catholic Conference which represents the mutual interests and concerns of the Catholic bishops in Nebraska. I want to commend Senator Campbell in introducing this bill. I'm testifying, of course, on behalf of the conference in support of LB89. Since its inception in 1968, the Nebraska Catholic Conference has urged support for a meaningful ADC program as a means of assisting Nebraska families who every day face the challenges and hardships of poverty, especially children. The fundamental basis for our advocacy on this issue lies in our belief that poverty is demeaning to human dignity. The Catholic church believes there is a common social obligation to respond to the needs of those who are materially poor. In our tradition, public policy is best and most responsible when it shows a preferential option for the poor who have little or no voice in the public arena. The basic moral test for society is measuring how we treat the most vulnerable in our midst. In a society with a growing gap between rich and poor, scripture gives us a story of the last judgment and reminds us that we will be judged by our response to the "least among us." And I might add that the Catholic church doesn't just preach this, that we really practice it as one of the largest charitable...private charitable organizations in the country...social service agencies. The Nebraska Aid to Dependent Children program is, of course, as you've been hearing, vital for the poor and working poor in Nebraska. Without this assistance, many families simply could not maintain their housing and children would not be properly fed, clothed, and housed. Inflation strikes hardest at the poor and disadvantaged who have to spend large portions of their limited resources on basic necessities of food, clothing, and shelter. Unfortunately, children usually bear the brunt of this hardship. The effect of not helping poor families keep up with the increasing subsistence costs has a damaging effect on children. Their motivation, their ability to learn, and eventually their productivity may be seriously reduced. The fact that the maximum ceiling on ADC payments has not been raised in 30 years is truly shocking, and it's a compelling reason to advance this bill. Another reason is that in talking

with some of our social service personnel, they're experienced in this area. They say that a common complaint of both ADC recipients and human services workers is that...who work directly with these recipients, is that moving off of ADC is often too punitive. And so we do like the 50 percent disregard. I think that's a very good provision and one that, as others have testified, would make it less of a disincentive to get off of ADC. Finally, I just want to not only urge you to support LB89, but I want to put a shout out to the Heart Ministry Center. I toured it recently. And if you have not toured it, I highly, highly, highly encourage you to tour it. They are doing phenomenal work of not only helping people out, but helping people up and doing it in a very efficient way. They're doing tremendous work and are...I think are a brilliant model for how social services can be done well. Thank you very much. [LB89]

SENATOR HOWARD: Thank you, Mr. Schleppenbach. Are there any questions? Seeing none, thank you for your testimony today. Is there anybody else in the room wishing to testify as a proponent of LB89? Seeing none, is there anyone wishing to testify in opposition to LB89? Seeing none, is there anyone wishing to testify in the neutral capacity? Seeing none, Senator Campbell, you're up. Before Senator Campbell closes, I will ask, are there any items for the record? [LB89]

BRENNEN MILLER: (Exhibits 11, 12, 13) Yes. I have letters from the National Association of Social Workers, Nebraska Chapter; Children and Families Coalition of Nebraska; and the Holland Children's Movement. Thank you, Senator. [LB89]

SENATOR CAMPBELL: Thank you, Senator Howard. I just want to draw your attention to the very last page of this handout that I gave you. And that answers the question--and I can't remember, Senator Kolterman, if it was your question or Senator Riepe's--but if you will note there that the base rate for foster care ranges from $608 to $760 per month per child. And the Legislature has been working on foster care rates very diligently in the last, what would we say, two and three years. Senator Dubas did a great amount of work there on that. We will work out and continue to look at the fiscal note and get back to all of you. I've spent over 30 years in children's issues. Poverty is one of the keys for families not being able to care for their children. So we will work on this bill, and I much appreciate moving forward with it if we can resolve the fiscal note, so. [LB89]

SENATOR HOWARD: Are there any questions for Senator Campbell? Senator Baker. [LB89]

SENATOR BAKER: Senator Campbell, you've been here, this is your seventh year. This has been 30 years. Do you know how many times this has been looked at over that 30-year period? [LB89]

SENATOR CAMPBELL: Well... [LB89]

