ARCH: Well, good afternoon. Welcome to the Health and Human Services Committee. I've been waiting a long time to say this, but welcome to the Senator Day day. [LAUGHTER] Honest, I've been waiting a long time to say that. My name is John Arch. I represent the 14th Legislative District in Sarpy County. I serve as the Chair of the HHS Committee. And I'd like to invite the members of the committee to introduce themselves, starting on my left with Senator Cavanaugh.

M. CAVANAUGH: Threw me for a loop. Hi, I'm Senator Machaela Cavanaugh. I represent District 6, west-central Omaha, Douglas County.

WILLIAMS: Matt Williams from Gothenburg, Legislative District 36.

ARCH: So also assisting the committee is one of our research analysts, Bryson Bartels, our committee clerk, Geri Williams, and our committee page, Morgan. A few notes about our policies and procedures. First, please turn off or silence your cell phones. This afternoon we'll be hearing four interim study resolutions. We'll be taking them in the order listed on the agenda outside the room. The hearing on each resolution will begin with the introducer's opening statement. At the request of the introducer, all four resolutions are limited to invited testifiers only. After the opening statement, we will hear from those individuals. I'll call them up in order. The introducer of the resolution will then be given the opportunity to make closing statements if they wish to do so. For those of you who have been invited to testify, you will find green testifier sheets on the table near the entrance of the hearing room. Please fill one out and hand it to the page when you come up to testify. This will help us keep an accurate record of the hearing. I'm asking that you try to limit your testimony to five minutes each. The light system will be given-- will give you an indication on how long you've been speaking. At four minutes, the yellow light will come on and the red light at five minutes. These are study resolutions for information gathering purposes only and not bills, so there's no record of proponents and opponents. However, if you wish to submit written comments for the record, you may do so online via the Chamber Viewer page for each resolution. These comments, those comments must be submitted prior to noon on the work day before the hearing in order to be included in the official record. It is obviously too late for today's resolutions, but I wanted to point out that that feature is still available on the Legislature's web page. So with that, we'll have one more introduction. Senator Walz, if you'd like to introduce yourself.

WALZ: Yep. My name is Lynne Walz, and I represent Legislative District 15, which is Dodge County and part of Valley.

ARCH: All right. So we will begin today's hearing with LR266 introduced by Senator Day.

DAY: Good afternoon, Chairman Arch and members of the Health and Human Services Committee. I appreciate everybody being here today for four hearings on topics that are very important to me on a Friday, a beautiful Friday afternoon. So I appreciate you guys being here and taking the time out today. So my name is Jen Day. That's J-e-n D-a-y and I represent Legislative District 49, which is north-central Sarpy County, including the areas of Chalco, portions of Gretna and western Papillion-La Vista. The first of our hearings today is LR266. This resolution is part of the multiyear effort to strengthen the protections that children and families have in childcare and arose following a disturbing series of child abuse incidents at a chain of childcare facilities in west Omaha and Sarpy County. These incidents exposed that despite the best efforts of state agencies and local law enforcement, the statutory structure currently provided by the state is insufficient to address out-of-home child abuse. This has created delays in substantiating claims, which has needlessly extended abusive situations during the most critical and fragile time of child brain development. Last year, this committee took its initial steps in addressing these shortcomings by passing LB854. The need for these changes were identified after conversations with parents when it became clear that the distinct but connected responsibilities given to different divisions within DHHS highlighted a need for communication to be better clarified in state statute. Currently, under our state child abuse regulations, when DHHS receives a report of out-of-home, out-of-home child abuse, any childcare facility, both the Division of Children and Family Services and the Division of Public Health are responsible for different areas of the investigation. In this process, CFS receives reports of child abuse and neglect through the hotline and screens those reports to determine if an investigation is necessary. If it is necessary, CFS either conducts the investigation or refers the case to law enforcement. DHHS Public Health is responsible for childcare licensing, which includes investigating violations of safety regulations in licensed childcare facilities. Put more simply, CFS deals with investigations of individuals and public health licensure deals with investigations of facilities. LB854 adjusted procedures so that when DHHS receives a report of out-of-home child abuse in a childcare center, the Division of Children and Family Services must immediately notify the Division of Public Health

