[LB21 LB240 LB499 LB500]

The Committee on Health and Human Services met at 1:30 p.m. on Wednesday, March 4, 2015, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB500, LB21, LB499, and LB240. Senators present: Kathy Campbell, Chairperson; Sara Howard, Vice Chairperson; Roy Baker; Tanya Cook; Sue Crawford; Mark Kolterman; and Merv Riepe. Senators absent: None.

SENATOR CAMPBELL: Good afternoon and welcome to the hearings of the Health and Human Services Committee. I'm Kathy Campbell, senator from District 25 in Lincoln, and I serve as the Chair of the Health and Human Services Committee. We are very pleased that you are here today. We will do self introductions and then go through the usual procedures. And by now, many of you could probably repeat them for me. So we will start on my far right. Senator, would you start, please?

SENATOR KOLTERMAN: I'm Senator Kolterman from the 24th District, Seward, York, and Polk Counties.

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

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

JOSELYN LUEDTKE: Joselyn Luedtke, committee counsel.

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

SENATOR RIEPE: Just in time, I'm Merv Riepe. I'm District 12 which is Omaha, Millard, and Ralston.

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

SENATOR CAMPBELL: And our pages today are Brook...Brook is from Omaha attending UNL majoring in marketing, advertising, and political science. And Jay is over on the side here. Jay is from Dalton, Nebraska, majoring in ag economics. So if you need some assistance this

afternoon, these two fine pages will be glad to help you out. I'm going to go through the procedures. If you have a phone or a iPad or anything that makes noise, would you, please, turn it off or turn it to silent? If you are testifying today, you need to pick up one of the bright orange sheets from either side of the room and, please, fill it out as legibly as you can so the clerk, Brennen Miller, can read it easily. If you have handouts--they are not required in this committee--but if you do, we would like 15 copies. And if you need some assistance with that, the clerk and the pages will be glad to help you. As you come forward, you can give your orange sheet and, if you have materials, to Brennen. The clerk and one of the pages will distribute them for you to the senators. As you sit down, you will notice that we have lights. We do use lights in the Health Committee. You have five minutes. It will be on green for what seems a very long time; that's four minutes. And then it will go to yellow and you have one minute. And then it will go to red and I'll be trying to get your attention. As you come forward and sit down, we ask that you state your name for the record and spell it so that the people who are listening who are going to transcribe this can clearly hear your voice as well as know correctly how to spell your name. And we will go to the first hearing. And as we start, as Senator Howard comes forward for LB500 which would require application for Medicaid state plan amendment for multisystem therapy and functional family therapy, Brennen, are there letters for the record?

BRENNEN MILLER: (Exhibits 1, 2) Yes, Senator, two support letters, one from the National Association of Social Workers, Nebraska Chapter; and another, a joint letter of support from MST Services, FFT LLC, and Boys Town. Thank you. [LB500]

SENATOR CAMPBELL: Thank you. Okay. Senator Howard, please start. [LB500]

SENATOR HOWARD: (Exhibit 3) Thank you, Senator Campbell. Good afternoon, Senator Campbell and members of the Health and Human Services Committee. My name is Sara Howard, S-a-r-a H-o-w-a-r-d, and I represent District 9 in midtown Omaha. Today I bring before you LB500, a bill clarifying Nebraska's obligation to provide multisystemic therapy, or MST, and Functional Family Therapies, FFT, in the treatment of children and families. MST is a juvenile crime prevention program to enhance parental skills and provide intensive family therapy to troubled and delinquent teens. It empowers youth to cope with the family, peer, school, and neighborhood problems that they encounter in order to prevent recidivism. Functional Family Therapy, or FFT, is a family focused intervention that involves all family members and therapists who are there to work with all family members to create better outcomes. These therapists create interventions that are specific and individualized for the unique challenges, diverse qualities, and strengths of all types of families and family members. Both of these programs are intensive models for the whole family. They are utilized in the hopes to reduce out-of-home placements and prevent recidivism in juvenile offenders. Extensive studies have been done to show that there are measurable improvements in outcomes in states where MST and FFT have been utilized. Some of those include a 25 to 60 percent reduction in

recidivism; positive effects on parent/adult mental health; in cases where child welfare is involved, a 39 percent reduction in out-of-home placement; improved family function; and the cost benefits range from...for every $1 that we use for MST/FFT, the state will save anywhere from $12.40 to $28.33. Currently, the state of Nebraska already has an obligation to provide these services to youth under EPSDT, Early and Period Screening, Diagnostic (sic), and Treatment, where, if you can access the service, you must provide the service if it is deemed medically necessary by your provider. I have passed out an explanation of EPSDT to be helpful. The state of Nebraska contracts with Magellan managed care to oversee all publicly funded mental health treatment in our state. Therefore, providers must be enrolled in Medicaid and contract with Magellan and the treatments they bill for must be deemed medically necessary. In other words, the Department of Health and Human Services must tell Magellan that these services must be covered. This legislation is an attempt to clarify something for which we are already supposed to cover. In 2013, through juvenile justice reform legislation, probation became responsible for providing services, supervision, and preadjudication for juveniles where it was deemed necessary. The Department of Probation Administration recognized the success of MST/FFT in preventing recidivism and began a public/private partnership with the Sherwood Foundation in 2014 to study further whether or not these programs would be successful and beneficial for our state. With a small grant from Sherwood Foundation, members of probation and professionals with experience in MST/FFT toured the state to determine the need and if the probation...and to find out if the probation community would be amenable to being trained on MST/FFT and utilize the treatments. After the research was completed with favorable results, the department submitted a full--the Department of Probation, just to clarify--the Department of Probation submitted a full proposal to the Sherwood Foundation and was awarded a grant that would be used for training professionals for MST and FFT. Once there's a trained work force to...in order to see the full benefit of the therapies, the state of Nebraska must live up to their part of the obligation. This is a long-term investment in the future of our young Nebraskans. These services contribute to true juvenile justice reform by teaching parents how to manage their children's behaviors at home rather than removing children from their homes. MST and FFT focus on families as the solution. The families are full collaborators in developing the treatment plan. These services help the families learn to become their own agents of change. And when we consider the Hornby Zeller report where we found that families are not being fully engaged when children are out of home or in the child welfare system, MST and FFT are the very antithesis of that type of system. One of the testifiers behind me is currently providing these therapies. She tells me of her increasing frustrations in working with the managed care provider in order to be effectively reimbursed. She asks the provider several times a week to review the current financing strategy with no change. LB500 would direct the state to submit an application for a state plan amendment for Medicaid and the Children's Health Insurance Program to clarify the state's role for a service that they are already obligated to offer. The state of (North) Carolina has applied and been approved for a state plan amendment to their Medicaid program to provide MST and I have distributed the language to you with the other handouts so you may see an

example of what the state plan amendment language might look like. There was a drafting oversight. And so I think...did we already hand out the amendment? Okay. So we had originally had in the draft, youth on probation, which is not an appropriate eligibility category so we took that out. I thank you for your consideration of this matter and urge you to advance LB500. I'm happy to try to answer any questions. [LB500]

SENATOR CAMPBELL: Questions? Senator Baker. [LB500]

SENATOR BAKER: Thank you, Senator Campbell. This bill requires DHHS to submit a plan amendment of some kind. What do you think is...will it be approved if it's submitted? I mean, what are the chances? Just because they submit it, will it...are you assuming it's a done deal then? [LB500]

SENATOR HOWARD: Well, I would think so, only because it's a service that they're already obligated to provide. And so it's sort of more like a clarification of the fact that they need to provide it and to help the managed care provider understand that they can...providers can bill for it. [LB500]

SENATOR BAKER: Thank you. [LB500]

SENATOR CAMPBELL: Any other questions? Senator Kolterman. [LB500]

SENATOR KOLTERMAN: Thank you, Senator Campbell. Senator Howard, I have just a couple of questions and maybe you have the answers. You probably have the answer to these. At the present time, it's my understanding we have three providers in the state that do this kind of work. Do you know if there's any more in the wings or have the ability to do this kind of work? [LB500]

SENATOR HOWARD: The Department of Probation and (The) Sherwood Foundation will be able to sort of elaborate on this. But The Sherwood Foundation is willing to pay for the training for more providers so that we would see increased access. So we wouldn't run into an access issue when we put the state plan amendment in. [LB500]

SENATOR KOLTERMAN: Okay. Thank you, and then a follow-up question. And I heard in your introduction something about, HHS has to authorize Magellan or make sure that Magellan follows through in paying the claims when it's been authorized. Can you talk a little bit about that relationship between HHS and Magellan and some of the shortfalls that might be there? I'm just asking because I don't know. [LB500]

SENATOR HOWARD: You know, truthfully, my experience with Magellan has been more on the provider side trying to clarify what sort of services are able to be billed and what is allowable under EPSDT. So I, unfortunately, maybe am unable to speak to the relationship between Magellan and the department. [LB500]

SENATOR KOLTERMAN: Okay. [LB500]

SENATOR HOWARD: But I anticipate that Ms. Miller from the department will come and testify and that would be a good question for her. [LB500]

SENATOR KOLTERMAN: Thank you. [LB500]

SENATOR HOWARD: Thank you. [LB500]

SENATOR CAMPBELL: There also is a representative here from Magellan. [LB500]

SENATOR KOLTERMAN: Okay, good. [LB500]

SENATOR CAMPBELL: So they may be testifying also. Senator Riepe. [LB500]

SENATOR RIEPE: Senator Campbell, thank you. Senator Howard, thank you for being here. What would this multisystemic therapy...can you...what is that? [LB500]

SENATOR HOWARD: Sure. It's in-home therapy. So it provides intensive family therapy. So it doesn't just work with the youth. It works with the family as a whole. [LB500]

SENATOR RIEPE: It has a nice, big name. [LB500]

SENATOR HOWARD: Thank you. I agree. [LB500]

SENATOR RIEPE: The other question that I have, if I may, is that...is this legislation by design to help more qualify for Medicaid? They're close, but they're not quite there. [LB500]

SENATOR HOWARD: No. It doesn't touch any of the categorical eligibilities that we already have. [LB500]

SENATOR RIEPE: Okay. Okay. Thank you. [LB500]

SENATOR HOWARD: Thank you. [LB500]

SENATOR CAMPBELL: Any other questions? Thank you, Senator Howard. [LB500]

SENATOR HOWARD: Thank you, Senator Campbell. [LB500]

SENATOR CAMPBELL: Our first proponent. Good afternoon. [LB500]

COREY STEEL: (Exhibit 4) Good afternoon. Good afternoon, Chairman Campbell, members of the Health and Human Services Committee. I am Corey Steel, C-o-r-e-y S-t-e-e-l, and I am the State Court Administrator for the Nebraska judicial branch. I also want to clarify, prior to State Court Administrator, I was deputy probation administrator in charge of Juvenile Services. And this proposal and the work with The Sherwood Foundation started under my purview as deputy state probation administrator. I'm here to testify in support of LB500 offered by Senator Howard. First, I want to thank Senator Howard for introducing this bill and for her leadership around child welfare and juvenile justice issues. Currently in Nebraska, when a judge has a high-risk juvenile in their court, they lack service options, specifically, in-home service options. Judges are having to send these juveniles to out-of-home care in order to get their service needs met. This option in this bill may address the issues with juveniles but does not address the...or, excuse me, the out-of-home issue may be addressed and may address the issues with the juvenile but that does not address the issues in the environment from where that juvenile will return to and has come from. Judges are having to bypass services within the continuum of care--if we had that full continuum of care--in the in-home service options because they do not exist. Over the past three years, we've been working on transforming Nebraska's juvenile justice system. This piece of legislation continues that transformation. The Judiciary Committee and Probation Administration commissioned a study of the Nebraska juvenile justice system in the spring of 2013. And I have a copy of that study right here that I will provide for the committee. That study was completed by Dr. Lee Terry from the state of Washington. Dr. Terry's report provided several recommendations to the state of Nebraska on reducing the number of juveniles placed in out-of-home care by the court. The number one recommendation was implementation of in-home, evidence-based options such as multisystemic therapy, Functional Family Therapy, and a model that Boys Town does called the In-Home Services. This legislation would be in line with those recommendations by adding these service options available to juveniles in the juvenile justice system in Nebraska. There has been substantial work done over the past several years to include partnership with The Sherwood Foundation. A Sherwood Foundation grant supported the efforts by providing a planning grant to the Administrative Office of Probation that Senator Howard talked about that put together an implementation plan across the state of Nebraska for these in-

home services. This legislation is the last piece of making this plan a reality. Adding in-home, evidence-based services to Nebraska's continuum of care, in my mind, is what I call a game changer for our juvenile justice system. I'm going to add a few more comments. We've worked in the past several years to not only effectuate change and keep kids from going out of home, but also to increase service options. These types of therapies that we're talking about today would allow for those families not only to have those service needs met for the juvenile but also address family dynamic issues of why juveniles sometimes are placed in out-of-home care. These are very intensive services. They are 24/7. They come when service...or when issues arise, not once a month, once a week. So they're very intensive. Currently, right now--and there will be some providers that will talk about the payment structure as well--one of the things I want to emphasize, that this piece of legislation will help us move forward but it is also vitally important that we have the full spectrum of these services paid for as well through the...through Medicaid. I currently have a copy of the Dr. Terry Lee report that was commissioned. Senator Brad Ashford was a huge supporter of this report from Dr. Lee Terry and I'll provide that and leave that for the committee as well so there can be copies made for that report. If it needs to be electronic, just let me know. I have it electronically as well. And I'd be happy...and I thank you and I'd be happy to answer any questions that the committee may have. [LB500]

SENATOR CAMPBELL: We just want to be very clear for the transcribers that are listening to this, is that it is Dr. Terry Lee. [LB500]

COREY STEEL: Correct. [LB500]

SENATOR CAMPBELL: At one point, Mr. Steel, you said Lee Terry. [LB500]

COREY STEEL: Yes. Yes, I've done that quite a few times. [LB500]

SENATOR CAMPBELL: And that's why there were some smiles up here... (Laughter) [LB500]

COREY STEEL: Dr. Terry Lee, yes. [LB500]

SENATOR CAMPBELL: ...because the transcribers can't see your testimony here. Okay. Questions for Mr. Steel? Any questions? Thank you very much. And thank... [LB500]

COREY STEEL: There's... [LB500]

SENATOR CAMPBELL: Oh, sorry. Senator Riepe. [LB500]

SENATOR RIEPE: I just had...I was trying to get a little clarification. And send these juveniles to out-of-home care? I'm trying to... [LB500]

COREY STEEL: Out-of-home care could be anything from foster care... [LB500]

SENATOR RIEPE: You mean their personal home, or... [LB500]

COREY STEEL: It could be foster care... [LB500]

SENATOR RIEPE: Okay. [LB500]

COREY STEEL: ...to a group home or to even a treatment center. These therapies that we're talking about today actually would be the therapy component to keep these kids from being placed in out-of-home care for their needs to be met such as their therapeutic needs. [LB500]

SENATOR RIEPE: Okay. Okay. Thank you. Thank you, Senator. [LB500]

SENATOR CAMPBELL: Senator Riepe, are you thinking that these...all of these juveniles would have had a law violation? Is that... [LB500]

SENATOR RIEPE: That was my sense, and I was also trying to follow up a little bit in seeing is this at a region, even? Or how...when we say out, how far, out of state or out, you know... [LB500]

SENATOR CAMPBELL: Oh, okay. You might want to talk about the transition so that it's clear for the record. [LB500]

COREY STEEL: Okay. Currently, would these therapies be utilized for kids in the justice system that have law violations? Yes. But it also could be for those that are not. This would open up for any kid that met that medical criteria for this in-home therapy to exist. Currently we don't have it except for small little areas that Corrie will talk about. Mid-Plains, we'll talk about where they've been able to do small little pilots of this. We don't have it statewide. That was part of the plan. The Sherwood...the first initial Sherwood grant where we went statewide from one end of the state to the other and met with all the providers across the state, the regions were engaged in this and are partners in this as well. And we looked at the availability. Do we have the availability both of resources in the communities to provide some form of this type of service? And then also we looked at the data coming to us from the court system and...to see, do we have the number of

juveniles that would need this level of service? And so we actually have a plan and an outline that says, here's where those therapies can take place across the state. Here's where there's the availability of not only providers but also the availability that there would be juveniles that would need this type of assistance. [LB500]

SENATOR CAMPBELL: Go right ahead. [LB500]

SENATOR RIEPE: I guess, was this correlated with the six mental health regions? [LB500]

COREY STEEL: The behavioral health regions, correct. We've worked in tandem with the behavioral health regions. They actually helped set us up all the regional meetings across the state and partnered with us. [LB500]

SENATOR RIEPE: So they were in this partnership? [LB500]

COREY STEEL: So they're engaged with us and informed and a part of this planning process as well. [LB500]

SENATOR CAMPBELL: The juvenile justice effort that Senator Ashford brought forward at that point was to take those that were in the Office of Juvenile Services inside the Department of Health and Human Services and they were moved to the probation system. So that is why it...the system is not only...have those who have a legal or a law violation, but those who are in the juvenile justice system. You want to add anything to that, Mr. Steel? [LB500]

COREY STEEL: Yeah. You're exactly correct. I'll maybe do it a little more simplistic. With the transition of the past two years, now if a juvenile comes in front of the court system for either a law violation or what we call a status offense, which is those runaway/truancy issues, uncontrollable in their family home, not a law violation, the option for the judge is probation. No longer can they place that kid with the Department of Health and Human Services or probation. We have one avenue now for those judges. What's different is, we have to build capacity and resources for their service needs which typically used to be done by the Department of Health and Human Services. And so we are now asking for these needed services. And so we have to work in tandem with not only the Department of Health and Human Services, the Medicaid Division, but also with Magellan in order to access service needs for the juveniles that are coming through the court system. [LB500]

SENATOR CAMPBELL: Any other follow-up questions? Thank you, Mr. Steel. [LB500]

COREY STEEL: Thank you. [LB500]

SENATOR CAMPBELL: Our next proponent. [LB500]

SENATOR BAKER: Senator Campbell? [LB500]