SENATOR BAKER: I know you weren't here for 30 years, but (laughter) why has not something been done at intervals? [LB89]

SENATOR CAMPBELL: Senator Baker, some days it seems like I've been here 30 years. (Laughter) I know that when I looked at the bill two years ago, LB508, and we introduced it, we had so many priorities that year in terms of child welfare and TANF that we decided that we would put it off and that I would come back this year. We will talk with some of our historians around the Capitol to find out, but to my knowledge not very much has been done on this in those 30 years. And...but we'll find out for you, sir. [LB89]

SENATOR BAKER: Thank you. [LB89]

SENATOR HOWARD: Any other questions for Senator Campbell? Seeing none, that will close the hearing on LB89 and we will open the hearing on LB147, Senator Crawford's bill to change provisions relating to asset limitations for public assistance. [LB89]

SENATOR CAMPBELL: Senator Crawford, do you want to go ahead and open? [LB89]

SENATOR CRAWFORD: Absolutely. Good afternoon, Chairwoman Campbell and fellow members of the Health and Human Services Committee. My name is Sue Crawford, S-u-e C-r-a-w-f-o-r-d, and I represent the 45th Legislative District of Bellevue, Offutt, and eastern Sarpy County. As many of you know, this summer I had the privilege to serve, along with Senator Howard, as a member of the ACCESSNebraska Special Investigative Committee. Last year, the Legislature established this committee through LR400 to examine issues surrounding ACCESSNebraska, Nebraska's public assistance delivery system. So I just want to clarify that this bill and some of my discussion about the need for this bill is informed by my work with that committee, but this is not an official committee recommendation. So I just want to make that very clear. When Nebraska began the process of moving forward...moving toward an automated public benefits delivery system that would later be known as ACCESSNebraska, the state received performance bonuses from the federal government for timely and accurate processing of Supplemental Nutritional Assistance Program, or SNAP, benefits. In fact, some of these bonuses for timeliness financed the switch to ACCESSNebraska. Colleagues, since that time, Nebraska has fallen to the bottom of rankings for timeliness of processing SNAP applications. From August to October, the department called for a mandatory overtime period for all ACCESSNebraska employees to address the backlog of pending applications, a total of over 10,000 applications. A lawsuit filed the same month found that over 3,000 families experienced a delay in receiving food stamps. The committee also heard numerous stories regarding lost

documentations and delays in benefits. LB147, the bill before you today, is one step the Legislature can take to address some of the challenges plaguing ACCESSNebraska. The bill streamlines the administration of public assistance programs under the purview of ACCESSNebraska, reducing unnecessary paperwork and staff time spent on unnecessary verifications. Income and work requirements in these programs are sufficient to direct assistance to those most in need. Asset limits are unnecessary and even counterproductive to our ultimate aim to encourage self-sufficiency for families who temporarily receive these benefits. It also saves money. In Illinois, eliminating asset limits for TANF resulted in a cost savings of almost $1 million. In Virginia, these changes saved over $300,000 annually in administrative time. Asset limits as a public policy predate the welfare reform of the 1990s. Since the 1990s, recipients must now meet income and work requirements in order to qualify for the ADC benefits. Today, as you've heard through other testimony, Nebraska families must participate in 30 hours a week of work activities to receive an average of $326.17 a month in ADC payments which works out to an hourly wage of under $3 an hour. Several other states have increased asset limits or eliminated asset tests for TANF recipients including Colorado, Ohio, Louisiana, and Virginia. In each state, caseloads increased minimally or not at all. In Virginia, for example, caseloads were 35 percent lower at the height of the recession than they were in 1997. Previous studies have shown that higher asset limits are strongly correlated with higher savings among current and potential TANF recipients. One such study found that for every $1 increase in asset limits, savings by female-headed households increased 25 cents. Another study found that for every $1,000 increase in the state's asset limit level, single mothers were 13 percentage points more likely to own a car, which is important since automobile ownership is often crucial for securing and maintaining employment. LB147 also removes the asset test for SNAP. Thirty-six other states have already eliminated the asset test for SNAP including neighboring Colorado and Ohio or, excuse me, Iowa. The Department of Health and Human Services is able to eliminate the asset test for childcare, which is another service, via a change in regulation. All states but Nebraska and Rhode Island have eliminated the asset test for childcare assistance. As soon as we eliminate the asset test across all these programs then we can streamline the application and screening process by removing those questions and removing those documents entirely. So we can do part with SNAP and TANF with this bill and the department can eliminate the asset test for childcare by regulation. LB147 will help encourage all Nebraskans to save money, invest in assets, and reduce the threat savings can pose to low-income families who are experiencing a short-term financial crisis. It will also streamline the application process. It's important to simplify ACCESSNebraska as much as possible in order to improve access by individuals who are most in need of assistance. We encourage families to save money for retirement, invest in assets, their children's education, and for unexpected income shocks. Yet when those families experience such shocks and need temporary assistance to make ends meet, they are required to either keep their financial assets below the limit or spend down their limited savings to qualify. Nebraska families that experience a financial crisis should be able to receive short-term assistance without having to sacrifice their long-term economic independence. So I'd like you to