Licensure of receipt of the report, including whether or not an investigation is being undertaken by a law enforcement agency or the department. This change will allow public health licensure to spot trends in reporting and more quickly identify areas where abuse may be occurring. Strengthening coordination should allow for an increased awareness of situations like many of the parents here today experienced. However, there are still changes that must be made to better protect children in these situations, give providers more clarity, and empower parents with information about their rights in this process. Currently, statute already requires immediate notice to the guardian of a child in a case of an out-of-home childcare abuse allegation. However, over and over, we have heard from parents that this notification was not immediate. Furthermore, even when notice of child abuse was immediate, we discovered several areas where parents should be notified but there is no statutory or regulatory basis for that notification and we hope to see this remedied. Throughout two years working with parents, we have identified a number of potential solutions. These involve but are not limited to including information on the reporting process directly to parents during childcare enrollment, enhancing notifications so that parents are aware when there's been a substantiated abuse case within their facility, and adjusting processes so that parents can tell when a violation was self-reported by the childcare center. Today, you will be hearing from parents who had to learn often secondhand, that their children were abused in the care of others and who spent months trying to navigate an overly opaque and bureaucratic process just to get basic information on the severity of the trauma their children had suffered. As parents, the greatest trust we can give someone is in looking after our children. As lawmakers, it is our responsibility to do all we can to reasonably ensure that our structures work to help families when these tragedies occur. In a different situation, this could have been any one of our children, and it is my hope that we can take the experiences that we will hear today and work to prevent this from happening to other parents in the future.

ARCH: Thank you. Are there any questions for Senator Day? Seeing none, thank you. We'll now begin the list of invited testifiers with Katie Bass from First Five. Welcome.

KATIE BASS: Thank you. Chairperson Arch and members of the Health and Human Services Committee, my name is Dr. Katie Bass, spelled K-a-t-i-e B-a-s-s and I am the data and policy research advisor representing First Five Nebraska. First Five Nebraska is a statewide public policy organization focused on supporting policies that promote quality,

early care and learning experiences for young children in our state. I would like to thank Senator Day for introducing LR266 and examining Nebraska's process related to investigating reports of child abuse and neglect in licensed childcare facilities. Attached to my testimony is a list of recommendations based on the work to date on LR266. Today, I'll address two key recommendations around parental notification, but if there are questions about additional recommendations in the attachment, I'm happy to address those as well. So our testifiers today are going to discuss that during investigations of maltreatment in licensed childcare facilities, we could have several different organizations involved. We could have law enforcement, DHHS, Division of Child and Family Services and DHHS, Division of Public Health, and each with a different investigation goal and responsibilities. So ensuring appropriate information is communicated with parents at the appropriate time and that parents understand the process and roles of each involved investigation agency is vital, especially at a moment that can be frightening and overwhelming. Well, how did-- a testifier who will follow me and talk a little bit more about what is required right now in statute, but I want to talk about some of the areas that we did not see statute built around. So we know that right now required is notice to a parent at the outset of an investigation into abuse alleged to have been perpetrated against their child. And that's an important baseline that we have. But through our work in this interim study, we have identified two additional parent, parental notifications that will empower parents to make decisions about their child's safety and respond to concerns at a licensed childcare facility by having all of the information brought to their attention. The first one is that parents whose children attend a licensed childcare where there has been a substantiated case of child abuse or neglect should be notified. This notice should only occur after the allegation is substantiated, and in order to protect the victim's privacy, it should not include their name or information about the case specifically. The other area is that parents should be notified of licensing violations that result in disciplinary actions against the license holder. We'll hear today that several of the allegations did not meet the threshold for a child abuse and neglect investigation and were instead handled as a licensing violation investigation. And in some of these instances, this may result in a disciplinary action against the license. And so when this happens, if there is a disciplinary action, like a probationary license or suspension or revocation of the license or imposing a civil penalty or restriction, so these are the disciplinary actions laid out in statute, that when that occurs, there is currently no statutory requirements for