SENATOR CAMPBELL: Yes, Senator Baker. [LB500]

SENATOR BAKER: May I ask that...I have an ENT appointment Monday but until then I'm not hearing very good. If people--us as well as testifiers--could lean into their microphone, it would help me out. [LB500]

SENATOR CAMPBELL: Great suggestion. [LB500]

CORRIE EDWARDS: (Exhibit 5) I don't think that that will be a problem for me. We have got...we brought some packets. [LB500]

SENATOR CAMPBELL: Okay. [LB500]

CORRIE EDWARDS: Senator Howard requested some information and so I'm hoping that this will further give definition around MST and FFT. [LB500]

SENATOR CAMPBELL: You can go ahead. [LB500]

CORRIE EDWARDS: Okay. Good afternoon. My name is Corrie Edwards, C-o-r-r-i-e E-d-w-a-r-d-s. Senator Campbell and members of the Health and Human Services Committee, I serve as the CEO and president for Mid-Plains Center in Grand Island. I would like to thank Senators Howard and Krist for introducing the legislation today to support evidence-based practices in Nebraska, in particular, multisystemic therapy and Functional Family Therapy. MST and FFT are both evidence-based practices. These practices are interventions that have been tested by researchers and are shown to be consistently related to the desired results of each practice. There are advantages in using evidence-based practices like both of these. First, there is a very strong probability that the specified program outcomes will be achieved when using one of these models. And funders have the assurance that money being spent on these services will be money spent on services that will work, not services that just actually might work. Both of the practices are models that target at-risk youth and their families. FFT is a less intensive service that offers a longer duration of stay and staff--although I'll disagree with Corey--staff are not available in the

FFT model around the clock. It is not a crisis model. MST is a crisis service that is vary labor intensive and available to families 24 hours a day, seven days a week for the duration of the program. MST's primary outcome is to reduce the rates of out-of-home placements. To illustrate this point, a 180-day stay at a psychiatric residential treatment facility, a PRTF, can cost around $58,000. MST services for 120 days cost around $6,500. Currently, Mid-Plains is the only agency in the state providing MST services. We have offered this service since 1998, and we have therapy teams in Grand Island, Kearney, and Lincoln. Therapists also serve families in surrounding areas of these locations. Over a given year, this service serves approximately 250 youth and their families. To my knowledge, there is no one in the state offering Functional Family Therapy and I know that I'm the only person...the only agency offering MST services. Nebraska has very few evidence-based models. The reasoning could be twofold. First, because of the rigorous amount of continual research and quality improvement, these models are expensive to implement and to sustain. For example, in order for Mid-Plains to provide MST services, annually we spend approximately $286,000 to utilize this model. This amount includes licensure, consulting, and supervision costs that are unbillable but are required components of the model. Secondly, there is no funding specifically tailored to pay for these types of services. Until recently, we used individual and family codes to provide the hours of services needed per day for each family. This was not an ideal method for billing but marginally, programmatically, and financially was sustainable. However, recently CMS has disallowed an agency's ability to bill for more than one hour of service per client per day. What this means in practical terms was that if a therapist spent more than one hour with a family or at the school or in the community with the youth or family, we could not bill for any of that additional time spent. Since no one can predict when a family and/or...I'm sorry, since no one can predict when a youth and/or his family will escalate into a state of crisis, this new CMS restriction becomes unrealistic when sustaining a crisis model like MST. Therefore, I expect to end this fiscal year with a loss of approximately $216,000 on this service. I encourage you to support LB500 as a vital first step in amending the Medicaid state plan. This amendment would allow Nebraska Medicaid an avenue to adequately and appropriately fund these evidence-based practices to ensure their sustainability. Thank you for your time today and I would be more than happy to answer any questions on MST or FFT or funding. [LB500]

SENATOR CAMPBELL: Okay. Questions? Senator Riepe. [LB500]

SENATOR RIEPE: Thank you, Senator Campbell. Thank you for being here today. You had mentioned something that seemed like it was about $250,000 to... [LB500]

SENATOR CAMPBELL: Senator Riepe. [LB500]

CORRIE EDWARDS: $286,000. [LB500]

SENATOR RIEPE: ...to participate? Is that like a... [LB500]

SENATOR CAMPBELL: Senator Riepe, I'm going to interrupt you. [LB500]

SENATOR RIEPE: Sure. [LB500]

SENATOR CAMPBELL: Could you bring your mike down a little bit because Senator Baker cannot hear you. [LB500]

SENATOR RIEPE: Oh, okay. I'll try to sit up in my highchair here. [LB500]

SENATOR CAMPBELL: Thank you. [LB500]

SENATOR RIEPE: Thank you. Again, my question was...is, I know you initially talked about a loss and I assume that loss then is reflected in your projected end-of-year loss at $216,000? [LB500]

CORRIE EDWARDS: It is. [LB500]

SENATOR RIEPE: Is that...are you a 501(c)(3)? Do you have... [LB500]

CORRIE EDWARDS: We are. [LB500]

SENATOR RIEPE: What kind of community support do you have? [LB500]

CORRIE EDWARDS: Community support as far... [LB500]

SENATOR RIEPE: Are you...do you get any money from United Way out in Grand Island? [LB500]

CORRIE EDWARDS: No, I...we don't. We are a 501(c)(3). Mainly our funding streams are region, private insurance, self-pay, and Medicaid/Magellan. [LB500]

SENATOR RIEPE: Do you do any fundraising efforts... [LB500]

CORRIE EDWARDS: We have... [LB500]

SENATOR RIEPE: ...to try to raise the awareness in the community? [LB500]

CORRIE EDWARDS: We have done those in the past primarily around our foster care program. We have not done fundraisers for this particular program. I will tell you, to go off of what Corey had said before me, Region III gives us a certain amount of money that's out of a block grant for evidence-based practices. Since the Affordable Care Act was implemented, that money can only be drawn down for deductibles, to help people meet their deductibles. And so it is less flexible than it had been in the past. [LB500]

SENATOR RIEPE: Okay. I just like to see local communities engaged in it as opposed to the simple concept of either looking to federal government or looking at the state government to fund the local programs. So that's kind of my concern, I guess. That's all I have. Thank you very much. [LB500]

CORRIE EDWARDS: Okay. [LB500]

SENATOR CAMPBELL: Any other questions? Senator Kolterman. [LB500]

SENATOR KOLTERMAN: Thank you, Senator Campbell. Ms. Edwards, would you explain to me about licensure, supervision, and consulting costs that are unbillable. Is that part of just doing business? And what might that entail? [LB500]

CORRIE EDWARDS: The multisystemic therapy model is, in my opinion, probably the most expensive model, evidence-based practice of its kind to serve at-risk youth. We brought it to Nebraska back in the '90s when Nebraska had a System...when Region III, which is obviously in Kearney, had a System of Care (Planning) Grant. We used the System of Care dollars to bring in MST at that time, kind of like The Sherwood Foundation wants to do now. We brought in...so the therapists can be...could be trained on how to use the model. At that time, there were several organizations across the state that were doing the multisystemic therapy model because we had the System of Care dollars that would help sustain the organizations to do this. When the System of Care Grant left the state, the only player left in the game was Mid-Plains, and we opted to keep this model. Mainly because of my relationship with Beth Baxter in Region III, have I made this a primary program that I do not want to get rid of. I believe in the program even though it is very expensive, because I have seen the outcomes. Nebraska: Mid-Plains has the highest outcomes of any other MST program in the country. Our therapists, almost on a yearly basis, are MST international therapists of the year. So we know that the program works. And we have been able to work very collaboratively with probation because they really do understand that funding is not adequate for this crisis model. And so we've been able to work with them so that they would pay...if we had a Magellan client, they would pay an add-on for the nontreatment services.

The unreimbursed costs that I'm referring to are costs related to the MST license, which is approximately about $65,000 a year. Then they've got rigorous protocols around the supervision of staff, the consultant, and the consultant's engagement and involvement with staff. And this is all around making sure that you are enrolling the right children and families into the program and making sure then that staff are doing exactly what the model says, to get the end result of keeping the kid at home, keeping them...getting them off probation, keeping them off probation, not having any additional arrests. And in the packet, you'll see the dashboard that kind of outlines then all of the goals to get to the outcome of keeping the child in the home. [LB500]

SENATOR KOLTERMAN: Okay. Thank you for that. And then you make a pretty bold statement when you say that service that will work, not something that might work. I don't understand what you...I understand what you mean by that. [LB500]

CORRIE EDWARDS: Sure, sure. [LB500]

SENATOR KOLTERMAN: You feel pretty confident in what you're doing. But I don't know what you're doing, okay? (Laughter) [LB500]

CORRIE EDWARDS: Touche. Good point. I think that when you look at the results of the program with the 250 youth over a year's time and the fact that--and again, the dashboard illustrates this--the fact that you have got...higher than baseline numbers are occurring in Nebraska. So if a baseline is 86 and we are at a 92, you know, the program is working. And that's...I don't want to be flippant, but that's why I'm paying all this money. I mean, that's...if it only kind of marginally worked maybe sometimes, maybe kind of not, I wouldn't spend...because I'd have to justify this to my board almost at every board meeting. I wouldn't spend $286,000 that is being pulled out of foster care and med management and my outpatient clinic to literally supplement my MST program. [LB500]

SENATOR KOLTERMAN: Thank you. [LB500]

SENATOR CAMPBELL: Ms. Edwards, I have a question. What's the duration with an individual or with a family? [LB500]

CORRIE EDWARDS: MST is 120 days and FFT is anywhere between three to six months. And the ability, again, with MST, again what I'm paying for is for therapists to be on call literally 24/7 for that entire time. And they are. [LB500]

SENATOR CAMPBELL: So I'm just going to follow up. So has there been--and I know that you would have had to do this, probably, because of your COA accreditation--but has there been a follow-up evaluation of the outside, third-party type look at what happens after those 120 days or the three to six months... [LB500]

CORRIE EDWARDS: MST... [LB500]

SENATOR CAMPBELL: ...that proves your effectiveness, obviously? [LB500]

CORRIE EDWARDS: Sure. MST International does do follow-up. I would need to check with Keller and my cohort partner in crime behind me, Bernie (phonetic), to find out how often they do that. But MST...again, that's what I'm paying for. So MST International would spearhead that. [LB500]

SENATOR CAMPBELL: Good. Thank you, Ms. Edwards. Senator Kolterman, you had a follow-up, I thought. [LB500]

SENATOR KOLTERMAN: Yeah, I...the other question I have is, in your testimony you talk about Mid-Plains Center. And you're working primarily in Kearney, Grand Island, Lincoln, and the surrounding communities. [LB500]

CORRIE EDWARDS: That's correct. [LB500]

SENATOR KOLTERMAN: What's happening in Omaha? Are you...can you explain that to me? [LB500]

CORRIE EDWARDS: Well, we have been asked to move into Omaha. We actually were asked when juvenile justice reform had first gotten started and they were doing a pilot in Omaha and in the western half of the state. We were asked to move MST into Omaha. And just to start up one team of MST services, which involves very, very, again laborious trainings, it costs about $76,000. And I'll be just very frank with you. I didn't (laugh) have my checkbook out to write that check. So we did not move into Omaha. [LB500]

SENATOR KOLTERMAN: There is a service provided in Omaha. Am I not correct? [LB500]

CORRIE EDWARDS: For MST? [LB500]

SENATOR KOLTERMAN: But not for MST? [LB500]

CORRIE EDWARDS: Not for FFT or MST. [LB500]

SENATOR KOLTERMAN: Okay. So a large portion of the population is not being served in that regard. [LB500]

CORRIE EDWARDS: That is correct. [LB500]

SENATOR KOLTERMAN: Thank you. [LB500]

SENATOR CAMPBELL: Senator Riepe. [LB500]

SENATOR RIEPE: Senator Campbell, thank you. I just wanted to follow-up there a little bit, because, you know, I know that there are a lot of leaders in the greater Omaha community that have been very generous in their philanthropic giving, you know, whether it's Susie (sic) Buffett or the Walter Scotts and I could go on and name a whole bunch of them and particularly when it comes to young people. So was there an effort made to approach them if funding was the only thing that kept...I'm giving you the benefit of the doubt because you're a very convincing presenter. [LB500]

CORRIE EDWARDS: (Laugh) Thank you. [LB500]

SENATOR RIEPE: And I...when you say dashboards, I like dashboards. I like...those terminologies ring a bell. My question is, did...was there any interest or...because usually they are very open to open their checkbooks to...for anything that they can do. [LB500]

CORRIE EDWARDS: Yes. Yes. We did not...at that time, we did not pursue this in Omaha. We are continually asked to go into Omaha and... [LB500]

SENATOR RIEPE: By? [LB500]

CORRIE EDWARDS: Mainly by probation. Corey Steel and I, I mean, when we would get together, we had all sorts of ideas. And...but I did not approach them as far as philanthropic fundraising. However, I will say this: The Sherwood Foundation and what they are wanting and trying to do would be your foundation that has come forward to say, you know, we have money, we want to give money to evidence-based practices to see them supported throughout Nebraska.

So I don't think, as a system, with The Sherwood Foundation, that the funding is an issue. At that time it was an issue for my organization because Sherwood had not come to the table yet. And so...and we have not thought about Omaha for a little bit. I'd say it's probably been at least 12 months. It was on my radar three years ago. It went off my radar as we worked with probation on some other services. But it can certainly be back on my radar. In the Columbus area, I'll give you an example, we have had an ad in the newspaper in Columbus for, I don't know, probably a month and a half looking for an MST therapist. I will tell you that MST is normally a younger therapist's game. It's a good resume builder. I would have wanted to do that when I was young. However... [LB500]

SENATOR RIEPE: You're still young. [LB500]

CORRIE EDWARDS: (Laugh) However, at my age, right now, because you're on call 24/7 if you've got young kids at home, if you've got a sick husband or a sick parent, it is not your game. It is a hard service. We like to think that we pay our staff what MST International has said to be a very fair wage. But it's hard to find therapists to do this. Columbus has begged us. And we ran an ad, ran an ad, and we just can't...we can't find anybody who wants to do the job. It's a hard job. [LB500]

SENATOR CAMPBELL: Any other questions, Senators? Thank you, Ms. Edwards. [LB500]

CORRIE EDWARDS: And I can come back. I mean, if we have any other questions, I'm more than happy to answer them. [LB500]

SENATOR CAMPBELL: Thank you. Our next proponent. Good afternoon. [LB500]

JEANNE BRANDNER: (Exhibit 6) Good afternoon, Health and Human Services Committee Chair, Senator Campbell, and members. My name is Jeanne Brandner, J-e-a-n-n-e B-r-a-n-d-n-e-r. I am the deputy probation administrator overseeing Juvenile Services. I testify today in support of LB500 as amended. With the recent passage of juvenile justice reform efforts, Nebraska's Probation system has been charged to treat and rehabilitate court-involved youth as opposed to punish them. Under this reform, Juvenile Probation strives to provide a balanced approach to justice. Probation officers still have a primary responsibility to facilitate orders of the court, hold youth accountable, and ensure public safety. However, there is also a great responsibility to facilitate rehabilitation. System gaps, as it relates to rehabilitation, as you've heard here today, are evident and a more comprehensive continuum of care is needed. Intensive in-home family services are desperately lacking in Nebraska. These services address the multiple factors known to be related to delinquency across the key settings or systems within which a youth lives. Using the strengths of each system such as families, peers, school, neighborhood, and etcetera to

facilitate positive change, the intervention strives to promote behavioral change in the youth's natural environment. All are very impactful to reduce recidivism. As Chief Justice Heavican spoke earlier this year in his "State of the Judiciary," the juvenile justice reform efforts are based on four fundamental principles: Fewer young people should be made wards of the state, be incarcerated, or placed in group homes; number two, more youth should be provided with treatment in their homes and local communities; number three, parents and guardians should always be involved in their children's rehabilitation; and four, local community providers of mental health, substance abuse, and other services should be utilized whenever possible. All of these principles are synonymous with the tenets of intensive in-home family services. Nebraska's deep-rooted culture historically has over relied on out-of-home placement options, many of which provide structure and supervision but struggle to impact the roots of the problem. Systems and facilities are not good parents. The focus in Nebraska needs to return to families and intensive in-home services offer the support that is necessary for youth and families to succeed. In coordination with judicial support, Nebraska Juvenile Probation is devoted to the successful futures of juveniles and their families while empowering them to be a part of this process. Youth and families' engagement greatly aids success. And this success can be achieved, in part, by Nebraska's participation in these in-home family services. Finally, I would like to thank Senators Howard and Krist for introducing the bill and urge your support. I appreciate your time and would be happy to answer any questions. Thank you. [LB500]

SENATOR CAMPBELL: Questions, Senators? Any questions? Ms. Brandner, I have a question. When Ms. Edwards was here, she talked about that the family therapy could go for, like, three to six months. Have you been tracking these families as they've gone through that system or that she's worked with them? [LB500]

JEANNE BRANDNER: We do not track them as far as...you're talking what you asked earlier about the outcomes? [LB500]

SENATOR CAMPBELL: Right. [LB500]

JEANNE BRANDNER: But we have worked in collaboration with Mid-Plains to review the information that is submitted to MST International and given to us then as well, yes. [LB500]

SENATOR CAMPBELL: So do you think that the three to six months shortens the time that that young person would be in your system? [LB500]

JEANNE BRANDNER: Absolutely. As I've testified, and you'll probably hear more today, is this...these interventions help the families function within their environment. And so, you know, the goal of the juvenile justice system is to really get in, take care of those needs quickly, and

then get out and let the families remain sufficient and be able to move along. So, indeed. [LB500]

SENATOR CAMPBELL: And so you're utilizing the national sort of as the evaluation for this project to kind of know how it's going? [LB500]

JEANNE BRANDNER: Yes. And I would also add, Senator Campbell, as part of the implementation process, when we did go around the state and have engaged with the Sherwood Foundation for funding for training, we also have incorporated an evaluation component into that to, again, ensure that what we're doing is very successful and purposeful and that we are seeing outcomes. [LB500]