turn for a moment to the fiscal note. I just want to point out a couple of points there. The cost estimates in the fiscal note assume that all of the applicants who are denied currently would qualify. However, we have confirmed with the department that the first test they face is the asset test. So those...for example, the 20, on the fiscal note, the 20 that are not...that currently would be kicked out of TANF, they're kicked out because of the asset limit, but it's quite likely many of them wouldn't meet the income limit. So it's not necessarily the case that all 20 of those would apply...would qualify if we got rid of the asset test. Also of note is that 20 is less than half of 1 percent of our monthly caseload. So we are spending time and money and leaving people on the phone to screen out a very small percent. Recall, as I noted earlier, Illinois saved $1 million and Virginia saved over $300,000 in administrative costs by removing asset limits. Now unfortunately, we're not able to include those kinds of expected/projected savings in our fiscal note. So that's not included in the fiscal note, just the possible cost of more people being on the program. But pushing down the time on the phone, in the backlog of the documents in our overburdened ACCESSNebraska system is worth a great deal to all of our vulnerable citizens that we strive to serve well in the state of Nebraska with our programs. Thank you. [LB147]

SENATOR CAMPBELL: Thank you, Senator Crawford. Any questions? [LB147]

SENATOR RIEPE: I'll hold until closing. [LB147]

SENATOR CAMPBELL: Okay. [LB147]

SENATOR HOWARD: Senator Campbell, I have a question. [LB147]

SENATOR CAMPBELL: Oh, sorry. Go right ahead, Senator Howard. [LB147]

SENATOR HOWARD: Thank you, Senator Campbell. Can you describe what's included as an asset or what's considered an asset? [LB147]

SENATOR CRAWFORD: I will look at that for closing to make sure I say that correctly. [LB147]

SENATOR HOWARD: Perfect. [LB147]

SENATOR CRAWFORD: Yes, thank you. You probably have it in here. (Laugh) [LB147]

SENATOR HOWARD: And there might be a person behind you who knows it better. [LB147]

SENATOR CRAWFORD: Yes. Well, they may be able to answer it better, too. Thank you. [LB147]

SENATOR HOWARD: There you go. Perfect. Thank you. [LB147]

SENATOR CAMPBELL: Any other questions? Okay. Thank you, Senator Crawford. [LB147]

SENATOR CRAWFORD: Thank you. [LB147]

SENATOR CAMPBELL: Our first proponent. Good afternoon. [LB147]