notification of parents whose children are currently enrolled in that facility. So by notifying parents whose children are enrolled in a licensed childcare facility with substantiated allegations of abuse or neglect and disciplinary actions against the licensee, parents will be empowered to make decisions about their current care situation. I want to thank the representatives from DHHS, the Child Advocacy Centers, law enforcement, for their willingness to walk through the various roles, responsibilities, and processes related to investigations. These discussions were illuminating to the complexities of cases that you'll hear about today and are potential opportunities for improvement. And of course, thank you to the parents that you're going to hear from and others who have spoken about their experiences during the investigation at Rosewood Academy. It is difficult to have to relive these over and over again, but their tenacity and dedication to make sure other children do not face the same issues their children experienced is truly admirable. Thank you for your time today, for advancing LB854 last year, and for your consideration of opportunities to improve the process for investigating and notification of child abuse and neglect allegations in licensed childcare. And I'm happy to answer any questions.

ARCH: Are there questions? Senator Williams.

WILLIAMS: Thank you, Chairman Arch, and thank you, Dr. Bass, for being here. Could you help me understand the process of determining if an allegation is substantiated?

KATIE BASS: Sure. Yes. So there are sort of two different routes that may be involved in this. One is through the Department of Children and Families— of Children and Family Services in HHS. And they will gather that information and they can make a determination based on the evidence that they have. And then there's also court substantiation. So when a case goes through the court process, they're substantiated, substantiation occurs there.

WILLIAMS: Thank you.

ARCH: Other questions? Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thank you, Dr. Bass, for being here. Kind of following up on Senator Williams' questions. As far as timeline goes, so that sounds like that might be a long time from when the incident occurred to when they would be required to notify additional families, is that—

KATIE BASS: That is true. And that's something we wanted to be really thoughtful about. That, first of all, there is requirement for the families who are involved in the investigation, but we also want to be conscientious of making sure that the investigation process can play out like it needs to play out. And if there are instances where that would not be substantiated, we need to take that into consideration as well. And so we thought at the point of adding a name to the central registry, right, once that substantiation happens, made the most sense for when we would notify other parents of the investigation actively.

M. CAVANAUGH: Is there anything prohibiting a childcare facility from notifying all parents?

KATIE BASS: Absolutely not, no.

M. CAVANAUGH: And then I also noticed that in your testimony, the statute 28-713 requires law enforcement to immediately notify each person of custody.

KATIE BASS: Yes.

M. CAVANAUGH: And that might have been my bill from four years ago, I'm not sure. But do we need to consider laying out what immediately means, or do you feel like that's working the way it should be?

KATIE BASS: That's a possibility. That is, that has come up a couple of times in talking with folks is what does immediately mean and in what situation. I will say we've had conversations with law enforcement who have said there's a couple of things, is that sometimes at the very outset of the investigation, the parent may, in fact, be a suspected perpetrator. And so that would affect how notification may work. And that also, in some instances, there may be a report that hasn't fully identified who all of the victims are, and that could affect some of that, that timing. But so that is something to consider because immediately does not necessarily have a direct time attached to it.

M. CAVANAUGH: OKy. Thank you.

ARCH: Other questions?

KATIE BASS: OK, and can I, I'm sorry, can I also say that I did say that there's nothing that stops the childcare provider. But I would, I would say that may be dependent on how law enforcement investigation is happening, right? If there are things that would interfere with the

investigation, I could see at the very least being advised to not to notify, right, at certain points.

ARCH: OK. Very good. Seeing no other questions, thank you for your testimony.

KATIE BASS: Thank you.

ARCH: I'd like to call Ashlynn Turner to testify. Good afternoon. Welcome.