SENATOR CAMPBELL: Okay. Any other questions? Thank you for your testimony today. [LB500]

JEANNE BRANDNER: Thank you. [LB500]

SENATOR CAMPBELL: Our next proponent. Good afternoon. [LB500]

JULIET SUMMERS: (Exhibit 7) Good afternoon, Chairman Campbell and members of the committee. My name is Juliet Summers, J-u-l-i-e-t S-u-m-m-e-r-s. I represent Voices for Children in Nebraska where I'm the policy coordinator for Juvenile Justice and Child Welfare. And we are here today to support LB500. Improving outcomes and reducing recidivism among at-risk juveniles requires thoughtful application of the right type of therapeutic response. We support this bill because it seeks to secure funding for eligible children to participate in two programs with demonstrated success in these measures. You've already heard a little overview of how MST and FFT work so I'll skip those descriptive parts of my testimony which you have in front of you and go straight to the numbers. You heard a little bit about how these programs can be costly for providers to implement on the front end. What I think is important to also hear is the dramatic cost savings that states see on the back end. So evaluation of the MST model has shown long-term rearrest rates of serious juvenile offenders reduced by a median of 42 percent and out-of-home placement rates of all juvenile participants reduced by a median of 54 percent. Given that Nebraska's costs for detention of these youth range in the hundreds of dollars and for placement at our deep end YRTCs even higher than that, that would represent significant cost savings if the model was implemented successfully. Moreover, a 22-year study conducted in Missouri showed that youth who had MST had 35 percent fewer felony arrests; 75 percent fewer violent felony arrests; 33 percent fewer days incarcerated; and even 37 percent fewer divorce, paternity, and child support suits. So you're looking at the long-term outcomes that this, if implemented with fidelity, this could create real savings for our state, a real benefit to

communities. As for Functional Family Therapy, I'm giving you a couple state examples. Washington State saw a net value of $34,549 per participant with a 641 percent rate of return on their investment in the program. Meanwhile, Pennsylvania calculated a $14.56 return on their investment with an estimated average community benefit of participant for $12,395,953. Increasing our ability to draw down funds to pay for these evidence-based approaches will ensure a good return on our investment for at-risk youth in Nebraska. We thank Senator Howard for her continued work on behalf of our children and we would respectfully urge this committee to advance this bill. Thank you for your time. [LB500]

SENATOR CAMPBELL: Questions, Senators? Senator Riepe. [LB500]

SENATOR RIEPE: Senator Campbell, thank you. All of the statistics that you read were very positive. And yet, when I open the paper, I don't feel very positive about the number of juvenile violations and everything that's going on. So I'm having some disconnect with the, you know, accomplishments and the successes. Is it just...the whole problem that much bigger? [LB500]

JULIET SUMMERS: Well, Senator, I think...are you concerned specifically about violations in Nebraska or nationally? [LB500]

SENATOR RIEPE: Well, mostly I'm focusing on, yeah, this...it's where we pay taxes so, yeah. [LB500]

JULIET SUMMERS: Right. So I think one piece of testimony that you've maybe heard and will continue to hear is, our spectrum of services for things like this that have great success is currently lacking. It's a piece that's missing for us and a piece that we believe, if implemented, is going to achieve those results that you're looking for and that I know our communities are desperately seeking. Nebraska has historically relied on more punitive- and detention-oriented responses to juvenile behavior which we know, national research shows, actually doesn't work as well as responses like this. So...and we're spending our...we're spending a lot more money on those responses, too, so it's all sort of backwards. The hope is, as we realign our system, to have these more rehabilitative...focus on the family, focus on keeping them in home, getting intensive care up front, that we'd reap benefits both in community safety and reduced recidivism, but also in decreased tax dollars being spent on the whole process. [LB500]

SENATOR RIEPE: Just when I see the 22-year study of Missouri that says 75 percent fewer violent felony arrests, I...it scares me to think, had we not had this, what would we...I mean, what do we have, anarchy? I mean... [LB500]

JULIET SUMMERS: In Missouri, or... (Laugh) [LB500]

SENATOR RIEPE: Well, no. This was a Missouri study. But I assume that it wasn't limited to Missouri. I assumed it was a...possibly a national study. [LB500]

JULIET SUMMERS: I think that particular study was just Missouri that showed those long-term results. But when studies have been done across...in other states that have implemented these models, they've seen similar, really impressive outcomes. And I think we have every reason to expect, given probation's commitment to this, given the public/private partnership that is going to allow for training, that we could see similar positive outcomes. [LB500]

SENATOR RIEPE: Thank you very much. Thank you, Senator. [LB500]

SENATOR CAMPBELL: Yes, Ms. Summers, when you looked at the other states, have any of them used this in their child welfare system? [LB500]

JULIET SUMMERS: You know, Senator, I don't have the answer to that off the top of my head. [LB500]

SENATOR CAMPBELL: I can see one person nodding in the back of the room, so I'll talk to that person. Thank you. [LB500]

JULIET SUMMERS: All right. Thank you. [LB500]

SENATOR CAMPBELL: Any other questions? Thanks for your testimony today. [LB500]

JULIET SUMMERS: Thank you very much for your time. [LB500]

SENATOR CAMPBELL: Our next testifier? Good afternoon. [LB500]

NICK JULIANO: (Exhibit 8) Good afternoon, Senator Campbell and members of the committee. My name is Nick Juliano, N-i-c-k J-u-l-i-a-n-o, and I'm senior director of community impact for Boys Town. I'm here today in support of LB500. Over the past couple of decades, a number of family- and community-based treatments have repeatedly proven their effectiveness in addressing the multiple factors related to delinquency by intervening in key settings and systems already discussed today: family systems, peer cultures, school, and community. Three of the more well-researched and proven in-home and community models include: multisystemic

therapy, Functional Family Therapy, and Boys Town's In-Home Family Service program. Each of these models have demonstrated their effectiveness in helping families of youth with serious behavioral problems who are at imminent risk of, or who have already committed, delinquent offenses to help their child become involved in prosocial activities, choose prosocial peers, attend and do well in school, and avoid further illegal activity, which, as we know, propels them deeper into the juvenile justice system. Each of these models has been successfully replicated in both urban and rural areas across America. And each has been proven effective in producing good outcomes with families with a broad array of dynamics and issues. Since 1989, Boys Town has provided In-Home Family Services to thousands of families across Nebraska and western Iowa as well as at our sites across the country that serve an additional nine states plus the District of Columbia. In 2014, we provided In-Home Family Services to 1,632 youth across the state of Nebraska--many who were involved in the juvenile justice system--and close to our offices and communities in north and south Omaha, Fremont, Grand Island, Columbus, North Platte, and South Sioux City, Nebraska, to name a few. As we have looked at these youth a year past their treatment, 12 months posttreatment, 94 percent are attending school, 92 percent are arrest-free, and 79 percent of their families are intact. We have experienced similar outcomes in New York City where the In-Home Family Service program is utilized as an alternative to detention. I'd like to thank you for the opportunity to testify today. I urge the committee to support LB500 which will help ensure the infusion of private foundation dollars to make these highly effective, cost-efficient services available to youth on probation across Nebraska. And I'll be glad to answer any questions. [LB500]

SENATOR CAMPBELL: Any questions? Senator Kolterman. [LB500]

SENATOR KOLTERMAN: Thanks again, Senator Campbell. Mr. Juliano, can you...and this is just a basic question. Boys Town is a Catholic organization, has Catholic roots. Do you bring the faith-based approach into the system when you go into the home? [LB500]

NICK JULIANO: Thank you, Senator. Actually, to say we are a faith-based organization would be a more accurate portrayal. While we have a history of having a Catholic priest as our executive director, we are actually not a Catholic organization nor do we receive funding from the Catholic church. [LB500]

SENATOR KOLTERMAN: Thank you for that. [LB500]

NICK JULIANO: But the faith-based perspective is very important in all of our treatment models whether kids are in our residential program, whether they're receiving In-Home Family Services. And our work in the community and one of the things that is a core of our model when we're working with a young person in the community...if that family values that faith connection

in terms of strengthening their family and helping their child get better, that will be part of the work we will do in their community to either make a connection or strengthen that. Having said that, that is not a requirement of our model. Some families don't see that value. But if they do, we will help connect them to their faith community. [LB500]

SENATOR KOLTERMAN: Thank you. [LB500]

SENATOR CAMPBELL: Other questions? Anyone? Thank you, Mr. Juliano. [LB500]

NICK JULIANO: Thank you. [LB500]

SENATOR CAMPBELL: Our next proponent. Good afternoon. [LB500]

KERRI PETERSON: (Exhibit 9) Good afternoon, Health and Human Services Committee Chair and members. Special thanks to Senator Howard and Senator Krist for the opportunity to be here. My name is Kerri Peterson, K-e-r-r-i P-e-t-e-r-s-o-n. I'm the director of urban initiatives for The Sherwood Foundation. The Sherwood Foundation promotes equity through social justice initiatives and funds organizations including government entities, schools, or churches serving in Nebraska. We fund initiatives which positively impact areas such as early childhood, child welfare, education, behavioral health, resulting in better outcomes for our most vulnerable populations. It's because of this mission that we became interested in the juvenile justice reform efforts in Nebraska, learning that Nebraska had the third highest incarceration rates for juveniles in the nation. While beginning of reforms are taking hold, we have become to also better understand that there are a lot of barriers to the reform being successful. An area in significant need is a large number of youth being sent to out-of-home placements. Many, which we discussed earlier, are out of state. This must be addressed for the success of Nebraska youth and families. This occurs because the best practice alternatives are not widely available. The Sherwood Foundation was approached approximately a year ago by Probation to fund the feasibility study to assess the capacity building across the state of Nebraska in MST, FFT, and Boys Town In-Home Family Service models. We funded this study knowing the importance of building the capacity of these alternatives in therapies across our state with services to keep adolescents in their home and out of the deep end of the juvenile justice system. There was an appetite, and the need was identified. MST, FFT and Boys Town Family Service model all represent research-based, supported, treatment approaches that work with juveniles and their families within their homes. In conducting my own due diligence, I spoke with a couple of communities that utilize these therapies and they cited great returns not only in financial outcomes but also in the outcomes of the youth that they were serving. This happened through the utilization of these services when practiced with the fidelity to the model as well as a reimbursement system. Instead of out-of-home placement and then returning youth to the same

potentially dysfunctional environment, these services reach deep by teaching parents how to...parents and guardians and the adolescents how to manage those behaviors in the home, ultimately changing the long-term outcomes for the youth and their families. There were 500 MST teams in 34 states and 15 countries treating more than 23,000 youth a year. Nebraska is a state that does not effectively utilize these treatment options. The Sherwood Foundation is committed to this work long term. We search for opportunities to implement best practice and promising practice to improve the outcomes of youth and families in Nebraska. It's because of our belief in this reform that we are committed to providing resources to assist in the initial training and start-up of these efforts statewide if sustainability is evident. It's necessary for the efforts to be completed in a systematic approach especially as it relates to the payment of services. It's also paramount that the sustainability efforts to create a mechanism for youth and family to access these services, to have the holistic cost of the services paid without being a gap in funding. Thus, we keep adolescents in their home and provide the best practice therapies and change the long-term outcomes. While the up-front cost for the training, as alluded to earlier, is extremely expensive, The Sherwood Foundation is very excited...this idea and this potential partnership, public/private partnership, to bring MST, FFT, and Boys Town In-Home therapy across the state. In the long run, it will save us money, keeping adolescents at home with their families. And hopefully it will become a new culture in Nebraska for our youth. Thank you, and I would take any questions. [LB500]

SENATOR CAMPBELL: Any questions, Senators? Senator Riepe. [LB500]

SENATOR RIEPE: Thank you, Senator Campbell. Thank you. And I want to applaud The Sherwood Foundation for the work that you've done. [LB500]

KERRI PETERSON: Thank you. [LB500]

SENATOR RIEPE: And I know you may have made your commitment. Is this...that...the study, the feasibility study, was that the study that was commissioned? I remember reading about it months ago but I don't know whether that's on a second study in process? I mean, its a very expensive study, so I assume... [LB500]

KERRI PETERSON: No, the study that we paid for was the one that Corey, or Mr. Steel, referred to last year to go across the state and look at the capacity and the need for these services. [LB500]

SENATOR RIEPE: Has it been that long? [LB500]

KERRI PETERSON: It's been about a year, yeah. [LB500]

SENATOR RIEPE: Okay, well, time get's away... [LB500]

KERRI PETERSON: I think it was January of last year that they approached us. [LB500]

SENATOR RIEPE: ...because I remember, I was very excited about the fact that someone was going to do something that in-depth. So, okay, thank you. [LB500]

SENATOR CAMPBELL: Any other questions, Senators? Thank you very much for your testimony today. [LB500]

KERRI PETERSON: Thank you. [LB500]

SENATOR CAMPBELL: Our next proponent. Okay. Those who wish to oppose the bill. Those in a neutral position. Good afternoon. [LB500]

JOHN WENDLING: Senator Campbell, good afternoon. Senator Campbell, members of the committee, my name is John Wendling, J-o-h-n W-e-n-d-l-i-n-g. I am the CEO for Magellan Health and look at this opportunity as...taking a neutral stance. And, you know, it's...Magellan currently provides IOP services which is a form of intensive outpatient therapy for youths. In addition, we had provided some additional reimbursement last year for services that were rendered by providers such as Mid-Plains. We provided a 2.25 percent increase for unbundling of services and an additional 1.3 percent for services. And at this point, I would...I'll take questions. [LB500]

SENATOR CAMPBELL: Questions from the senators? Mr. Wendling, could you repeat the very beginning? You reimbursed for...and I was writing and didn't get it. [LB500]

JOHN WENDLING: We had reimbursed for what is called a U5 modifier for unbundling of outpatient services, a 2.25 percent increase. [LB500]

SENATOR CAMPBELL: In your experience with Magellan, have there been other states with a state plan amendment that would reimburse the services that are being asked for in this bill? [LB500]

JOHN WENDLING: My experience with my sister plans, I don't...I'm not as familiar with. What I am familiar with is the state of Ohio and state of Kentucky where I...the intensive outpatient program, the IOP, is the standard level of care for a Medicaid program. I will also say that we would welcome the opportunity...you know, currently it's not part of the state plan. We would be more than happy to work with Health and Human Services on amending the state plan if that is what the decision of this committee was. [LB500]

SENATOR CAMPBELL: Do you...oh, I'm sorry, Senator Cook. I'll let you go right ahead... [LB500]

SENATOR COOK: Well, I'll wait till you... [LB500]

SENATOR CAMPBELL: ...and I'll think about my next question. [LB500]

SENATOR COOK: All right. I'm just having some memories of a bill that I introduced before this committee several years ago before your tenure here. It is related to, essentially, Medicaid eligible children ages zero to five... [LB500]

JOHN WENDLING: Okay. [LB500]

SENATOR COOK: ...who were being compelled to be made wards of the state instead of the state of Nebraska paying for services, behavioral health services, that had been deemed medically necessary by their providers. And I'm wondering...parts of that proposal made it through. And I guess I'm wondering about the status and the degree to which Magellan now is willing to provide those services. [LB500]

JOHN WENDLING: Is it part of the state...if it's part of the state plan and we...it is deemed medically necessary, we would pay for services. I'm not sure if...I don't think I answered your question though. [LB500]

SENATOR COOK: No, and I can follow-up with the bill's sponsor and with you directly. [LB500]

JOHN WENDLING: Okay. That would be great. [LB500]

SENATOR COOK: But I'm just remembering the--and it was certainly under different leadership. We're looking forward to a different kind of leadership in this area... [LB500]

JOHN WENDLING: Absolutely, yeah. [LB500]

SENATOR COOK: ...but the idea that Nebraska would turn down money to support behavioral health services for young people after the doctor... [LB500]

JOHN WENDLING: Right. [LB500]

SENATOR COOK: ...or medical provider had determined them necessary. The other part of the proposal that is now law is that Magellan or that the agency must communicate the reasons for the rejection to the family. And I think that that is something that is happening. The other part is something that we're still working on, I imagine. [LB500]

JOHN WENDLING: Right. And I would love to continue that dialogue with you. [LB500]

SENATOR COOK: Yep, thank you. [LB500]

JOHN WENDLING: Absolutely. [LB500]

SENATOR CAMPBELL: Mr. Wendling, in your...let's try this. In your experience in other states, have there been any other programs that state plans have reimbursed...that may be like this plan? [LB500]

JOHN WENDLING: Typically what we found was that the IOP program, the intensive outpatient program, that's...yeah, I mean, that's my experience, so... [LB500]

SENATOR CAMPBELL: And at this point, how often is that utilized? Do you know how many... [LB500]

JOHN WENDLING: Within the Nebraska? [LB500]

SENATOR CAMPBELL: Yes. [LB500]

JOHN WENDLING: I don't have a figure unless one of my team behind me does. But we...yeah, we'll provide you with that information. [LB500]

SENATOR CAMPBELL: Do you think the intensive outpatient is similar to... [LB500]

JOHN WENDLING: It's a form. Now, there are evidence-based...I do know that the MST program, there is momentum in state programs that believe firmly in...you know, from the testimony that you heard previously. Having been a provider in the past and having an influence in quality, I always believe in looking at best practice. And so I don't really have a stance right now as far as, you know, the success factors between MST versus a straight IOP program. [LB500]

SENATOR CAMPBELL: And the only reason I asked the question about the numbers, and I think that might be helpful, because a couple years ago it just seemed like we couldn't get youth into care. [LB500]

JOHN WENDLING: Right. [LB500]

SENATOR CAMPBELL: And, you know, we were constantly seeing, oh, well, that didn't work out and so that the young person was sent home. [LB500]

JOHN WENDLING: Right. [LB500]

SENATOR CAMPBELL: And there was...it seemed like there was nothing else happening and it was very frustrating, I think, to people, because we didn't seem to be able to put kids in programs and keep them there. [LB500]

JOHN WENDLING: Well, one of my experiences from other markets is that, unfortunately, there's not enough providers, there's not enough spaces, and so there's a...access to care. So, you know, they go on a waiting list. And so that is...yeah. [LB500]