MARY ANN HARVEY: (Exhibit 1) Good afternoon. Chairwoman Campbell and members of the Committee on Health and Human Services, my name is Mary Ann Harvey, M-a-r-y A-n-n H-a-r-v-e-y, and I'm a staff attorney in the Economic Justice Program at Nebraska Appleseed. I'm here today to testify in support of LB147. LB147 addresses asset limits in two of our public benefit programs in this state: SNAP, which is the Supplemental Nutrition Assistance Program sometimes better known as food stamps; and ADC, or Aid to Dependent Children. Eligibility for both of these programs is determined by an income test and asset limits. LB147 would keep the income limits exactly the same but would just eliminate the asset test portion of determining whether someone would qualify for either of those programs. Eliminating asset tests has a couple of really important benefits. First, it streamlines the delivery system which, in Nebraska, is our ACCESSNebraska system. And second, it helps recipients of these programs have an opportunity to build savings. So first I'll talk about streamlining a little bit. Research has shown that only a small number of households have assets that would disqualify them from these public benefit programs, but it takes a lot of worker time to verify assets. The rules on verifying assets are very confusing to learn as a worker, and it takes a long time to do the follow-up to make sure that they're getting the right information about the assets that individuals have. There's also a higher administrative cost because you're having workers do extra work to make the follow-ups on verifying the assets and learn the different rules. Another streamlining aspect of this would be it could align it better with other public benefit programs like Medicaid, which eliminated most of its asset tests in January of 2014. Now addressing the savings aspect, asset tests are really counterproductive to the goal of these programs which is to encourage economic independence in the recipients. So a family would have to decide whether or not they're going to have a savings account with some money in it that they could use in case of an emergency like a medical emergency or if their car breaks down or if they would need food stamps instead. And it would really encourage people to build their savings if they didn't have to be tested on the assets when they're applying for these programs. In sum, LB147 would streamline the public benefits program and remove a barrier to economic independence. So I'd ask the committee to advance it. [LB147]

SENATOR CAMPBELL: Thank you, Ms. Harvey. Could you answer Senator Howard's question? What... [LB147]

MARY ANN HARVEY: I am actually going to...I think I'm going to leave the question for a later testifier. [LB147]

SENATOR CAMPBELL: Okay. Boy, oh, boy, we're just going to bounce that down till we find the right person, huh? (Laughter) Any questions? Senator Howard, did you have a question? [LB147]

SENATOR HOWARD: No, thank you. [LB147]

SENATOR CAMPBELL: Senator Riepe? [LB147]

SENATOR RIEPE: No. [LB147]

SENATOR CAMPBELL: Thank you very much. [LB147]

MARY ANN HARVEY: Thank you. [LB147]

SENATOR CAMPBELL: Our next proponent? [LB147]

AMBER HANSEN: (Exhibit 2) Good afternoon and happy Friday, everybody. [LB147]

SENATOR CAMPBELL: Thank you. [LB147]

AMBER HANSEN: My name is Amber Hansen. That's H-a-n-s-e-n, and I'm the executive director for Community Action of Nebraska. Nebraska is served by nine Community Action agencies. They collectively serve all 93 counties in our great state and we are one of, if not the oldest, poverty-fighting networks. We have 50 years of experience serving Nebraska communities and families with low incomes. And in that time, we've learned that savings and assets are really a vital component to economic stability and, moreover, actually moving people out of poverty for good. Therefore, Community Action of Nebraska, the association for the nine Community Action agencies in Nebraska, testifies in favor today of LB147 to remove those asset limits. Saving and asset building is a good practice regardless of income. It reduces risk and uncertainty which is a thread common to people living paycheck to paycheck. So if you can imagine that your car breaks down, and it's a very costly fix, like a transmission or something