ASHLYNN TURNER: Hi. My name is Ashlynn Turner, A-s-h-l-y-n-n T-u-r-n-e-r. I'd like to start by thanking you all for taking the time to be here today and listen with open hearts and minds. I was here just nine months ago speaking with you guys. I'd like to also thank Senator Day and her entire staff, as well as Dr. Katie Bass and First Five Nebraska for their continued dedication to early childhood education and safe, accessible childcare for all Nebraska families. Since speaking to you all in January, it's continued to become abundantly clear that the laws, that the way the laws are currently written, that there are a lot of cracks that children are falling into and actively being lost to either follow up or follow through in the system. In order to partially illustrate this, I would like to read to you some clips from one of the DHHS licensing reports regarding my child's teacher at Rosewood Academy Southwest. However, I implore you to read the full reports that are linked here in my testimony in their entirety. I think you will be shocked and horrified. OK, so I'm going to quote: Complaint inspection. Staff one can be seen on camera pushing, pulling, yelling and dragging children. Staff one was seen laying on child one and child one was yelling owie and trying to push staff one off. Staff one had child one and child two on their backs, on cots and held blankets over their faces while they screamed and kicked. The director and staff two were informed of the incident. The director and staff two watched the incident on camera and only told staff one not to cover the kids's heads during nap. Director and staff two were told that staff one yells and grabs kids, specifically child one, child two, child four and child five. The director and staff two responded, those are the ones that push her buttons the most. Interview with staff three. Interviewed staff three who stated that they previously worked at the center but no longer wanted to work there because the director wouldn't do anything about staff one being too rough and aggressive with children. Staff three states that staff one was especially aggressive with child two and it wasn't reported to the parents because the staff were told not to say anything, end

quote, There were a total of five children referenced in this single report, and not a single one of these parents was ever notified that their child was listed in a substantiated claim. Furthermore, staff one, which was my child's teacher, was eventually fired almost 12 months later for forcing a child to sleep on the floor of a locked, enclosed bathroom by themselves as punishment for not taking a nap on the cots provided. However, or how many other children were subjected to her mistreatment between the time that this initial report was substantiated and when she was actually fired for the bathroom incident? I would guess a lot. Unfortunately, this is not where the story ends. Three months after she was fired, in March of 2021, when all of these allegations came bubbling up to the surface, we found out that this exact same teacher was employed at another day care just down the street. This new day care center did all the right things. They performed the background checks, they completed the state requirement, required fingerprint checks, and even paid for up ground -- upgraded background checks, which was a policy for that particular day care on all new hire candidates. Since there is no individual tracking for day care workers in the state of Nebraska and substantiated claims were never shared with any of the parents, the reports were effectively buried. They had no way of knowing who they were about to hire. Rosewood Academy continued to operate with teachers mistreating children, and the directors and owners continued to neglect reporting forms of prohibited discipline. The new day care hired this teacher having no knowledge of her history of mistreating children, effectively allowing the cycle of mistreatment to start all over again. I believe it was Senator Cavanaugh who aptly pointed out at our last hearing for LB854 in January, that even the handful of people who are actually charged in these cases were charged with less than what driving without a license would amount to. And I did look that up and you were correct. My son's teacher received diversion and her misdemeanor was dropped. So not even that, ultimately. I would like to reiterate that the adults caring for our children not only knew about all of these cases of mistreatment, but did not report it to the proper authorities and continued to allow these type of teachers to care for largely nonverbal children who are completely incapable of defending themselves or telling anyone about what was happening to their peers. Nebraska is a mandatory reporting state. Most of these families didn't get justice, and I guess that's how the world works sometimes. I'm learning how to be OK with that, but I need my child's suffering to mean something, and I need to know that my child's suffering will help prevent someone else's child from suffering. I need to know that what our family and what all of these

families went through will mean something. And that while I'm not certain of many things in life, I am certain that based on our experiences with this system over the last 18 months, that what happened to us and all of our children is most certainly happening right now somewhere else in the state. There will always be bad people in the world, but I need to show that my, my kids or maybe myself, for that matter, that they are good ones too, ones that won't forget about their suffering, ones that won't say, well, it could have been worse, as if it somehow makes what happened to my child more excess-- more acceptable. It is not acceptable to hold a toddler down on a cot with blankets over their faces, forcing them to sleep. It's not acceptable to lock children alone in bathrooms to sleep on floors because they won't nap on a cot. It's not acceptable to drag children by their arms and legs across floors while they're kicking and screaming in fear. It's not acceptable to threaten teachers and staff into not reporting for fear of losing their jobs. And if even one of these submitted claims has been reported to all, if even one of these submitted claims had been reported to all of the parents at our facility, as this new statute proposes, it could have prevented so many of these families and children from suffering. Giving parents the power to make informed decisions about their children and those who care for them cannot be understated. And if I would have known better at the time, I could have done better. And now we all have the responsibility to do better, now that we know better. Thank you for your service and your time today. I sincerely appreciate each one of you for listening to us and the work that you're doing for our state.