SENATOR CAMPBELL: And I think we went through the whole issue of whether this is an IMD and a PRTF and what did that mean for kids? [LB500]

JOHN WENDLING: Right. [LB500]

SENATOR CAMPBELL: And for a while, I have to be honest for you, we ran a chart in my office. And every month we were looking at, where are the kids? And too often it was like, well, they were turned down for this or turned down for that and they were at home... [LB500]

JOHN WENDLING: Right. [LB500]

SENATOR CAMPBELL: ...and knowing very well that there weren't enough community programs at all. And I think we were really sort of at a stalemate. [LB500]

JOHN WENDLING: Right. Yeah, and you know, it's unfortunate that, you know, Nebraska, like other markets that I've worked in, especially within the Medicaid program, this has been an experience that we've...that has been all too...is being relived right now. And so, you know, one of the things about a managed care organization that, you know, I feel fortunate within our state contract is that, you know, as the managed care entity, we spend great time in analyzing services that are available not only by provider type but also by geographic. And this is a unique state as opposed to where I've been in the past. I've been in very rural states but nothing quite to where you have the urban bases on the east coast. And it really becomes rural to frontier as you move west. And so we take great pride...we take...we spend a lot of hours looking at access to care, provider types, but also services within each one of those geographical areas. And so, you know, when we had the opportunity last year to provide an additional bump for a particular modifier for a specific provider that we, you know, that had shown us some outcomes, that's the flexibility of a managed care organization, so. [LB500]

SENATOR CAMPBELL: And any data that you might be able to shed in terms of what services are being billed for youth, that would be helpful. And I know...I don't expect you to know that off the top of your head. So anything that you could give us, I think, would help to see where we are. [LB500]

JOHN WENDLING: Absolutely. Absolutely. [LB500]

SENATOR CAMPBELL: Senator Cook and then Senator Riepe. [LB500]

SENATOR COOK: I think I know the answer to this, but I want to clarify it for the record. [LB500]

JOHN WENDLING: Right. [LB500]

SENATOR COOK: In...the intensive outpatient therapy model does not include therapy with...does it or does it not include therapy with the family on an outpatient basis? [LB500]

JOHN WENDLING: That...you are correct. It does not. [LB500]

SENATOR COOK: Okay, just the child... [LB500]

JOHN WENDLING: It's the child. [LB500]

SENATOR COOK: ...himself or herself. [LB500]

JOHN WENDLING: Now, there are...you know, I can tell you from family experience that there, you know, there are opportunities where they will engage, for example, the parents with the child. But the program itself is typically designed for individual and group sessions for the youth. [LB500]

SENATOR COOK: All right. Thank you. [LB500]

SENATOR CAMPBELL: Senator Riepe. [LB500]

SENATOR RIEPE: Thank you, Senator Campbell. A quick...how many years has Magellan held a contract with the state of Nebraska? [LB500]

JOHN WENDLING: Twelve years. [LB500]

SENATOR RIEPE: Twelve. [LB500]

JOHN WENDLING: Twelve-plus years. [LB500]

SENATOR RIEPE: And how much is remaining on your existing contract? How many years? [LB500]

JOHN WENDLING: We have...we are through our first year of a three-year agreement...I'm sorry, two-year agreement with two one-year options. [LB500]

SENATOR RIEPE: Okay. Thank you. [LB500]

SENATOR CAMPBELL: Senator Kolterman. [LB500]

SENATOR KOLTERMAN: So from a systematic approach... [LB500]

JOHN WENDLING: Yes. [LB500]

SENATOR KOLTERMAN: ...my question earlier dealt with, if we approve this bill and it gets through the Legislature and the state writes a plan that says we can utilize these services... [LB500]

JOHN WENDLING: Right. [LB500]

SENATOR KOLTERMAN: ...they tell you that you need to implement this, at that point in time you're on board? [LB500]

JOHN WENDLING: Absolutely. [LB500]

SENATOR KOLTERMAN: Is that correct? [LB500]

JOHN WENDLING: Yes, I mean...and that's why we take a neutral stance today. [LB500]

SENATOR KOLTERMAN: But until then you don't have to do what we're talking about here? [LB500]

JOHN WENDLING: Well, it's not part of the state plan so it's not part of, you know, the rate structure. [LB500]

SENATOR KOLTERMAN: I'm just asking, yes or no. [LB500]

JOHN WENDLING: Yes, that is correct. [LB500]

SENATOR KOLTERMAN: Okay. Thank you. [LB500]

SENATOR CAMPBELL: Any other questions? Okay. Thank you very much, Mr. Wendling. [LB500]

JOHN WENDLING: Absolutely. I'll get that follow-up information for you. [LB500]

SENATOR CAMPBELL: Our next...that would be great. Our next person in a neutral position? Okay. Senator Howard...oh. Thank you, Senator Howard, for a little prompt there because there is no other category after this. (Laughter) [LB500]

ROBERT McEWEN: I was waiting for the fourth category. [LB500]

SENATOR CAMPBELL: I'm so sorry, but we only have three categories here. Thank you for your sense of humor. [LB500]

ROBERT McEWEN: (Exhibit 10) Thank you, Chairwoman Campbell and members of the Health and Human Services Committee. My name is Robert McEwen and I'm a staff attorney in the Child Welfare Program at Nebraska Appleseed. Nebraska Appleseed is a nonprofit organization that fights for justice and opportunity for all Nebraskans and we take a systemic approach to complex issues such as child welfare, immigration policy, healthcare, and poverty. And we're testifying in a neutral capacity here today because we support the goals of LB500 in connecting vulnerable youth to evidence-based treatments. As Senator Howard mentioned in her opening, there has been an amendment to the bill that has sort of changed things. While we...for the reasons that Senator Howard earlier described, we cannot support the green bill because of the limitation that it had with the probation population. With the amendment as it is, we are supportive of that. But we needed to be on record in that we believe that the green copy of the bill could not be done under federal Medicaid law. So in Nebraska, we are specifically required by law currently to cover MST through the Early Periodic Screening Diagnosis and Treatment program. And every single day that it's not covered, we are in dereliction of federal law. And this puts Nebraska at risk for a federal disallowance of Medicaid funds or private legal liability. Kind of a background as to how EPSDT works: There are 28 different categories of things you can cover under Medicaid. And if it's hypothetically possible to cover one of those things or one of those 28 buckets of things then a state has to do so for children under the age of 21. And that has been clearly established by every federal court that has heard that case or that issue in that case. And so we are here in support of this because we believe, with the amendment, this bill will clarify the responsibilities of the Nebraska Department of Health and Human Services, Magellan Health Services. Everybody can be on the same page and we can, more importantly, ensure that children who need services, this MST service, can get access to these services. With that being said, we'd like to thank Senator Howard and this committee for their continued work in helping children. And if there's any questions, I'd be happy to answer them. [LB500]

SENATOR CAMPBELL: Questions? Maybe you want to just be very specific about the amendment because that's what you're supporting, correct, Mr. McEwen? [LB500]

ROBERT McEWEN: Correct. With the amendment, we believe that this is consistent with federal law. [LB500]

SENATOR CAMPBELL: Okay. And the green copy was not? [LB500]

ROBERT McEWEN: That's correct. [LB500]

SENATOR CAMPBELL: Just boiling it down to one sentence here. (Laughter) [LB500]

ROBERT McEWEN: Yeah. [LB500]

SENATOR CAMPBELL: And just to restate for the record, it was not in compliance then with federal law the way the green was stated in what way? [LB500]

ROBERT McEWEN: It's inappropriate to limit a Medicaid service to a specific population of people. It limited it to probation children... [LB500]

SENATOR CAMPBELL: Got it. [LB500]

ROBERT McEWEN: ...when it's already a mandatory service. Since we're already required by federal law to cover this service for all Medicaid eligible children, we can't limit it in that way to that discreet population. [LB500]

SENATOR CAMPBELL: Got it. So it goes back to my earlier question about...that, therefore, this service would have to be open if we chose to use it in a child welfare situation? Aha, a few more heads are nodding this time. [LB500]

ROBERT McEWEN: Yes, as long as that child was Medicaid eligible... [LB500]

SENATOR CAMPBELL: Right. [LB500]

ROBERT McEWEN: ...Medicaid would have to pay for that service as long as it could correct or ameliorate the child's conditions. [LB500]

SENATOR CAMPBELL: Right. [LB500]

ROBERT McEWEN: And I don't think I mentioned earlier, but Senator Howard did in her opening, the basis of all of this is, essentially the federal government has already recognized that this fits within one of those categories or one of those 28 buckets of things that Medicaid can cover as a preventive or rehabilitative service through the North Carolina state plan amendment. And I think there were a couple questions about whether other states have done this and

that...North Carolina has done it and it's been approved by the federal government. And it's our position that if Nebraska did this, it would also be approved. [LB500]

SENATOR CAMPBELL: Okay. Senator Crawford. [LB500]

SENATOR CRAWFORD: Thank you, Senator Campbell. So when you were using the language, "it's already required," so if it's already required and we are not doing it, how is that possible? I mean, are we in trouble? (Laugh) [LB500]

ROBERT McEWEN: We could be. Since this is one of the services that we have to cover for children under the age of 21, the federal government could come in and seek a federal disallowance if we are currently not covering this service. Or we are subject to private liability through civil rights actions. [LB500]

SENATOR CRAWFORD: Thank you. [LB500]

SENATOR CAMPBELL: Senator Kolterman. [LB500]

SENATOR KOLTERMAN: But then that goes back to my question earlier. I mean, if we're...our plan isn't written correctly, is what I'm hearing you say. [LB500]

ROBERT McEWEN: Well, not exactly. It's sort of complicated, but... [LB500]

SENATOR KOLTERMAN: Everything is. (Laughter) [LB500]

ROBERT McEWEN: ...the way that EPSDT works is, a lot of states are required to cover things that they haven't checked the box for on their plan. The federal law requires us to--for kids, not the adult side of the population--to cover anything that you could check the box for. So a lot of other states may be providing this, and we could immediately. We could start offering this service tomorrow without checking the box. But to be clear and make sure everybody is on the same page, it would be helpful if we checked the box. [LB500]

SENATOR KOLTERMAN: Okay. Thank you. [LB500]

ROBERT McEWEN: You're welcome. [LB500]

SENATOR CAMPBELL: And, Senator Kolterman, I just...I want to clarify that you can...the Legislature has certainly in the past had bills that required a state plan amendment. And what happens at that point, if the Governor signs a state plan amendment then it still has to go through CMS in order to make sure we're checking the box or whatever. So there is a process to a state plan amendment, yes. [LB500]

SENATOR KOLTERMAN: But...can I ask a question? [LB500]

SENATOR CAMPBELL: Sure. [LB500]

SENATOR KOLTERMAN: So does that take the Legislature to do that or can HHS, in conjunction with the Governor's Office, do that as a policy change? [LB500]

SENATOR CAMPBELL: I'm going to make sure Mr. McEwen checks my fact here, but there are some state plan amendments that have been put forward solely by the Governor and there have been some that have been put forward by the Legislature. Am I correct, Mr. McEwen? [LB500]

SENATOR KOLTERMAN: You're just really making it difficult for us newbies. (Laugh) I'm with you. [LB500]

SENATOR CAMPBELL: No, I mean in the past, in the law...I mean, since 1965 when we've had a Medicaid plan there have been times in which the administration has felt they needed to make a change and so they have proposed a state plan amendment. They...you know, it's not required that you have the Legislature but the Legislature, also can take action if it chooses to. [LB500]

SENATOR KOLTERMAN: And that's what we're doing here if we advance this. [LB500]

SENATOR CAMPBELL: That is correct. That is correct. [LB500]

ROBERT McEWEN: That's correct, Senator Campbell. [LB500]

SENATOR CAMPBELL: Thank you. (Laughter) You know, I keep telling Courtney Miller and a few other people that by the time I leave the Legislature, I'm going to have a modicum of information about Medicaid. I don't know where I'm going to use it but, by golly, I'm learning. Anything else, Senators? Good questions, because Medicaid is not an easy system to learn and it takes time, I mean, and repetition. That's why, when people come forward and repeat

information, that's how I eventually learn it, I think. So, Mr. McEwen, thank you very much for your thoughtful testimony and your letter today. [LB500]

ROBERT McEWEN: Thank you very much. [LB500]

SENATOR CAMPBELL: Any other neutral testifiers? Okay, Senator Howard, we have come back to you for a closing. [LB500]

SENATOR HOWARD: Thank you, Senator Campbell. And I would like to thank the committee for their time on this piece of legislation which is a clarification of Nebraska's obligation to provide MST, to cover MST/FFT services. A few points that I'd like to discuss: We have found four states that clearly cover MST/FFT, North Carolina, New Mexico, Louisiana, and Pennsylvania. Incidentally, when we look at the provider contract with Magellan, you had...Senator Campbell, to your question, you had asked about how Louisiana handles MST/FFT. We go to their contract with Louisiana state and that outlines how they handle it. So I'm happy to share a copy of that. [LB500]

SENATOR CAMPBELL: Okay, thank you. [LB500]

SENATOR HOWARD: It also has their billing codes. And they also allow for a bachelor's level at a reduced rate which is really interesting because FFT often can use a bachelor's level. The concern about a lack of providers: My hope is that, as this bill moves forward, Sherwood Foundation will be able to release the funding and we'd see the trainings begin. And then by the time this bill was enacted, we would--and the state plan amendment was adopted--we would have a full set of trained providers ready to start providing the service, which would be wonderful. So the timing would just work really well. And under IOP, unfortunately from the provider perspective, that 2 percent increase was not something that providers saw this last summer in regards to Magellan's statement of an increase. And so that's more of a clarification. But I do appreciate your time and attention to a really confusing issue that I actually think maybe everybody got, which is really exciting. I would be happy to try to answer any questions you may have. [LB500]

SENATOR CAMPBELL: Senator Riepe. [LB500]

SENATOR RIEPE: Thank you, Senator Campbell. I feel like we're becoming Louisiana north, here. [LB500]

SENATOR HOWARD: Yes, we are. [LB500]

SENATOR RIEPE: Yes. The question--I'm just kind of looking at the fiscal note: Will we get some more clarification on that, or... [LB500]

SENATOR HOWARD: Certainly... [LB500]

SENATOR RIEPE: Thank you. [LB500]

SENATOR HOWARD: ...although I do anticipate reasonably that if we're already obligated to provide the service, I can't imagine that the fiscal note would be enormous because we're already obligated for the service. [LB500]

SENATOR RIEPE: Okay. [LB500]

SENATOR HOWARD: Thank you. [LB500]

SENATOR RIEPE: Thank you. [LB500]

SENATOR CAMPBELL: Anything else, Senators? Okay. We will close the public hearing. Ah, Senator Krist is here. That's what happens, Senator Krist, when you sit to the back, I miss you. If you are leaving after this hearing, we ask that you leave very quietly. And we will move on to LB21, Senator Krist's bill to provide requirements for rate increases for providers of behavioral health services as prescribed. And we will start first with letters for the record. [LB500 LB21]

BRENNEN MILLER: (Exhibits 1, 2, 3, 4, 5, 6) Thank you, Senator. Letters in support from: Children and Family Coalition of Nebraska; National Association of Social Workers, Nebraska Chapter; Nebraska Behavioral Health Coalition; Nebraska Child Healthcare Alliance; Nebraska Hospital Association; and an opposition letter from Magellan Health. [LB21]

SENATOR CAMPBELL: And an opposition letter from... [LB21]

BRENNEN MILLER: Magellan Health. [LB21]

SENATOR CAMPBELL: Thank you. Okay. Senator Krist, go right ahead. [LB21]

SENATOR KRIST: I'm actually here to testify in support of LB500. I wasn't planning on doing anything... (Laughter) [LB21]

SENATOR CAMPBELL: Very funny. You're here now. [LB21]

SENATOR KRIST: (Exhibits 7, 8) Before I start my prepared comments, I would ask Magellan to reconsider the bill as it is amended for the future and to put that on the record right away. Can you take care of these? Good afternoon, Senator Campbell and members of the Health and Human Services Committee. For the record, my name is Bob Krist, B-o-b K-r-i-s-t. I represent the 10th Legislative District in northwest Omaha along with north-central portions of Douglas County which includes the city of Bennington. I appear before you today in introduction and support of LB21. LB21 was introduced on behalf of the behavioral health providers in the state that found that they had not received the full 2.25 percent rate increase that the Legislature passed last year in the state budget. Governor Heineman proposed the rate increase for all Medicaid providers and the Legislature passed that increase. The intent language was very clear that we were putting 2.25 percent increase into the provider bucket. In reality, behavioral health providers found that after studying the rate adjustments, 2.25 percent increase was really only 0.61 percent rate increase that actually got to them. I'm going to stop there and tell you that this afternoon, after I saw the fiscal note on this come from the department and I called Bryson, we had a meeting in my office with Courtney Miller and have come to some reasonable conclusions on where we actually are. Those two amendments that you see for legal counsel purposes should be combined. It puts behavioral and physical health together in this package. And it also takes away a reporting requirement because the department, by themselves, are already collecting the data and holding Magellan's feet to the fire on the pass-through of the percentage that is supposed to go to the providers. I don't want to reinvent the wheel. I want that information to be available to the Legislature so we can track the money as it goes to the providers and make sure that when we say we want to increase 2.25 that it's increased 2.25. But I want to stop here also and tell you that we are moving into an era of managed care. So I'm going to put this in laymen's terms. If Senator Baker is a psychiatrist in Chadron and Senator Riepe is a psychiatrist in Omaha, Senator Riepe is probably going to get paid less for your services than Senator Baker. That's how managed care works. And I'll let them talk about that when they come up here. So when we say 2.25 percent, they're not each going to get 2.25 percent according to the managed care. They're going to get a proportion of you being a critical specialty that is not out in that area. And you, there's too many of you, so we're not going to pay you what we do. Essentially, that's what it boils down to. What's important for my discussion is that when the legislative intent says 2.25 percent, we don't want administrative fees taken out of it for provider care. We don't want administrative or overhead fees taken out of it. We want that passed on to the providers as best as possible. That's the important part of this piece of legislation. I believe the senators who voted for the rate increase last year truly thought that the money was going to go straight there. And I don't know in terms of our own capability if we were capable of looking at all the money going in the right places and making sure that 2.25 percent went in that way. I think Courtney Miller will probably address that. And I would ask you to ask her those questions, because as we move into an era of beyond fee based and we go into managed care, the process is different. It works

differently. And it's to the best advantage, I think, for both the state and for the people who need the services. Later this year, these two systems will be combined and a new request for proposal will be posted soliciting bids for the entire Medicaid system. The new contract will go into effect on July 1, 2017. The other change that you will see in there is that we're making it retroactive to the beginning of the fiscal year, because compliance with actually paying it may take 90 days for those rates to be put into place. Clear? So we give them the money and the budget is passed on day one. They have 90 days to implement that within the structure so that...but it will be retroactive to when we put the money in place. I think I'll stop there and see if you have any questions for me. I will refer you to the fiscal note. And when I talked to the department, they were obviously coming in, in opposition. They have promised me they're going to come in, in something less than opposition (laughter) and talk about the discussions that we had. And in response to that, I have seen a critical need. We have seen a critical need in IT in the department. The department has been cut and cut and cut. I think it's important when this fiscal note comes in for real that we put a person in Medicaid, a person that can be split by eighths or by tenths or by whatever, that can track those monies and make those reports available to us as a Legislature. I think it's important. I mean, when you look at the number of the manpower that was cut in the last four or five years, even Liz Hruska will tell you, if we want good information, we need to have somebody there to make sure we get that good information. So with that, again, I will stop and take any questions you might have right now. [LB21]