very expensive, if you don't have money in the bank or some type of savings to pay for that, you're left without transportation. And if you don't have transportation, you have no way to get to work to make the money you need to fix or replace that vehicle. This example not only demonstrates the reality of thousands of Nebraskans but also just how quickly a simple maintenance issue or some kind of unexpected but large cost can serve to become a much larger problem and spiral out of control. The end result is someone who goes from barely making ends meet to someone who is unable to make ends meet at all. The good news is that there is a solution to this, and it's really that we need to encourage savings and asset building. And the current asset limits that we have serve to discourage that. Community Action agencies have had a lot of success with clients moving out of poverty altogether through savings programs. One program that we administer is a matched savings program, so eligible clients can...for every dollar they save, will get two dollars put into what's often referred to as an Individual Development, or IDA, Account. That...one of those extra dollars comes from a federal grant and the other one comes from a local resource...has to come form a bank or a private foundation or private donors. It brings the community involved and then they also have a stake in seeing the success of this individual. These clients use this money then to purchase a home, an education, or to start a small business. And these are clients like Kelly Morten, who came to the Community Action Partnership of Western Nebraska in Scottsbluff, opened an IDA account in hopes to achieve her dream of starting her own business. With the help of CAPWN but, more importantly, because of this savings she saw her dream come true and today owns and operates a cafe in Scottsbluff called Grace. Another client, Stephanie, opened a business called Epic Cakes in Falls City through this Individual Development Account program at the Southeast Nebraska Community Action Partnership. Countless other Nebraskans like Kelly and Stephanie use their savings to go to college and end the cycle of poverty or purchase a home so that they have a safe and stable living environment, both of those being strong indicators of success economically. Savings and assets are a key component to the success of all these individuals. Limiting savings and assets for recipients of public assistance has the unintended consequence of discouraging positive economic behavior like savings and it further hurts the ability of Nebraskans like Kelly and Stephanie to use that savings to achieve long-term economic stability. Saving is an important goal for all families, poor or not. The saving is especially important for people with low incomes because of the vulnerable position they're in when they get one of those large or unexpected expenses but also because of the unique opportunity to move out of poverty for good that assets provide. So at the very least, savings and assets provide comfort and security by preventing that spiraling out of control that those costs can have and at best, as the experience of many Community Action clients have reflected, savings and assets can move people out of poverty and off public assistance for good. For those reasons, Community Action in Nebraska supports LB147. And I welcome any questions. [LB147]

SENATOR CAMPBELL: Thank you, Ms. Hansen. Questions? Senator Riepe. [LB147]

SENATOR RIEPE: Senator Campbell. You talked about, and you were pretty emphatic about, that you can move them out for good. I assume there's no...I don't know what your statistics on the likelihood of that. I mean, there's a tendency that savers save and spenders spend. And so... [LB147]

AMBER HANSEN: Sure. I think there is research, and I don't have it in front of me, but I'd be happy to follow up with it. I know there is research and that's part of what drove some of the federal grants that we're receiving that pays for $1 of that match. And I'll definitely follow up with you with some of those numbers to give you a more solid idea. [LB147]

SENATOR RIEPE: I'm trying to think of voters statewide, citizens that live here, in the sense of I'm not sure how they would react to the idea that they're paycheck to paycheck and yet, you know, there's a category that is allowed to save money when they're not saving any money. That's just a question I have, especially when you start talking about enough money to put down for a house or a small business. I mean, to me then you're talking about 20 percent of the purchase of the house in a normal cycle. And so, my point is, that's a significant level of savings. I don't know whether I could sell that as I...and in... [LB147]

AMBER HANSEN: Those are long-term savings goals. That program that makes them save $1,500 and then is matched with $3,000 for a total of $4,500, that is over the course of two years. And so we're talking small increments often, but enough so that over time it will help them avoid these experiences of having their car break down and then they can't get to work at all or some other kind of crisis of that sort. [LB147]

SENATOR RIEPE: Do you provide some courses too, because I, you know... [LB147]

AMBER HANSEN: Yes. [LB147]

SENATOR RIEPE: ...money is hard to make, easy to spend, hard to save, easy to slip away from you; $20 here, $200 there, you know, and pretty soon you're back to zero dollars in your savings account. We've all...most of us have been there. [LB147]

AMBER HANSEN: Yes, that program is...it provides a lot of what we call wraparound services. So it's a lot of case management. Every month, the bank statements that they're putting the money into comes to the case manager at the Community Action agency. If they take money out, unless it's for an extreme circumstance like they need vehicles to get to work, they are out of the program. And so we're pretty strict about that. And with the example of, you know, Kelly, for example, they give classes and the like on how to start small businesses, how to get a business

plan. And there's actually an article in the Scottsbluff Herald with her story in it and she talks about how valuable those sort of wraparound services were to informing her on how to really make it a long-term success. [LB147]

SENATOR RIEPE: Did this replace a small business loan associated...I mean, it used to be you can get small business loans. [LB147]