SENATOR CAMPBELL: Questions? Senator Riepe. [LB21]

SENATOR RIEPE: Senator Krist, thank you. Are you looking more at a chief financial officer type of person or an auditing type of person that you would see in that role? [LB21]

SENATOR KRIST: Well, there's so many reports that are coming into the department. And then collectively what we're asking for our Legislature is accountability and transparency. They can't give us that accountability and transparency without maybe consolidating those reports into a report that comes to us. I have seen...in my time here, I have seen the department or something in the department come up with couch change of $22 million to pay for a federal fine. That's not accountability and that's not transparency. That's finding money that's not being used someplace that was appropriated someplace else. The way we get to accountability and transparency is to be able to have a person or persons to be able to boil down those reports and give them to us in terms of accountability. [LB21]

SENATOR RIEPE: Can we do that without a new information system? [LB21]

SENATOR KRIST: I think we've been fighting for a new information system for the last four or five years and it's always been not in the Governor's budget. And again, I'd ask you to ask that

question of Courtney when she comes up here in terms of that system that should be in place that is not, please. [LB21]

SENATOR RIEPE: Okay. Thank you. [LB21]

SENATOR CAMPBELL: Senator Kolterman. [LB21]

SENATOR KOLTERMAN: Thank you, Senator Williams (sic). Senator Krist, I'm 100 percent behind you on the transparency. I have a question about the analogy that you used between Senator Riepe and Senator Baker. And it goes back to...when you talk about hospitals, as an example, you have critical access hospitals who get a higher reimbursement rate through the federal government than those that are in the metropolitan areas. Is there a similar program that's mandated through Medicaid or Medicare as it pertains to individual providers as well? [LB21]

SENATOR KRIST: When you move away from the cost-fee basis into the managed care basis, inherently that's essentially the bottom line. [LB21]

SENATOR KOLTERMAN: Okay. [LB21]

SENATOR KRIST: You're moving into a portion where managed care can provide providers all over and can manage that critical specialty. [LB21]

SENATOR KOLTERMAN: Based on outcomes versus... [LB21]

SENATOR KRIST: Based on outcomes. Based on...and they can also give you that formula. But it's not as easy as I thought it was going to be when I sat down and talked to them. I just wanted 2.25 percent to go in everybody's pocket. Well, that's not the way the process works. [LB21]

SENATOR KOLTERMAN: Well, and in this case we're specifically talking about behavioral health. [LB21]

SENATOR KRIST: Right. Well, the amendment will actually include physical health as well... [LB21]

SENATOR KOLTERMAN: Okay. [LB21]

SENATOR KRIST: ...because that's the program we're moving towards is combining both of those in a contract. [LB21]

SENATOR KOLTERMAN: Okay. Thank you. [LB21]

SENATOR CAMPBELL: Any other questions? Will you be staying? [LB21]

SENATOR KRIST: I love it here. (Laughter) [LB21]

SENATOR CAMPBELL: Oh, way to my heart, gee. Okay. Our first proponent, please. I'm probably going to ask this of every proponent, but have you seen the amendments? [LB21]

ANDY KELLER: I have. [LB21]

SENATOR CAMPBELL: Okay. Go right ahead. [LB21]

ANDY KELLER: (Exhibit 9) Thank you, Senator and committee members, for letting me be here today. My name is Andy Keller, A-n-d-y K-e-l-l-e-r. And I am with the firm TriWest Group, and we're representing the Nebraska Association of Behavioral Health Organizations today. There's a handout going around that provides some detail about what I'm going to go over so I'll try not to just, you know, read, but to go through. Just to give you a little bit of background, my firm, TriWest Group, has been working with NABHO and the state of Nebraska since 2011 providing Medicaid financing and policy consultation. We're a firm that's worked over the last 15 years in over 20 states, 7 around rate setting, including Nebraska. And our firm particularly has expertise in the clinical assumptions underlying Medicaid rate setting. So that's the perspective I'm speaking from today. We identified several issues when NABHO asked us to review the situation underlying the need for LR11. Issue number one we identified was the Medicaid behavioral health providers did not receive the Legislature's intended rate increase. The state of Nebraska in 2014-15 budget passed by the Legislature and signed into law by the Governor included a 2.25 percent rate increase, as you understand. And our belief--and I think it was just stated again by Senator Krist--was that the intent was to have an across-the-board increase to try to shore up the capacity of providers. NABHO analyzed the publicly available information including some input from Magellan and determined that an across-the-board increase did not occur. We reviewed that information independently and came to the same determination. Now, absent definitive direction from the state, it is within Magellan's discretion under federal managed care contractor requirements to pass on the rate increase however they want. That is an okay thing for them to do unless specifically contracted otherwise. But to give a little bit more detail on that--which slide four does--Magellan in their report talked about how they did it. I

think it's important to understand that they used that rate increase to basically address some network issues that they had to try to build capacity in some areas, to shore up problematic rates in some areas, and to apply smaller rate increases in other areas. And they can certainly speak to that. And their own analysis says the cumulative rate increase was somewhere between 2 percent and 2.48 percent. This is based on information provided to NABHO in December. So I think, you know, even from...I think everybody agrees that an across-the-board rate increase did not occur. The second issue regarding this is, we think there's a lack of transparency in this process regarding provider funding, because while we were able to determine that an across-the-board rate increase did not occur, we weren't able to determine exactly what did happen. Publicly available reporting on this was not required. NABHO and TriWest reviews of other publicly available information related to the increase showed that there were a lot more increases that went into the Magellan contract and the Magellan rates that year, so it was very difficult to parse out what was related to this and what was related to other factors. Bottom line: We think there's a lack of public accountability when there is a request like this on the part of the Legislature, and there should be accountability around that. The reason this is problematic from our perspective is that there's a fragile funding situation for providers right now. We determined back in 2013 that when you went into the managed care arrangement moving from fee for service, the effect of the actuarial analysis going into that basically took $20 million out of the system annually. So going into this everybody, including Magellan, including the providers, were in a very tight situation. We are not in any way critical of what Magellan did. What Magellan did were probably good ideas. We haven't reviewed them in detail, but just in reviewing the network steps that they took, those are good things to do. They just weren't the intent of this particular legislative requirement as we understand it. Those should really be two separate things. An across-the-board increase is one thing. Going in and looking at your network adequacy, at the need to have more people in one part of the state than in the other, that's a thing that they should be able to do. And we believe this legislation will continue to allow them to do. It's just that this will allow you to pass on rate increases as you intend them to have them go through without administrative or other costs being taken out. So in keeping through that, when we go to slide seven, the critical part, we think, is that you be able to clearly pass on funding as you intended through state agencies and that there be reporting available to determine if your intent was honored. It is perfectly allowable on our understanding of federal law--we've done a pretty in-depth review of this and work in quite a few states--that you can pass on these sorts of requirements to an at-risk entity. But you would need to look at some of the tax implications and others but we believe that the bill is consistent with that as it currently stands. And we think that the reporting is just as important as the ability to have your intent go through. And that's really it. [LB21]

SENATOR CAMPBELL: Questions? I think we're all just trying to finish reading the...Mr. Keller, you've been here a number of times, at least in the state of Nebraska. I know you've met with some of us on the committee. When the initial RFP was put together and the proposal, was

there something lacking there that we should have had in that would have given the kind of transparency you're talking about? [LB21]

ANDY KELLER: Yeah, I think that there's a couple ways in which was...I think first of all, the actuarial analysis was done. And I'm going off my memory here, but I know it was a very brief summary of what they looked at. When you do an actuarial analysis, you can look at multiple factors. And they did a very simplistic analysis, which I think oftentimes, you know, the incentive is to not waste a lot of money when you do an actuarial analysis. But if you just do a simple analysis and apply sort of across-the-board assumptions, you get problems like that. So I think the complexity of the analysis was lacking. And then I think the second piece--I think Senator Krist said this well--is that there's so much reporting on Magellan that they have to report that's it's very difficult to separate anything of utility out of that. So I think to be able to have someone who, you know, tries to answer the questions, it requires a lot of work. And that expertise needs to probably be both at the department level and...well, probably at the department level, I would say. [LB21]

SENATOR CAMPBELL: Okay. Any other questions? Should there be a new fiscal note? [LB21]

ANDY KELLER: You know, I looked at... [LB21]

SENATOR CAMPBELL: I'm looking at the note from legal counsel here. [LB21]

ANDY KELLER: I looked at the fiscal note this morning and I was perplexed by the fiscal note. It's unclear to me why the implementation of an across-the-board rate increase would cost any more than the implementation of a more differentiated rate increase. In fact, it would seem simpler to me. [LB21]

SENATOR CAMPBELL: Okay. [LB21]

ANDY KELLER: I don't know why you would need to do...have additional charges for the actuarial analysis. I don't know why you would need...and so perhaps...I would be interested in finding out more about that. But I think I was mostly perplexed by the additional costs. [LB21]

SENATOR CAMPBELL: Okay. So, Mr. Keller, at this point you're calling into question the note...the fiscal analysis by the department or by both. [LB21]

ANDY KELLER: I would say I was perplexed and didn't understand it. I certainly haven't done enough analysis to call into question what they did. I just don't...there's one paragraph that

says...basically summarized and made an assumption. I assume when the testimony or...later on today will elucidate more. But it's just hard for me to understand why an across-the-board increase would cost more to implement than a more variegated and provider-specific increase. In fact, it seems like that would be more labor-intensive to me. [LB21]

SENATOR CAMPBELL: And, generally, I would guess that now with a new amendment from Senator Krist that we'll take a look and talk to the Legislative Fiscal Office to clarify that, because at this point, Mr. Keller, that's who we go by. Whatever the Fiscal Office--and Senator Krist is nodding--I mean, that's been a long standing here. And so whatever questions they might have or follow-up, I'm sure they will do that. So, thank you. [LB21]

ANDY KELLER: Thank you, Senator. [LB21]

SENATOR CAMPBELL: Good to see you again. [LB21]

ANDY KELLER: Good to see you. [LB21]

SENATOR CAMPBELL: Welcome back to Nebraska. [LB21]

ANDY KELLER: Always good to be here. [LB21]

SENATOR CAMPBELL: All right. Our next proponent. [LB21]

VINCENT LITWINOWICZ: I'm coming at, as usual, more than geographically to an oblique angle to this discussion. (Laughter) But anyway, I'd like to add a personal note. I...let me give my name first, I guess. [LB21]

SENATOR CAMPBELL: Sure. [LB21]

VINCENT LITWINOWICZ: I am Vincent Litwinowicz, V-i-n-c-e-n-t "L-i-t-w-i-n-o-w-m-o-u-s-e." I was trying to get them. (Laughter) Anyway, disregard all after z. Anyway, but I'm really serious. I've had mental illness problems my whole life and it kind of makes this look like a joke. This MS is kind of trivial. And so my inspiration for speaking today actually resulted from...I went to the NAMI breakfast the other day, and I can't pretend to speak for them at this point--and maybe I will in the future--but I intend to do this more often. So my interest particularly is to see, as I talked to...there was a nurse practitioner therapist at this meeting. And particularly I'd like to see just in general health professionals, behavioral health and--well, you know, stick to the topic

at hand--make...you know, get a rate increase. I'm assuming maybe this is for...well anyway, I would...because of my care, I'd like...I can't say personally if, you know...I'm just advocating for them, because I've gotten some significant help in the past. And it's been a very problematic thing for me. I had to leave--and I only say this because I know you guys probably don't think that way--but I have to...it's amazing when you get in a wheelchair, some...there was one person, I swear, was going to pat me on the head. And she was nice. And so, you know, your whole perspective...at least I perceive that sometimes people's perspective when they look at you can be altered. And so specifically to indicate the damage that has caused...mental health to...that I've suffered, that my diagnosis of Bipolar I, I worked for an...I was...worked for an internationally famous, well-recognized professor in superplasticity at the University of Michigan-Ann Arbor. I was in grad school and I had to withdraw because of this. And actually, I worked construction and renovating old homes in New Orleans and found out that that was probably better anyway, but...and so...and then I actually...okay, based on just that and no work experience, there was a professor that hired me in the UNO to work on developing stronger magnets...get a doctoral program based on just the time I spent there. So I think I could have...the importance of mentioning that is, I think I could have...and some of it's my fault that I didn't...you know, you have to be accountable for your own treatment so, you know, there's a little bit of this and that. So, you know, I think my life might have been different. I'm not saying specifically because I got bad care because someone wasn't paid enough, but I would like...I'm just advocating, because you'll see me again on mental health issues. And I don't want to waste anybody's time, but I think it's important, you know, that these guys that take care of us are compensated just like everybody else. I guess everybody has got to speak for somebody. So that's about it and...okay. [LB21]

SENATOR CAMPBELL: Thank you for your testimony. It's always important for this committee to hear from people who have had the services, so thank you very much. [LB21]

VINCENT LITWINOWICZ: And that's what I hope. That's what my intention is, because...and to mention what I feel I could have done...you know, it just that...it points to what damage it can do. And because mental illness is not always understanding whatever...if you are located in any provincial...if you are near any provincial backwater, let's say where I grew up in the deep south or any...you can be in a pocket. You can encounter provincial backwater anywhere, and it so it was just important. And so...and...(inaudible) [LB21]

SENATOR CAMPBELL: Thank you for coming today. Our next proponent? Good afternoon. [LB21]

TOPHER HANSEN: (Exhibit 10) Good afternoon, Senator Campbell and members of the committee. I am Topher Hansen. I am the president and CEO of CenterPointe, an organization providing treatment, rehabilitation, crisis service, basic needs, and housing to people from across

Nebraska who have a mental illness and substance use disorders. Almost 75 percent of the 1,400 people we served last year are homeless. We operate seven service locations and more than 200 units of supportive housing in Lincoln. CenterPointe employs 125 people and has a budget of nearly $8 million. CenterPointe represents the 46 organizations like it across Nebraska who are part of the Nebraska Association of Behavioral Health Organizations, or NABHO. We are not your mom and dad's human service agency. We are sophisticated, complex healthcare businesses that care for people in our great state who have complex situations and require equally complex long-term solutions. Many of us bring in money from outside the state as well. CenterPointe, for example, brings in $2 million federal dollars each year and has a payroll of $4 million. The organizations in NABHO are committed to the people we serve, but we are also important assets in each local economy and in maintaining a vibrant quality of life for all Nebraskans. The margins for excess revenue in the behavioral health business are very thin. CenterPointe is less than 1 percent ahead of expenses for this year. Two bad months can change that. Because behavioral health providers operate significant, complex organizations, it is imperative that the business environment we operate be efficient and keep pace with costs. As a citizenry, we do not want the behavioral health organizations in cities across Nebraska to go out of business from being financially strangled. In 2014, Governor Heineman proposed a 2.25 percent rate increase for Medicaid behavioral health services. The proposal was passed by the Nebraska Legislature as an across-the-board rate increase to all providers under the Medicaid managed care contract. Providers adjusted our budgets at the time to reflect the increase. In June we learned that Magellan Nebraska was not going to implement the increase effective July 1. We later learned it would be August 1 before we would realize an increase in the amount of which would disclosed at a later time. The electric bill increases, food costs increase, staff want raises, and budget planning must be finalized by June 30, but we could not plan for any rate increase until more than a month after the start of the fiscal year. Our businesses are too tight to have such unnecessary delays. We need an efficient business environment that allows us to plan our budget and begin increases on July 1 as they have for decades before now. Magellan Nebraska also disclosed that 8 percent of the 2.25 percent dollars went toward value-based purchasing or performance-based payments. So, if the provider performs in the manner described by Magellan, payment will be made. This is a departure from the current fee for service arrangement. And while Magellan Nebraska has made references to such a system, we are not aware of any agreements that are in place for such a system. Operating in a fragile economic environment requires careful planning. This is another example of last-minute announcements with few details and potentially devastating outcomes. NABHO strongly supports LB21. The Legislature has long supported our efforts to provide services to those in our communities who are the most ill. The bill allows the Legislature to continue its support of providers by assuring that the legislative intent is followed and that sufficient provisions are made for full accountability and disclosure of whether that intent was carried out. Thank you, and any questions I'd be happy to answer. [LB21]

SENATOR CAMPBELL: Questions, Senators? Senator Crawford. [LB21]

SENATOR CRAWFORD: Thank you, Chairwoman Campbell. And thank you for being here, Mr. Hansen. [LB21]

TOPHER HANSEN: Hansen. [LB21]

SENATOR CRAWFORD: Is that what I said? Yeah. When you're...we've talked about the fact that it's a managed care contract. And you're talking about, you know, the fact that payments would go based on performance...was not appropriate. So when you're thinking about what managed care means, you're thinking you still pay for the fee for service but you get to manage making sure they have access to things that are maybe less traditional and making sure things are taken care of. That's what management means, not changing what you pay people? Is that what you're trying to say at that part? [LB21]

TOPHER HANSEN: No, my point there was that what we learned in the distribution of the rates was that 8 percent went to pay for performance contracts, but we aren't aware of those contracts. If they exist, we're not aware of them, number one. And number two is, when rate increases like that are going to happen, to bring them in at the eleventh hour would not be appropriate, that it needs planning. The performance requirements need to be discussed so providers are prepared to do that and the system is in place and not have it be just a last-minute kind of situation. We are not, in concept, opposed to performance-based or value-based contracting. It just needs to be implemented in a careful fashion. [LB21]

SENATOR CRAWFORD: And you need to know ahead of time... [LB21]

TOPHER HANSEN: Right. [LB21]

SENATOR CRAWFORD: ...what your standards are and how to meet them so you can plan and perform, is that correct? [LB21]

TOPHER HANSEN: Certainly, yeah. [LB21]

SENATOR CRAWFORD: Thank you. [LB21]

SENATOR CAMPBELL: Senator Kolterman. [LB21]

SENATOR KOLTERMAN: Thank you, Senator. Mr. Hansen, is your contract directly with Magellan or is it with HHS or... [LB21]

TOPHER HANSEN: We go through credentialing with Magellan. We don't have a contract per se with Medicaid that we're under the managed care. They do credential us and say that our providers and our organization meets their requirements to be involved in the Medicaid system that they manage. But we don't have the same contracts as we do with the region, for instance. [LB21]

SENATOR KOLTERMAN: Okay, so as an example, if you see a patient or have a patient and you bill Medicaid, I assume, you use your regular codes that you utilize and then that goes to Magellan. And then Magellan decides whether they're going to pay you a portion of that code or all that code or what's approved by Medicaid or it's 80 percent or how... [LB21]

TOPHER HANSEN: No, they would, under the fee for service arrangement, they would just pay what that rate is for that code. [LB21]

SENATOR KOLTERMAN: But this...what you're saying is, they didn't abide by that fee for service arrangement. [LB21]

TOPHER HANSEN: In that paragraph, what I was trying to describe was the way that the money, that 2.25 percent, was distributed. [LB21]

SENATOR KOLTERMAN: Right. [LB21]

TOPHER HANSEN: It went for...some codes got one increase and another code may have got a little different increase. But it was also described to us that a portion of that money then went to pay for performance contracts and we weren't aware of any of those things. [LB21]

SENATOR KOLTERMAN: After the fact...you found that out after the fact? [LB21]

TOPHER HANSEN: Yes, in December when we met with them. So I'm merely describing what was told to us about how the rate was distributed. [LB21]

SENATOR KOLTERMAN: Okay. Thank you. [LB21]

SENATOR CAMPBELL: Any other questions? Mr. Hansen, have you seen the amendments? [LB21]

TOPHER HANSEN: Yes. [LB21]

SENATOR CAMPBELL: Okay. And you are in agreement with the amendments? [LB21]

TOPHER HANSEN: Yes. [LB21]

SENATOR CAMPBELL: Thank you. [LB21]

TOPHER HANSEN: Thank you. [LB21]

SENATOR CAMPBELL: Just wanted to make sure. [LB21]

TOPHER HANSEN: Thanks. [LB21]

SENATOR CAMPBELL: Our next proponent. Anyone else? Okay. Those in opposition to the bill. Those in a neutral position. [LB21]

JOHN WENDLING: (Exhibit 11) Senator Campbell, members of the committee, my name is John Wendling, J-o-h-n W-e-n-d-l-i-n-g, and I am the CEO for Magellan Health. Thank you for the opportunity to testify. We have obviously taken a different position from when we first entered this room today. So we are taking a neutral position. And I applaud the adjustment, the change to the amendment, because it goes in line with healthcare transformation. And so it moves from a more fee for service model to a more managed care model. Now, to piggyback on what Mr. Hansen says, he's absolutely right. When we did the rate increases, what we did--as I spoke to on the previous bill--is we looked at the types of services. We looked at geography and provider mixes. And we made adjustments to make sure that the services to be provided to the members of Nebraska were appropriately available. Through access and through maintaining that, services stayed up. What we were able to identify through our analysis was that there were services that had in some cases been overfunded. There had been other services that had been underfunded. And so we were trying to rightsize. One example of that would be the additional increases I had mentioned from the previous bill that we provided for unbundling of the certain modifier for the IOP program that would allow, for example, Mid-Plains to be able to receive additional reimbursement. So, you know, it's interesting. This...you know, Nebraska, as I have mentioned to many of you as I have met with you one on one, you're in a great position today as you consider healthcare transformation and managed care as you go into an integrated model.

This, you know, this bill, the way it has been amended, goes a long way to address that, as far as, you know, additional pieces. So the Behavioral Health Services Act put strict limits on a managed care organization, not unlike other states. And so we are capped at 3 percent. And so anything above that 3 percent goes back into a reinvestment fund. And that is then redistributed to the provider community or community-based organizations. We can have assurances with that and the state can have assurances with that. For example, we were audited three times last year. We are already scheduled for two audits this year. And so there's an external actuarial firm that the department uses to, you know, set our rates and to ensure that we are, you know, within our budget and we are, you know, following all the regulations. So... [LB21]

SENATOR CAMPBELL: Okay. Question, Senator? Senator Crawford. [LB21]

SENATOR CRAWFORD: Thank you, Chairwoman Campbell. And thank you. So I'm just trying to understand the adjustments and if...you know, what we would expect of adjustments in the future. When I hear the word, like, performance-based adjustments, I'm thinking you're looking at health outcomes and trying to reward the people who are performing the best. [LB21]

JOHN WENDLING: Absolutely. Absolutely. [LB21]

SENATOR CRAWFORD: But then what I think I just heard you talk about was more, say, capacity- and sustainability-based adjustments. [LB21]

JOHN WENDLING: Well, there's two pieces. [LB21]

SENATOR CRAWFORD: Okay. [LB21]

JOHN WENDLING: And, you know, so for example, we are working with several entities right now in value-based contracting. I have been a part of value-based contracting since the '90s on the provider side of the equation. And so there's a couple elements. Yes, at a base level, we...you know, we're looking at the services that are provided and adjusting rates. It may be not quite as significant for some services and more significant for others. That's one element. The other element would be the pay for performance, risk-based, value-based contracting where we would identify providers that provided an additional level of service. And there's various elements that you can implement. So you can go from a gain share where it's a win--actually, they all should be win-wins--but a gain-share arrangement all the way to a full risk where the managed care organization as well as the provider is at risk based on the outcomes. And so it's really, truly having skin in the game. And as we start through this process...and I'll, you know, just to cite a couple examples, we met with CHI executive team several weeks ago in a five-hour

"whiteboarding" session on what value-based contracting to them meant, what were the barriers and what were the opportunities? And, you know, the way I recommend going about this is, we crawl before we walk, we walk before we run. So we're looking at a gain-share arrangement based on things like hospital readmission rates within 30 days and get comfortable with that and then move to the next level. So... [LB21]

SENATOR CRAWFORD: So as we move forward, those standards and expectations are being discussed before the contract is agreed upon. Is that true? [LB21]

JOHN WENDLING: Absolutely. And... [LB21]

SENATOR CRAWFORD: And so what happened here is an exception in terms of...if it...well, I guess I'll let you respond first. What we have heard from other testifiers is that they didn't know what the standards were, what the adjustment was going to be. They just saw...they found out after the fact. [LB21]

JOHN WENDLING: Right. And we operated on a true managed care model, which is...we, you know, we took the rate increase and then we did our analysis. There was an assumption--and I can understand at a base level why that would happen--in that when Appropriations Committee set a 2.5 percent increase, they built into their budget, they built into their models that for CPT code one all the way through ten that it was going to be 2.5 percent. What we said as a managed care entity is that we wanted to do a further assessment evaluation of access and other factors to consider. As, for example, with LB500 that we spoke about previously, in providing an additional increase for utilization of a modifier, it didn't get to the MST, but it did provide some additional funding for unbundling of those services. Hopefully that was...I'm not trying to...okay, so... [LB21]

SENATOR CRAWFORD: So moving forward...so are you discussing the performance-based, value-based standards with the providers before you enter into a contract with them? [LB21]

JOHN WENDLING: Absolutely. That is correct. That is...yes. I guess that was a long-winded way of saying yes. (Laughter) [LB21]

SENATOR CRAWFORD: Thank you. [LB21]

SENATOR CAMPBELL: Other questions? Anyone? Senator Riepe. [LB21]

SENATOR RIEPE: Thank you, Senator Campbell. I think I heard you talking about gain sharing. Is that something...you currently have a gain-sharing program or is that something you aspire to? [LB21]

JOHN WENDLING: Well, it's a...yeah, no, so that is a type of a value-based contract, pay for performance. And so that would be more of shared savings where... [LB21]

SENATOR RIEPE: But are you doing that now? [LB21]

JOHN WENDLING: We have none in place right now. [LB21]

SENATOR RIEPE: Okay. [LB21]

JOHN WENDLING: We are in negotiations with both acute care hospitals as well as starting those discussions with the, you know, outpatient providers as well. [LB21]

SENATOR RIEPE: Yeah. Okay. [LB21]

SENATOR CAMPBELL: Any other questions? [LB21]

JOHN WENDLING: If I could make one additional comment. [LB21]

SENATOR CAMPBELL: Sure. [LB21]

JOHN WENDLING: So, just so you know, we have set a goal within our organization, within Magellan Health of Nebraska, to have 20 percent of our contracts value based by close of this year. So that is a minimum expectation that we have. So when I talk to you December 31 of this year, I will expect I can tout that we have more than 20 percent. [LB21]

SENATOR RIEPE: Are you starting with the CHI hospitals? [LB21]

JOHN WENDLING: Well, we have actually...we started with Bryan and we...like I said, we have...we spent five hours with CHI a few weeks ago. We have a follow-up meeting with them this Friday. And so we continue those discussions. [LB21]

SENATOR CAMPBELL: Mr. Wendling, you said you were audited three times this year. Those audits are done by...fill in the blank for me. [LB21]

JOHN WENDLING: Okay, so there was a quality audit done by IPRO which looked at a lot of our quality aspects. There was an external audit by...it's from an external agency through the department that looked at our financials. [LB21]

SENATOR CAMPBELL: And so do the reports of all these audits go to the department? [LB21]

JOHN WENDLING: I'll have to get...I believe they do, yes. [LB21]

SENATOR CAMPBELL: Okay. [LB21]

JOHN WENDLING: I know that from other markets, yes, they would. [LB21]

SENATOR CAMPBELL: Okay. But I was...I'm making an assumption that if the department in reviewing the audits saw anything that they would get back to you. [LB21]

JOHN WENDLING: Absolutely. [LB21]

SENATOR CAMPBELL: Okay. Yeah. But could you check? I'm assuming that all the audits would go to the contractor. [LB21]

JOHN WENDLING: Yes, they would be. [LB21]

SENATOR CAMPBELL: But I'm seeing some nodding of heads out there that... [LB21]

JOHN WENDLING: Yes, they would be. [LB21]

SENATOR CAMPBELL: It's always helpful when the audience helps us along here. [LB21]

JOHN WENDLING: Well, you know, and so you're...and I can tell you that from other markets, yes, there are...and it's publicly available. [LB21]

SENATOR CAMPBELL: Okay. Oh, all right. [LB21]

JOHN WENDLING: It's...well, for Ohio...okay, for Ohio I know that they would be publicly available, so... [LB21]

SENATOR CAMPBELL: Okay. Yeah. You might want to check. Just send me an e-mail. [LB21]

JOHN WENDLING: Okay, will do. [LB21]

SENATOR CAMPBELL: That would be great. Anything else, Senators? Thank you, Mr. Wendling. [LB21]

JOHN WENDLING: Yeah. [LB21]

SENATOR CAMPBELL: I never say that right. I know I don't. Okay. Our next neutral testifier. [LB21]

NICK FAUSTMAN: Good afternoon. [LB21]

SENATOR CAMPBELL: Good afternoon. [LB21]

NICK FAUSTMAN: I'm Nick Faustman, N-i-c-k F-a-u-s-t-m-a-n. I'm with the Nebraska Health Care Association, which is the parent association to a family of entities including the state's largest association for nursing facilities, the Nebraska Nursing Facility Association and the state's only association dedicated specifically to assisted living facilities here in Nebraska. That's the Nebraska Assisted Living Association. Both NNFA and NALA represent nonproprietary, proprietary, and governmental long-term care facilities. NNFA and NALA are both neutral on LB21 and for the simple fact that of course this bill applies to behavioral health managed care contracts in the state of Nebraska. The previous administration at one point had intended to move managed care...or I'm sorry, long-term services and reports to a managed care structure as well. Our interest is in the bill being applied to all managed care contracts across the board. And I've seen a few different versions of the amendment. And that's a fantastic start. In our view, however, we wonder if Section 4 of the bill might be amended in a similar manner that would change that particular section from being simply about behavioral health services to all services provided under a managed care structure. [LB21]

SENATOR CAMPBELL: I think that was probably Senator Krist's intent as he opened on the bill, but we'll double-check that. [LB21]

NICK FAUSTMAN: And we did speak with Senator Krist this morning... [LB21]

SENATOR CAMPBELL: Okay. [LB21]

NICK FAUSTMAN: ...as well as several of the stakeholders including NABHO and NHA, all of which did seem supportive of the intent. [LB21]

SENATOR CAMPBELL: Okay. Any questions, Senators? Thank you, Mr. Faustman. [LB21]

NICK FAUSTMAN: Thank you. [LB21]

SENATOR CAMPBELL: Anyone else in a neutral position? Good afternoon. [LB21]

COURTNEY MILLER: (Exhibit 12) Good afternoon, Senator Campbell and members of the Health and Human Services Committee. My name is Courtney Miller, C-o-u-r-t-n-e-y M-i-l-l-e-r. I am deputy director of programs with the Division of Medicaid and Long-Term Care with the Department of Health and Human Services. I am here to testify in a neutral capacity on LB21. The department is not taking a policy position on this bill at this time. LB21 requires all rate increases for providers of behavioral health services under the Medical Assistance Program to be passed on in their entirety by any contractor governing at-risk, managed care service delivery for behavioral health services and now, with the amendment, physical health services. The department opposed the bill as originally introduced. However, I had the opportunity and privilege to meet with Senator Krist earlier today to discuss our issues. And I appreciate receiving the amendment in advance of today's hearing. And the amendment does address the department's issues. And we will be collaborating with Liz Hruska to revise the fiscal note. So I'll be happy to answer any questions that you have remaining. [LB21]

SENATOR CAMPBELL: Any questions, Senators, on all this? Ms. Miller, do you know the answer to my question? Does the department receive all the audits and... [LB21]

COURTNEY MILLER: Yes. [LB21]

SENATOR CAMPBELL: Okay. That answers that question. And I'm assuming that then somebody reviews that audit or those audits and if there's any problems, you get back to Magellan and...what you've seen. [LB21]

COURTNEY MILLER: Absolutely. [LB21]

SENATOR CAMPBELL: Okay. And you've seen both the amendments? [LB21]

COURTNEY MILLER: I have seen the combined amendment. [LB21]

SENATOR CAMPBELL: Okay. And we have two different amendments. So I was going to ask you another question and now it slips my mind. I know where to find you. [LB21]

COURTNEY MILLER: That's right. [LB21]

SENATOR CAMPBELL: So if I have a question...thank you very much. [LB21]

COURTNEY MILLER: Thank you. [LB21]

SENATOR CAMPBELL: Okay. Anyone else in a neutral position today? Senator Krist, we are back to you for closing. [LB21]

SENATOR KRIST: Accountability, transparency, and predictability I think is also a part of this closing. You can almost do anything you need to do as a business plan for your own business, whether it's for profit or not, as long as you know what you're being paid and the kinds of sacrifices and/or profit you're going to get. And I think that was a missing piece in the translation between the legislative intent and what actually happened to the money. This bill, I think, will go a long way to solve that. We're not finished talking. And as far as I'm concerned--although I am serious about getting it done--this may be something that just sits and waits until next year so that we'll have a chance to put it in place. And we'll see if Magellan makes their goal and we'll see if the combination of physical and behavioral health is good for the state in terms of managed care. And we'll see how predictable those changes are transmitted or communicated with the providers out there. I think that will do it for my closing, and I'd be happy to answer any questions. [LB21]

SENATOR CAMPBELL: Okay. Any questions, Senators? Thank you, Senator Krist. And you know, just let us know. For right now, we'll just put a hold on the bill. And then if there's a change in that, let us know. [LB21]

SENATOR KRIST: Well, the big change will obviously be the fiscal note. So we'll be in...I'll be in touch. [LB21]

SENATOR CAMPBELL: Okay. All right. Thank you. Thank you. All right. That concludes our hearing today on that matter. If you are leaving, again, leave as quietly as you can. Senator Krist is here for LB499 to provide duties for the Department of Health and Human Services relating to behavioral and mental health services. Are there any letters for the record on this one? [LB21 LB499]

BRENNEN MILLER: (Exhibits 1, 2, 3, 4) Yes, Senator, support letters from the Nebraska State Education Association, National Association of Social Workers Nebraska Chapter, Voices for Children in Nebraska, and the Nebraska Hospital Association. Thank you. [LB499]

SENATOR CAMPBELL: Okay. Senator Krist, would you like to open on this one? [LB499]

SENATOR KRIST: No, I'd like to be here to testify in favor of LB500. Could I do that, too? (Laughter) [LB499]

SENATOR CAMPBELL: Oh, sorry. Sure. [LB499]

SENATOR KRIST: That's over, huh? [LB499]

SENATOR CAMPBELL: That's over. [LB499]