AMBER HANSEN: I'm not sure. I know that she used it in part to pay for some of these start-up expenses. I don't know if she got it for...I don't know the answer to that. I'm sorry. [LB147]

SENATOR RIEPE: It's just concerning. [LB147]

AMBER HANSEN: Yeah, and more people will...a lot of people, education and home purchases are two of the biggest ones, because that can go toward that down payment. So those are two of the biggest purchases with our IDA accounts. [LB147]

SENATOR RIEPE: Avoid student loans. [LB147]

AMBER HANSEN: To avoid student loans? Usually you end up having to take out student loans anyways because $4,500 is...puts a small dent in the cost of education. [LB147]

SENATOR RIEPE: Okay. Thank you for being here. [LB147]

SENATOR CAMPBELL: Any other questions? Thank you, Ms. Hansen. Our next proponent. [LB147]

AUBREY MANCUSO: (Exhibit 3) Thank you, Senator Campbell. Members of the committee, my name is Aubrey Mancuso, A-u-b-r-e-y M-a-n-c-u-s-o, and I'm here on behalf of Voices for Children in Nebraska. We're here in support of LB147 and want to thank Senator Crawford for bringing this bill forward. As some on the committee will recall, in 2011 the Legislature raised the asset limit in the SNAP program to $25,000 and limited it to liquid resources. Since that time, the asset limit in the Low Income Home Energy Assistance Program has also been aligned with SNAP and it's also our understanding that the childcare asset limit will be eliminated in the next round of regulatory changes. So what this bill really does is take the next step by eliminating the remaining statutory asset limits in SNAP and ADC and giving the department the ability to streamline and modernize documentation requirements across programs. As the state has switched to a primarily on-line application program for public benefits, it also makes sense to modernize program policies in ways that reduce our reliance on paperwork. Research from the

New America Foundation has found improved administrative efficiency in public programs in states where asset tests have been eliminated. The same research also found that the benefits of this efficiency can be limited if policies are not aligned across programs since many states, including Nebraska, use a common application. Asset tests can also encourage lower income families to remain outside of the financial mainstream by doing things like not holding a bank account and can encourage the spending down of resources necessary for longer term security like a retirement account. There's also a significant body of evidence that suggests in order to truly improve a family's financial well-being, we need to consider assets in addition to income. A comprehensive review of the research on assets by the Department of Health and Human Services found that there's a positive impact on both child well-being and a family's physical and mental health based on asset ownership. While we have many policies in place that help wealthier families build assets, like deductions for mortgage interest and retirement savings, we have very few policies that help do the same for lower income families. And we, in fact, can create additional policy barriers through things like asset limits. LB147 has the potential to really increase the efficiency of our public programs and remove barriers to financial stability for lower income families. And we would urge the committee to advance the bill. [LB147]

SENATOR CAMPBELL: Questions for Ms. Mancuso? Thank you for your testimony today. [LB147]

AUBREY MANCUSO: And I'm sorry, I did just want to jump in and answer Senator Howard's previous question... [LB147]

SENATOR CAMPBELL: Oh, good. [LB147]

AUBREY MANCUSO: ...about what counts as an asset. I think one of the challenges of these programs is the rules are not streamlined across programs and can be confusing. In almost all cases, a retirement account is considered an asset. In some cases, one vehicle is exempt but if there are two parents in the household, the second vehicle is usually not exempt. Our SNAP program is a little bit different because we did align that legislatively in 2011. But it...the rules are confusing and not uniform. But something like an IDA program is actually specifically exempt under our asset limit statutes while other forms of saving are not. [LB147]

SENATOR RIEPE: Senator. [LB147]

SENATOR CAMPBELL: Senator Riepe. [LB147]

SENATOR RIEPE: I have a quick question I would like to ask. [LB147]

AUBREY MANCUSO: Sure. [LB147]

SENATOR RIEPE: Thank you, Senator Campbell. My question would be this, is if we take away the, you know, examination or looking at the number of assets, why wouldn't one go to an attestation statement of...you attest to the fact that you have no more than these assets with subsequent consequences that we may not audit, but if we find out later that you own three farms, yada yada yada, you know we have some recourse as a state to come back and say, we want our money back. Now, that may not be a question to you. I'm just... [LB147]

AUBREY MANCUSO: Yeah, I mean, I think that's a possibility to consider it, but I think that's an interesting example, because the three farms would actually be exempt under our current asset rules. [LB147]

SENATOR RIEPE: Well, maybe it's not three...maybe it's $20,000 in the bank, you know what I mean? (Laughter) I...you know, that was maybe a... [LB147]

AUBREY MANCUSO: Yeah. [LB147]

SENATOR KOLTERMAN: They would be exempt? [LB147]

AUBREY MANCUSO: Under federal law, yes. [LB147]

SENATOR KOLTERMAN: Wow. [LB147]

SENATOR RIEPE: When there are loopholes, there's just opportunities for misrepresentation. And we've seen in nursing homes where there's...we have to claw back a lot of times to get money back that families set...try to get out of the way so they can get Medicaid, but okay. [LB147]

AUBREY MANCUSO: Yeah, you know, Senator, I think my experience has been that most Nebraskans are really hardworking and honest and those examples of sort of the bad apples are really few and far between. And so, you know, I think, if I was talking to taxpayers in your district, I would say this is really about spending taxpayer dollars in an efficient way where we're not spending time, energy, resource, money verifying all this paperwork that really generally doesn't apply to the majority of the people who are applying. [LB147]

SENATOR RIEPE: But if you have people attest, there is no work. There's a signature. [LB147]

AUBREY MANCUSO: Yeah. I think that would be a different way to approach it. [LB147]

SENATOR CAMPBELL: Any other questions? Thank you. [LB147]

AUBREY MANCUSO: Thank you. [LB147]

SENATOR CAMPBELL: Our next proponent? Anyone else? Anyone opposing LB147? Anyone in a neutral position? Senator Crawford, would you like to close on this? [LB147]

SENATOR CRAWFORD: Sure. Thank you for your time, and thank you for the testimony and answering those questions. Now, another way--I was having a Friday moment when you asked me that question, Senator Howard--I mean, another way to see what the assets are is to look for the stricken parts of the bill. (Laugh) I mean, the bill strikes the asset limits so the assets are in the bill. And so they're...if you just look through the bill at the areas that are stricken, you will see what the current asset definitions are in statute. And the bill basically removes those from the statute. And again, the argument is that we...the income and work requirements are sufficient to direct the money where it needs to go. There would be...and other states that have done this, the work loads, the caseloads, have increased minimally if not...if at all. So we're spending time and energy and taxpayers' dollars screening for something that is not really an effective and efficient use of our taxpayer dollars to screen for assets when we have other restrictions to direct this money to the people who are most in need. And as you've also heard, it's not only inefficient but counterproductive given we want people to have...to develop their assets for self-sufficiency and stability. Thank you. [LB147]

SENATOR CAMPBELL: Follow-up questions for Senator Crawford? Senator Riepe. [LB147]

SENATOR RIEPE: Thank you. It's Friday and I'll try to be quick. Ronald Reagan said, trust and verify. And so I kind of believe in...you know, even good people of Nebraska sometimes can get a little bit off course and not be perfectly honest when given an opportunity. My bigger question though is...you talked about realized savings. The challenge it always seems to me to be is, yes, we can cut down on the work load, but we never, ever seem to eliminate or reduce any staffing levels that...you know, the work goes away but the people don't. [LB147]

SENATOR CRAWFORD: Right. Well, my response to that right now is, currently we clearly have more work load than staff. The system is overburdened. So the wait times are still long. The delays are still long. The documents are still having trouble. So streamlining this, even if it doesn't get rid of a single FTE, would be an incredible improvement to the system. [LB147]

SENATOR RIEPE: I'm a little calloused on that being a hospital administrator. I've heard that so...for nursing and everybody else at the department that we're not overworked and so... [LB147]