SENATOR KRIST: Good afternoon, Senator Campbell and members of the Health and Human Services Committee. For the record, my name is Bob Krist, B-o-b K-r-i-s-t. And I'm here to explain LB499. LB499 and LB500 were companion bills. It was Senator Howard and my intent to include Nebraska Medicine, formerly UNMC, in making MST, FFT, and the Boys Town model available across the state at satellite centers through regional health providers and to have UNMC involved, Nebraska Health (sic: Nebraska Medicine) involved. One of our ulterior motives...and we have heard...I have heard on this committee, and you will continue to hear about the shortages of psychiatric health providers across the state. And it was my intention to include Nebraska Health (sic: Nebraska Medicine) into this process to try to get those students--graduates, interns, residents--out there into the community. That didn't quite come together the way we thought we would. So LB500 is a standalone, and obviously we will have an A bill attached to it at some point. After talking with Senator Campbell at some length, LB499 is simply a placeholder, but I will use it as an opportunity to get on my soapbox for one minute. We, the state, our predecessors, did this state a huge disservice by dismantling the behavioral health centers across the state. The hospitals that went away with the promise that we would take that money and put it back in community-based services. It didn't happen. Our corrections facilities, our mental health facilities are estimated at somewhere between 25 and 37 percent of

the people who sit in our jails, our penitentiaries, our correctional facilities have mental health issues, reasons for them not to be locked up in a corrections facility, but to be helped with the behavioral health services, mental health services, and substance abuse services that they desperately need. We need to correct that problem. It's not going to be cheap. It is embedded in some of the corrections issues that CSG gave us, that the LR424 Special Investigative Committee gave us. And as Senator Campbell and I have talked about many, many times, it's just one great big mosaic. And if you don't pay attention to juvenile justice, you will have more people in the penitentiary. If you don't pay attention to behavioral and mental health and substance abuse, you'll have more problems than you need. And then there's that family thing about trying to keep families together and MST, FFT, and the Boys Town model will certainly go a long way to helping that out. So I ask you to use LB499 as a placeholder if you need it for the next couple of years, and maybe we can light a fire. [LB499]

SENATOR CAMPBELL: Any questions about what we are trying to do here? I mean, oftentimes we do introduce bills thinking that there's another companion bill and then really...this might be very helpful, because I expect that there will be a number of conversations with the new director of Corrections and certainly with the new CEO of Health and Human Services on the behavioral health all the way along, because it's my belief that we still do not have a very good statewide statement vision program where we're going for children and youth. We've tried, but I still don't think we're there, so. [LB499]

SENATOR KRIST: And there is no pride of authorship. If LB499 becomes your committee bill, I'd support it on the floor. I trust this committee. [LB499]

SENATOR CAMPBELL: And we'll probably hold it just because I'd want the corrections piece to fold in if we needed it for next session, is the point. Senator Kolterman. [LB499]

SENATOR KOLTERMAN: Thank you, Senator Campbell. Senator Krist, can you tell me a little bit...I vaguely remember some of the mental health institutions. Which ones did we close? Which ones are still in operation? [LB499]

SENATOR KRIST: There aren't any behavioral health hospitals with the exception of the Lincoln facility that's really still in place. So Hastings... [LB499]

SENATOR KOLTERMAN: Norfolk. [LB499]

SENATOR KRIST: ...Norfolk. There's another one. [LB499]

SENATOR KOLTERMAN: Beatrice? [LB499]

SENATOR KRIST: No, Beatrice is still open as a behavioral...Beatrice State Home. I believe there were three. There were four in total. One of them is still in place. But to your point, Senator Kolterman, even--or my point--even Lincoln is not as robust in terms of handling some of the issues as they used to handle and should be handling. Case in point: our LR424 Special Investigative Committee found that there was...and Douglas County finds that there is no place to send Nikko Jenkins at this point because we don't have a lockdown facility where he can be treated. [LB499]

SENATOR KOLTERMAN: And then the second part of my question is--and I've talked to a lot of teacher/counselors--and there's a need for youth facility in the state. Do you know...there aren't any, are there, at this time? [LB499]

SENATOR KRIST: Well, we...the detention facilities, YRTC Kearney and YRTC Geneva, that are supposed to have behavioral/mental health, substance abuse, they're not standalone. [LB499]

SENATOR KOLTERMAN: But they're not standalone mental health/behavioral health. [LB499]

SENATOR KRIST: We do have a standalone facility at Hastings right now that is treating drug and alcohol abuse with juveniles in mind. But other than that, I would say that there aren't any state-run organizations like that. [LB499]

SENATOR KOLTERMAN: Thank you. [LB499]

SENATOR CAMPBELL: I would guess that we would classify some of the programs of Boys Town definitely in that area and some of the agencies that might do PRTF, I mean smaller type. But if you're talking about Nebraska institutions, no. I agree with Senator Krist's description where we are. [LB499]

SENATOR RIEPE: Senator Krist, is it your vision to see this integrated with physical health as well or is it so massive that it maybe needs to be developed on its own before then it's...try to bring the integration of it? Or do you have any thoughts on that or do you... [LB499]

SENATOR KRIST: I do. I think in a holistic manner, we need to treat the body and the mind. And when there's a family, you know, where there's a disconnect between the two of them, behavioral and mental health, substance abuse are a critical part of physical health. I'm just not sure that reestablishing brick and mortar is going to handle our problem. For that, I will say the

2004 movement in (inaudible) dismantling brick and mortar--all good intentions--the problem was that the money was not transferred to the community services. And so community services were not built up in relationship to the state services coming down. I think it's a holistic approach, and I really believe that we...I'll give you an example of what I think is a movement in the right direction with something that we've done. We've put money in juvenile justice in the hands of the county through a fund that they can draw down on by grant. And then they can put services available there, services like CASA to represent kids, services like special services at Boys Town, behavioral health/mental health issues that have to be handled. If you have an evidence-based program and you apply to the Crime Commission for that money, you can bring that money home into community based. I think that's what probably should have happened when we closed the facilities down and made that money available at the community level. And by doing that also, Senator Riepe, what I've seen--and particularly in Douglas County--we have so many very generous people and 501s, so the public/private partnership is cemented at the local level while the state could never attempt to try to do that. And I don't think that's unique to Douglas County. I mean, we've been all over the state with LR37 and other things. I think it's all over. There are some really good people out there that want to help. They just need a little assistance to get there. [LB499]

SENATOR RIEPE: I do have some concern that that very generous population, the Walter Scotts and the Dick Hollands and those people are aging. And what will happen in another 10 or 15 years with the philanthropic, really generous people that do live and perform and act in Omaha? [LB499]

SENATOR KRIST: I agree. And those folks that have been involved in the--Howard and Rhonda Hawks--with behavioral health, I mean, there's been tremendous movement in that area. Let's hope they have heirs that they pass the baton on to or at least successors. [LB499]

SENATOR RIEPE: Or leave a trust. [LB499]

SENATOR KRIST: Yes, sir. [LB499]

SENATOR CAMPBELL: Well, and I think you've seen the parity issue, the act--the federal legislation out of Mental Health Parity--with health issues will also drive that of bringing together those two. We're beginning to see some of that in Lincoln with the discussion that People's Health Center and any future centers that we put together in Lincoln ought to have both the mental health and the physical health side by side and integrated inside. So, you know, I think it's coming. I agree. But we're going to have to figure out some grand plans to get us there. Thank you, Senator Krist. [LB499]

SENATOR KRIST: As always, thank you, Senator Campbell. [LB499]

SENATOR CAMPBELL: Yeah. I appreciate your explanation to LB499. Our first proponent. [LB499]

VINCENT LITWINOWICZ: I'm going to be real brief. I wanted to acknowledge especially the children. [LB499]

SENATOR CAMPBELL: Are we...we do need you closer to the mike just so the transcribers will pick you up there. [LB499]

VINCENT LITWINOWICZ: Oh, okay. Yeah, yeah. It's not my sole intention in the future to just emote when I come in front. I'm going to try to bring numbers, too. So...but it's... [LB499]

SENATOR CAMPBELL: We do need you--I'm sorry--to identify yourself once again. [LB499]

VINCENT LITWINOWICZ: Oh, my name. Okay. I won't do that to you again. Vincent Litwinowicz, V-i-n-c-e-n-t L-i-t-w-i-n-o-w-i-c-z. And I'm just going to be real quick, because... [LB499]

SENATOR CAMPBELL: You cannot hear him, Senator Baker? So could you speak just a little louder? [LB499]

VINCENT LITWINOWICZ: That might not be bad, but okay. All right. I just want to address the fact that, you know, it occurred to me a long time ago that I had symptoms as a child. And, you know, I was a...and so, pretty emotional crying spells. I think that's why actually I started listening to John Prine records at eight years old. You don't have to be mentally ill to cry to a John Prine song, but what I'm saying is, I know that. I recognize that. And so...and I'd like to see, you know, as part of this with children being...you know, and it goes back to the--again, I'm about two seconds from being done--like the MST and getting the therapy, intensive therapy. I mean, I get it. You know, I don't know how such a program got rooted in my home state of Louisiana. I don't. So how that got there, I have to question that. But I'm glad it did. So that's all I got to say. And with children, and because it's a moral obligation. And as far as, I guess, on an ending note, when I did have a professional job, I didn't complain about paying my taxes. I didn't even think...maybe how they were spent, sure. But there is enough money that we can collect that needs to go around. We can find...there's things to be funded. And it's just got to get done. And I really am not...you know, and it's a good point when you bring up philanthropic. That's why you can't rely on it necessarily. Who knows how we're going to evolve as a culture as we

move along where these people are, where they're going to come from, which is precisely why we have to have this funded. That's the role of government. And bureaucracies are inherently dysfunctional. And so you just...if you fix that problem, let me know, because that's...we're just going to have it. Thank you. [LB499]

SENATOR CAMPBELL: Thank you, Mr. Litwinowicz. Okay. Our next proponent? Anyone who wishes to speak in opposition to the bill or any neutral testimony? Somehow I think the word got out. (Laugh) And Senator Krist, do you want to add anything? [LB499]

SENATOR KRIST: Thank you very much. [LB499]

SENATOR CAMPBELL: Senator Krist waives closing on LB499. And we will move to our last hearing for the day, LB240, Senator Hansen's bill to change provisions relating to behavioral health pilot program. And welcome, Senator Hansen. And before you start, we're going to see if we have letters for the record. [LB499]

BRENNEN MILLER: (Exhibits 1, 2, 3, 4) I do. Support letters from the Nebraska State Education Association; Nebraska (sic) Association of Social Workers, Nebraska Chapter; Voices for Children in Nebraska; and the Nebraska Hospital Association. Thank you. [LB240]

SENATOR CAMPBELL: Excellent. Senator Hansen, welcome. [LB240]

SENATOR HANSEN: Welcome. Thanks for having me. [LB240]

SENATOR CAMPBELL: Absolutely. Go right ahead. [LB240]

SENATOR HANSEN: Good afternoon, Chairwoman Campbell and members of the Health and Human Services Committee. My name is Matt Hansen, M-a-t-t H-a-n-s-e-n, and I represent District 26 located in northeast Lincoln. I'm here today to introduce LB240. This bill seeks to eliminate the sunset provision for a behavioral health screening and referral pilot program which is currently scheduled to end later this year. First, a little background: The Behavioral Health Education Center of Nebraska, abbreviated BHECN and pronounced like beacon commonly, addresses the shortage of trained behavioral healthcare providers in rural and underserved areas, was created in 2009 by the Nebraska Legislature. In 2013, my predecessor in District 26, Senator Amanda McGill, introduced LB556 that authorized BHECN and the University of Nebraska Medical Center to create the Behavioral Health Screening and Referral Pilot Program. This pilot program provided an integrated care model in which there was behavioral health screening for children and adolescents; availability of further assessment and diagnosis in the primary care

office; initial treatment options in the primary care office from an on-site psychologist; backup specialty consultations using telehealth from UNMC child psychology...psychiatric nursing and other fields; and referral to psychiatric care for the most severe clients. Pilot sites for this screening and referral clinic included the Columbus Children's Health Care clinic in Columbus, Nebraska; the Western Nebraska Behavioral Health, a child psychology practice partnering with family medicine in Chadron, Alliance, and Valentine, and serving those counties; and the Dundee Children's Physicians pediatric practice in midtown Omaha. From November 2013 through December 2014, 1,941 children were screened between the three pilot sites combined; 460 of those children warranted follow-up from the psychologist at a pilot site, and 261 of those screened took advantage of the behavioral healthcare offered. My bill, LB240, would simply eliminate the sunset provision set for September of this year, strike the term pilot, and remove the cap of three sites for the program. Effectively, this will continue this program and make it permanent. This has been a successful program and there are others behind me who will testify to that effect. With that, I will ask the committee to advance LB240 to the floor and I'll yield to any questions. [LB240]

SENATOR CAMPBELL: Questions from the senators? Senator Riepe. [LB240]

SENATOR RIEPE: Senator Hansen, thank you for being here. [LB240]

SENATOR HANSEN: Thank you. [LB240]

SENATOR RIEPE: Is this...was this a pilot project? Is that the reason it had a sunset attached to it? [LB240]

SENATOR HANSEN: Yes, it is. [LB240]

SENATOR RIEPE: It was? [LB240]

SENATOR HANSEN: It was. And so it... [LB240]

SENATOR RIEPE: Okay. And it's been successful, I assume, as you... [LB240]

SENATOR HANSEN: I believe so, and I believe we'll have more people willing to testify to that as well. [LB240]

SENATOR RIEPE: Okay. Thank you. [LB240]

SENATOR CAMPBELL: Just a little past history here is that when Senator Hansen says it goes back to 2009, this was one of the components of LB603 which was a response to safe haven, the whole safe haven issue, and when the Legislature had to be called into special session. So when the legislation...Legislature in 2009 put, like, four different bills together to create a package to address this, and BHECN was one of them. And the whole idea was--for BHECN--was to do outreach across the state to help people with behavioral and mental health, particularly professionals, and do seminars and telehealth and so forth. And that's how it came about. So then came the pilot to try to be even more directive of work in the state. Senator Riepe. [LB240]

SENATOR RIEPE: Okay. Thank you, Senator Campbell. Senator Hansen, I noticed in the fiscal note here it says that the bill requires UN Med Center to...did you want to have that that restrictive that...are they the only potential providers on this or is there an opportunity for some competitors or... [LB240]

SENATOR HANSEN: So, my understanding of the fiscal note and...is that this is already part of UNMC's budget as UNMC is the overall supervisor of BHECN and so BHECN is a program that we have authorized that operates within and underneath the UNMC. [LB240]

SENATOR RIEPE: So it's an extension of that, not trying to bid it out or anything? [LB240]

SENATOR HANSEN: Yes, it is a program that operates under the UNMC umbrella. [LB240]

SENATOR RIEPE: Okay. Thank you. [LB240]

SENATOR CAMPBELL: Okay. Anything else? Okay. Thank you. Senator Hansen, are you staying? [LB240]

SENATOR HANSEN: Yes, I plan to. [LB240]

SENATOR CAMPBELL: Okay. [LB240]

SENATOR HANSEN: Thank you. [LB240]

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

JOE EVANS: (Exhibits 5, 6) Good afternoon. My name is Dr. Joe Evans, that's E-v-a-n-s, and I'm a professor and director of the Psychology Department at the University of Nebraska

Medical Center. I'm involved in the training of behavioral health professionals to become mental health service providers in Nebraska. Thanks to Senator Campbell and members of the HHS Committee for providing an opportunity to provide some input about child/adolescent behavioral health issues in the state and the need for recognition and treatment of mental health problems at an early stage for children, adolescent, and families. I'm testifying today to report on the results of some early...the early screenings, treatment, and referral pilot project that's been so successful in identification of child/adolescent behavior disorders and to request continual funding for the programmatic effort. Just a little background: First of all, research has indicated that the first place that parents turn when confronted with behavioral health problems at home is not to a psychiatrist, a psychologist, a counselor. The first place they take them is to their family physician which is usually a family medicine doctor or pediatrician. Unfortunately, further studies have suggested that primary care physicians miss approximately two-thirds of childhood behavioral disorders in their standard practices. The average time for a physician visit in family medicine is about 10 minutes and with pediatrics it's about 12 minutes, so there's really a problem for the physicians in terms of lack of time as well as lack of in-depth training in this area. Estimates for the need for behavioral health services for kids are consistently projected at 20 to 25 percent and various studies have shown, however, that only 10 (percent) to 40 percent of kids actually get services from any type of behavioral health provider. And without intervention these problems can arise later on and escalate to school failure, family dysfunction, school dropouts, and even adolescent suicide which is the second leading cause of death amongst teenagers, especially in rural areas. There's currently a significant shortage that was mentioned by, I believe, our representatives from Magellan, of...and a maldistribution of child behavioral health specialists in the state. Eighty-eight of our ninety-three counties have been identified by the federal government Health Resources and Services Administration as mental health profession shortage areas. Seventy-four percent of our behavioral health providers work in Omaha or Lincoln. Twenty-six percent cover the other 70,000 square miles of our state. LB556 was a pilot to identify behavior disorders early and to also make available some consultative services from the medical center. The pilot itself was described, I believe, you know, by the senator as a...it was a screening for children/adolescents in three primary care sites. It was made available for their assessment and diagnosis within the primary care practice by virtue of integrating behavioral health providers into primary care practices which is a direction, I believe, that Magellan and the rest of the country is going. Initial treatment options were available with the physician or with the practitioner and we believe that 80 to 85 percent of those behavior problems can be dealt with at that level. But also, for severe cases--we're talking about suicide or suicidal thoughts or ideation or kids who are out of...physically out of control--there was backup from UNMC Child Psychiatry, from pediatric...developmental pediatricians, and from psychiatric nursing. So we created a screening scale that was to be used to assess ADHD, depression, anxiety, oppositional behavior, school problems, and conduct disorder. So it's a screening device. It's not a diagnostic tool. But it provides the information saying, this is what needs to happen. As I mentioned...as was mentioned before, 19...we've screened almost 2,000

kids over the first 14 months of the grant; 460 kids were screened positive with ratings from their own parents thinking there was a potential behavior problem. And 16.2 percent of those parents--in other words, one out of every six parents--was saying, well, I could use some help with this, with my child here. Funding is needed that will support the early identification of disorders in the future and create the...continue the medical home concept for these families. Costs for initial screening of this pilot project were about $116 per assessment which is high considering...but considering the first year of this process we needed to...we had to create the...problems...create the contracts. We had to go out and provide office support, scoring, interpreting results, calling parents, evaluative time, and so forth. But we now have a computer application which will allow us to actually have the parent, while in the waiting room, fill out the...use this device to fill out behavior ratings. And within seconds it will score a report, give it to the physician so they can talk to the...and we think we can actually reduce that cost to less than $40 for...per evaluation or per assessment. We ask your continued support. If you'll see in the page 3 of the handout, you can see where the screenings and parents requesting assistance was. I'd be pleased to answer any questions at this point. [LB240]