SENATOR CRAWFORD: Well, the other response I would say is that in Illinois, they saved $1 million. In Virginia, they saved over $300,000. So they must...so those are two states where it wasn't just what they said and nothing happened. They must have gotten rid of people to save that much money. So there is examples in other states and we can make sure that we look at what those other states did to make sure that they were realizing those savings to see...make sure that we are following some of the practices they followed to see if that can happen. Again, I don't know... [LB147]

SENATOR RIEPE: What were the two states? I'm sorry. [LB147]

SENATOR CRAWFORD: Illinois and Virginia were two states. [LB147]

SENATOR RIEPE: Oh, okay. [LB147]

SENATOR CRAWFORD: And I have some other states that have done and that show savings, but those were two. [LB147]

SENATOR RIEPE: As long as it's not Illinois and New Jersey. So, okay. Thank you. [LB147]

SENATOR CAMPBELL: Senator Howard. [LB147]

SENATOR HOWARD: Thank you, Senator Campbell. Senator Crawford, just in contrast...and I appreciate Senator Riepe's point that it seems as though we never reduce the size of government, although my understanding was that when we first implemented ACCESSNebraska, we actually significantly reduced the number of folks that we had working in that system. And so really, we're potentially trying to get back up to a place where we're just managing the work load as opposed to having sort of a larger government. Does that seem about right? [LB147]

SENATOR CRAWFORD: In...I...if I understand your question, the point is that we drastically reduced staff when we put ACCESSNebraska in place. And then since then, our struggle has been how many staff we need to add to try to make sure we're able to manage the work load. [LB147]

SENATOR HOWARD: Exactly. [LB147]

SENATOR CRAWFORD: Right. So this bill itself is an important step in terms of making that work load more manageable. Whether it makes it enough more manageable to reduce staff in our state, given that we are starting in a situation where it appears our system is overburdened, I don't know. [LB147]

SENATOR HOWARD: Thank you. [LB147]

SENATOR CAMPBELL: I think what aggravates me is that when we went into ACCESSNebraska we were touted, I believe, it was a $6 million figure that we were going to save on ACCESSNebraska. And for every time we've made those cuts, I've sat through four hearings before this committee on ACCESSNebraska. I attended one of the hearings from the special committee. And if we could get to a point...I mean, if we're chasing one or two people here. You would be astounded sitting in those hearings listening to the elderly and the disabled in the state of Nebraska who have been put at risk and in enormous hardship because we tried to save money by cutting staff and not helping Nebraskans. We can be, what, penny wise and pound short... [LB147]

SENATOR CRAWFORD: Penny wise and pound foolish, yeah. [LB147]

SENATOR CAMPBELL: ...or whatever this phrase is. [LB147]

SENATOR CRAWFORD: Yeah. Penny wise and pound foolish, yes. [LB147]

SENATOR CAMPBELL: But, you know, saving money isn't always the best course if we can't serve Nebraska people. And that's exactly what's happened with ACCESSNebraska. The other thing is that...I'm sorry, it's Friday, but it's a soapbox here. When I came to the Legislature, I was determined that I would sit down and fill out as if I was an applicant for aid. And after an hour and 15 minutes, I ran screaming from my office (laughter) because the questions that were asked...I mean, I have a master's degree, and at times I could not figure out what they wanted. And if I didn't get the question right, I had to start all over again. Frankly, we've got to find a better way to help Nebraska people. We're spending money and we're not helping people. End of the sermon. Sorry. Sorry. [LB147]

SENATOR CRAWFORD: It's fine. No. That's very good background and important information about why it's so important. [LB147]

SENATOR CAMPBELL: Item for the records? I remembered, thanks. (Laughter) [LB147]

BRENNEN MILLER: (Exhibits 4, 5, 6) Yes. Letters from National Association of Social Workers, Nebraska Chapter; Children and Families Coalition of Nebraska; and the Holland Children's Movement. Thank you. [LB147]

SENATOR CAMPBELL: Thank you, Brennen. [LB147]

SENATOR CRAWFORD: Thank you. [LB147]

SENATOR CAMPBELL: That concludes our hearings for Friday. Safe trip home to everyone. Enjoy the weather. [LB147]