SENATOR CAMPBELL: Thank you, Dr. Evans. Questions from the senators? Senator Riepe. [LB240]

SENATOR RIEPE: Thank you, Senator Campbell. One of the issues that we've heard some about and that is the desire by psychologists for pharmaceutical prescription writing authority. Do you have a position on that? [LB240]

JOE EVANS: We're trying to remain neutral on that one. [LB240]

SENATOR RIEPE: Okay. [LB240]

JOE EVANS: And the reason is that we have...I work with a series of psychiatrists who are...many of them are anti. I work with a bunch of psychologists who are pro. And we're at the point where we're trying to remain Switzerland on this one because it's really...I think it's something that our providers really don't want to get involved with but we don't want to stand in the way of somebody else who may want to go through that extensive extra training to get that. [LB240]

SENATOR RIEPE: Do you also incorporate telemedicine in your practice? [LB240]

JOE EVANS: Yes. I'm sorry, I didn't...we have backup for those serious cases but it's done through psychiatric nursing and child psychiatry and our developmental pediatricians using

telehealth. As a matter of fact, one of our folks from the Chadron area will talk about how she's been using that for more severe cases, especially for medication management. And to go back to your point earlier about...you asked the question of Senator Hansen. These funds really are...while we manage them, the majority are going into the community agencies. So we really have the conviction that this needs to be out--not in Omaha--but certainly needs to be out in the different parts of the state. We think next year we could open as many as six...five to six more sites. [LB240]

SENATOR RIEPE: On those sites...if I may, Senator Campbell. [LB240]

SENATOR CAMPBELL: Sure. [LB240]

SENATOR RIEPE: On those sites, are those sites partnered with...I'm thinking of critical access hospitals. There are 64 out there, I know. It's kind of viewed as the community health site... [LB240]

JOE EVANS: Yes. [LB240]

SENATOR RIEPE: ...along with the doctor's office. I don't know whether... [LB240]

JOE EVANS: Yeah. It really depends on...as you know, there are some sites around the state where all the local providers are owned by the hospital and there's some where there's a lot of independent practitioners. So for example in Columbus, it's...the majority are independent. One of our sites is with Children's Hospital, with the Children's Hospital Dundee clinic, so it's owned by the hospital. We have sites in...Cate will talk about sites in Valentine, Alliance, and Chadron. And again, it all depends on what the community orientation is for owning or having those independent practitioners. [LB240]

SENATOR RIEPE: Okay. Thank you. Thank you, Senator. [LB240]

SENATOR CAMPBELL: Senator Kolterman. [LB240]

SENATOR KOLTERMAN: Thank you, Senator Campbell. In those sites that you just referenced, are those telehealth or are those...you actually have psychiatrists or psychologists on staff there? [LB240]

JOE EVANS: Very good question. We actually have...we selected these sites specifically because we have a psychologist who is trained by us...actually, she'll be speaking here in a second. But she lives in beautiful downtown Rushville, Nebraska, population 900, and travels to Valentine, Chadron, Alliance, Gordon, and Crawford, and does--I call it--the circuit rider model where she's providing services to the kids in those communities because the entire population of the Panhandle is 87,200 people. So they're so spread out that actually concentrating services in one area makes it almost inaccessible for other families that might live...and believe me, they put some mileage on those cars. Does that answer your question? [LB240]

SENATOR KOLTERMAN: Yes, it does. Thank you. [LB240]

SENATOR CAMPBELL: Any other questions, Senators? Okay. Thank you, Dr. Evans. It's always good to see you. [LB240]

JOE EVANS: Thank you. [LB240]

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

CATHERINE JONES-HAZLEDINE: (Exhibit 7) Hello. Ladies and gentlemen of the committee, my name is Dr. Catherine Jones-Hazledine. That's C-a-t-h-e-r-i-n-e J-o-n-e-s, hyphen, H-a-z-l-e-d-i-n-e. And I'm pleased to be able to be here today to give testimony in support of LB240 which would allow for continuation of the important work that we've been seeing done by LB556. As Dr. Evans said, I am a clinical psychologist and I reside in Rushville, Nebraska. Many of you probably don't know exactly where that is. It is actually a very small community in Sheridan County in the far northwestern corner of our state. We're about an hour from the Wyoming border, about half an hour from the South Dakota border, and almost eight hours drive from where we are today. I'm originally from Rushville myself and I returned there after my training to establish some much-needed behavioral health services in my home area in collaboration with UNMC's Munroe-Meyer Institute Behavioral Health Outreach Program. I currently own and practice in primary care based clinics in several rural communities that Dr. Evans mentioned. Those currently include Chadron, Crawford, Gordon, Rushville, Alliance, Valentine, Bridgeport, and Scottsbluff. The work we do in the Panhandle area is very satisfying and we're very passionate about it. But I have to admit that until recent years, we felt a bit isolated, I think because our area's extreme geographical distance from and really difference from the urban centers where most providers are trained and most behavioral health policy decisions are made left us feeling a bit out of the loop. This all began to change several years ago with the creation of the Behavioral Health Education Center of Nebraska and then with the advent of LB556. I can tell you that it's currently a very exciting time to be providing rural mental health services in the state of Nebraska. We've been able to serve as one of the three screening sites for LB556

meaning that our rural population's data is being included in a statewide database from which important policy decisions may eventually be made. LB556 has provided trainings for school staff from a number of our rural school districts, administrators, classroom teachers, special education coordinators on how to be more effective with students with behavioral health concerns. And since our students are with those very people most of their day, that's been a very important thing to implement. Most importantly, though, this project has allowed us to identify children at risk and provide access to services to help them, including services that are very normally hard to find in our area of the country. Even the simple act of the screening, itself, we are finding is helping to increase understanding of childhood behavioral health concerns and open important dialogues between parents and their mental health and medical health providers. In an earlier letter of support earlier in the year for LB556, I related an anecdote from the early days of our screening, and I'm going to beg the committee's indulgence to repeat it again today because it's very descriptive, I think, of the impact that we've seen from this project. When children have elevated scores on the screeners that we give them, it's our practice to contact their family and inform them of the elevation and at that same time to make them aware of various different resources that might be available for their child. In one early call, I reached a--I made the call myself, it was one of the early ones--I reached a very rough-spoken, clearly blue collar father whose preteen son had scored high on depression on the screener. The father confirmed that he was concerned about his son's mood, going on to say that his son had been the victim of extensive bullying due to some learning disabilities and that over time this had led to a depressed mood. The father reported being at a loss as to how to help his son. He said, as a child himself he would simply have handled the matter with physical violence and the bullying would likely have stopped. But that was not his son's way, and he had to respect that. But it left him at a loss how to help. We discussed resources and the father eagerly scheduled an outpatient behavioral health appointment for his son, a service that he wasn't even aware was in his community but had been for about ten years. As we concluded our call, the last thing that the father said to me was, this is "frickin" sweet. (Laughter) I had to agree that it was. The father's reaction that day alone would have been inspiring to me as a behavioral health provider. But I had occasion to meet him in person two weeks later when he took his son to our medical clinic to meet up with his behavioral health provider. The father told me how important my call to him that day had been, calling it, in his words, kind of a God thing. He said he's been sitting there, worried for his son, but not knowing how to help, a terrible feeling for a parent, I think we can agree. When our call came in, it opened a door to resources that he didn't even know existed in his community but he desperately wanted for his son. Ladies and gentlemen of the committee, if continuation of this project can open similar doors for other children and other families across our state, I respectfully submit to you today that that would indeed be pretty "frickin" sweet. (Laughter) [LB240]

SENATOR CAMPBELL: Excellent. Thank you, Doctor. Senator Riepe. [LB240]

SENATOR RIEPE: I was going to ask you if you could describe to me what "frickin" meant, but I think (laughter) I'll delay on that one maybe until later. [LB240]

CATHERINE JONES-HAZLEDINE: Excellent. Excellent. Thank you. [LB240]

SENATOR RIEPE: Don't put that on...no, I guess it's on the record. My question is, you had talked about...in your references you were talking along, you said we. And so I'm trying to say, what's the extent of your staff, if you will? [LB240]

CATHERINE JONES-HAZLEDINE: Well, that's a very good question. I've been back in my home area about 11 years now. And originally it was just me. I collaborated at that time with Munroe-Meyer Institute and went out there with their cooperation, their assistance, to establish what were originally just three clinics. And I was the sole provider and I would go to these three clinics. Over the years, we started taking on students, from Chadron State College mainly, students who were being trained in mental health services. And what started happening is that we took them on during practicum positions or we took them on during internships and they sort of never left. And so over time we've built up a significant staff of myself as the psychologist and a number of LMHPs, master's-level clinicians. I think there are currently seven as well as some trainees who come and go a bit in the clinic. [LB240]

SENATOR RIEPE: Did you take it upon yourself to find them significant others while they were there so that... (Laughter) [LB240]

CATHERINE JONES-HAZLEDINE: Yeah, you know, it's a work in progress for some of them because that's obviously one of the keys to retention. [LB240]

SENATOR RIEPE: Yes. [LB240]

CATHERINE JONES-HAZLEDINE: But the other key to retention, I think, is that we try to recruit almost exclusively from those areas because we are really in such a different world out in the western end of the state that if people do not have some ties and they are not accustomed to that area, they simply won't stay. [LB240]

SENATOR RIEPE: The other challenge, of course, with that gets to be...is family members. [LB240]

CATHERINE JONES-HAZLEDINE: Right. Right. [LB240]

SENATOR RIEPE: And how do...I don't know how you work that, but that's sensitive. [LB240]

CATHERINE JONES-HAZLEDINE: Right, right. [LB240]

SENATOR RIEPE: The other question that I had was, you talked about the screening of this young man and then notifying his father. And I guess...and this may...is in...were you screening large numbers through the school or... [LB240]

CATHERINE JONES-HAZLEDINE: Well, the way... [LB240]

SENATOR RIEPE: And how did you do that without permission to screen him? I'm just trying to... [LB240]

CATHERINE JONES-HAZLEDINE: Well, that's an excellent question. And actually we have permission to screen. What we do is we actually screen within the primary care clinics themselves. And so what happens is, when parents bring children in for medical care within the primary care clinic, we have a process by which they are approached and offered the opportunity to complete the screener. And at...and only those parents...it's entirely voluntary. Parents complete the screener on a voluntary basis and the front sheet of the screener is actually a release of information that allows us to convey those results and to give results to the physician. And so then...and they're informed as they complete it that we will be contacting them back if there are elevations but that they can also contact us to just get feedback regardless of whether they hear from us. [LB240]

SENATOR RIEPE: I was just thinking maybe you didn't have as many attorneys in Rushville. [LB240]

CATHERINE JONES-HAZLEDINE: Oh, you know, we do. We do for...per capita, you know, so. [LB240]

SENATOR RIEPE: Ah, okay. Thank you very much. [LB240]

CATHERINE JONES-HAZLEDINE: You're welcome. [LB240]

SENATOR CAMPBELL: Okay. Any other questions? Thank you for your testimony and for coming. Drive home safely. [LB240]

CATHERINE JONES-HAZLEDINE: Thank you. Thank you. [LB240]

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

KATHRYN MENOUSEK: (Exhibit 8) Good afternoon. My name is Dr. Kathryn Menousek, K-a-t-h-r-y-n M-e-n-o-u-s-e-k, and I'm an assistant professor of pediatric psychology at the University of Nebraska Medical Center. Thank you for letting me be here and providing me with the opportunity to speak on LB240. I'm currently providing psychology services to children and families in Columbus, Nebraska, at the Columbus Children's Health Care pediatric clinic. I am training postdoctoral fellows, predoctoral interns, and masters level students at this clinic. As a team, we provide behavioral health services to families in Columbus, Nebraska, and the surrounding areas. I am speaking in support of the use of the behavioral health screening procedures in the primary care setting that emerged from LB556. Since November 2013, the use of the behavioral health screener has been offered at all appointments for children at the pediatric clinic: sick visits, well child visits, etcetera. The clinic reportedly provides services to approximately 15,000 patients from approximately 43 towns. I counted the year's worth. The average distance that patients travel to receive behavioral health services at the Columbus clinic is approximately 43 miles with the longest distance being 146 miles from Stuart, Nebraska. As Dr. Evans had mentioned, primary care physicians are the gatekeepers for behavioral health services with over two-thirds of patients presenting behavioral health concerns to their pediatricians. And as you guys...as you all know, LB556 seeks to utilize resources at the child's medical home to effectively screen for behavioral health concerns and provide assessment and treatment in the primary care setting. Specialty behavioral health consultation is available from UNMC, psychiatric nurse practitioners, and child psychiatrists for triage and initial medication management. Our data from the three behavioral health pilot sites show that LB556 is working. Since the beginning of implementation, we have provided approximately...screeners to 1,900 children and adolescents. Approximately 23 percent of patients provided with these screeners were positive for at least one behavioral health concern. And in addition, approximately 16 percent of those parents indicated that they would like help with these concerns. The use of behavioral health screening allows providers and patients to access behavioral health services before symptoms or concerns reach a substantial level and require outside support. The use of the consultative process and telehealth for consultation have the potential to provide physicians with additional time for physical healthcare and reduce costs for patients and families. Finally, LB556 is providing doctors and educators with information and resources on mental health which is improving the mental health services provided to families in Nebraska. Through the use of this behavioral health screening for the last 14 months, we have demonstrated initial success at identifying patients and families in need of behavioral health services. Families that have screened positive for at least one behavioral health concern or families that indicated they would like to receive assistance for these concerns have been provided with the opportunity to receive behavioral health services at the Columbus clinic and the other pilot sites. Through the use of

trial and error, many of these difficulties associated with the implementation of this project have been eliminated within the first year. Within the next year, it is our goal to expand this project to at least five or six new sites within Nebraska. And it is expected that the use of behavioral health screener could be replicated at many different sites throughout Nebraska. This would allow greater access to behavioral health services for many Nebraska families. Finally, the utilization of this project would also improve the level of integration at these clinics throughout Nebraska, allowing more clinics to access cost-effective services demonstrated through the consultative procedures described previously. Thank you for your time and I will be happy to answer any further questions. [LB240]

SENATOR CAMPBELL: Any questions? Senator Riepe. [LB240]

SENATOR RIEPE: Senator Campbell, thank you. Where do you turn to for prescription authority... [LB240]

KATHRYN MENOUSEK: If a family is in need of... [LB240]

SENATOR RIEPE: ...like, you know, because some of these pharmaceutical things are beyond...you know, I have a background in pediatric administration. They're beyond pediatricians. [LB240]

KATHRYN MENOUSEK: Yes. Well, there's psychiatric nurse practitioners and psychiatrists that can provide consultation through this project. [LB240]

SENATOR RIEPE: Oh, you have some psychiatrists at hand? [LB240]

KATHRYN MENOUSEK: There's a psychiatric nurse practitioner that comes to the Columbus clinic from the Nebraska Medical Center three times a month and she's going to be, I believe, coming more frequently starting April 1. [LB240]

SENATOR RIEPE: But she wouldn't have prescription authority. I'm thinking more like... [LB240]

SENATOR KOLTERMAN: Yeah, she would. [LB240]

SENATOR RIEPE: She would there? [LB240]

KATHRYN MENOUSEK: Yes, she does. [LB240]

SENATOR RIEPE: Oh, my goodness. [LB240]

SENATOR CAMPBELL: They do. Okay. Any other... [LB240]

SENATOR RIEPE: We didn't have that in Omaha that I was aware of, but go ahead. [LB240]

SENATOR CAMPBELL: Any further questions? I have to say that I remember when the testimony was taken for one of the first times that we looked at BHECN or that we looked at this kind of program was from a nurse that was in a small clinic in Nebraska who had been working with a young person and she knew that that person had deep depression and kinds of problems but just didn't know who to talk about. And, as she said, we lost the patient. But she said, it was through BHECN that I finally got some help for all the other young people that we had in our practice, because she just was...felt isolated and she didn't know who to talk to. So that was a selling point for the senators as we sat on the Health and Human Services Committee because we knew that we needed to provide that outreach to people, pediatric clinics all across the state. Anyway, thank you for your testimony. [LB240]

KATHRYN MENOUSEK: Thank you. [LB240]

SENATOR CAMPBELL: Our next testifier, proponent. Anyone who wishes to oppose the bill? Anyone in a neutral position? Senator Hansen, I think we are back to you. [LB240]

SENATOR HANSEN: Thank you again, Chairwoman Campbell and members of the Health and Human Services Committee, for considering this bill. I'll close just by saying we seem to have a great consensus that this is an effective program to help make sure behavioral healthcare is available in more and more communities throughout our state. And I would ask you to advance the bill. [LB240]

SENATOR CAMPBELL: Good. And, Senator Hansen, just to make absolutely sure for the record, as I read the fiscal note, this is a part of the University of Nebraska's base budget. [LB240]

SENATOR HANSEN: That is my understanding, so that this program has already been provided for in the university's budget. [LB240]

SENATOR CAMPBELL: Okay. [LB240]

SENATOR HANSEN: So my bill itself has no fiscal impact. [LB240]

SENATOR CAMPBELL: Got it. Okay. Anything else? Thank you, Senator Hansen. That's a good note to end on. And that concludes our hearings for today. And for the senators, we'll see you tomorrow. [LB240]