ARCH: Thank you for your testimony. Are there any questions? Seeing none.

ASHLYNN TURNER: Thank you.

ARCH: Thank you again. Matt Turner.

MATT TURNER: I should have read my wife's testimony before listening to that, right behind. My name is Matt Turner, M-a-t-t T-u-r-n-e-r. I am the parent of three children that attended Rosewood Academy. Thank you to this committee, Senator Jen Day, Senator Brett Lindstrom, First Five Nebraska for all getting us to this point today. I'm appreciative to everybody here that, for allowing an open discussion and dialogue to discuss ways we can improve the laws and regulations intended to protect the children in Nebraska. Back in January, the parents of Rosewood Academy brought forth a few of our stories. You heard them. We detailed multiple cases of mistreatment and abuse that were covered

up by Rosewood Academy and disregarded by the Department of Health and Human Services. You heard that even after claims of abuse were substantiated by the state, the parents of the children involved were not notified of the result of the investigation, let alone that an investigation even took place. When DHHS concludes an investigation and a child is mistreated at a day care facility, all parents at that facility deserve to be notified to make the most informed decision about the care of their child. I want to talk today about accountability. My wife alluded to it regarding the teacher of our son. Since we last spoke, that teacher was scheduled to be charged for what appeared to be three counts of child abuse. I wish I could be more specific about the details of those charges, but to be honest, getting clear, reliable information from law enforcement was pretty much an impossible task. What started as three children being identified and the charges were dropped to two children on the day of her first hearing due to a clerical error, we never got any information on what that meant. And as the court date was pushed back, the number of children involved dropped to just one. It was a sudden, jarring redirection from law enforcement with no warning to the family involved. Imagine preparing to go to a court, to go to court, a court hearing for someone that abused your child and at the last minute, without explanation, the rug is pulled out from underneath you. No context as to why is ever given. The teacher moved away to Texas. She was given diversion. The charges disappeared and any hopes of accountability with it. There's two established Nebraska statutes that I want to highlight. Nebraska Revised Statute 28-713, which is when a report contains an allegation of out-of-home child abuse or neglect, a law enforcement agency or the department shall immediately notify each person having custody of each child who has allegedly been abused or neglected. I believe you'll find in our experience that not only was this statute not followed, but when pressed to follow through with the statute in our moment of crisis, we were disregarded. DHHS refused to confirm or acknowledge our children's involvement in the reports and despite contradictory, contradicting the statute, instead forced us to go back through Rosewood Academy to verify if our children were named in these reports. I also want to talk about Nebraska Revised Statute 28-717, which is any person who willingly, excuse me, any person who willfully fails to make any report of child abuse or neglect required by Section 28-711 shall be guilty of a Class III misdemeanor. Despite providing hard evidence to law enforcement and DHHS that Rosewood Academy owners and employees had knowledge of, covered up and deliberately failed to report child abuse, not a single charge for Class III misdemeanor was ever filed. We provided proof in the form of

emails and recorded conversations with, between Rosewood and parents that this occurred. On December 14, 2020, a concerned parent emailed Rosewood about complaint 36-- 33616. It was a substantiated abuse investigation that concluded, quote, based on the above facts, a violation of 391 NAC 3-006.20[a], prohibited form of discipline number nine is found to be a substantiated. In the concluding summary, there were defined corrective actions for the teacher and Rosewood management. That's the case that my wife read from. However, when responding to the concerned parent, Rosewood management lied and they stated, quote, It sounds like there is some inaccurate information on that report. All of the claims were unfounded and corrective action was not taken against the employee. That's what Rosewood told us. The employee would not be allowed to work there if anything like that ever happened. End quote. Four days later, in an email from Rosewood owners to all Rosewood directors from December 18, 2020. Quote, Ladies, please make certain your entire management staff knows that before you call any state authority, you must call Carl or myself. Ignoring this request will be grounds for termination. End quote. We handed all that over. Nothing came of it. They took, law enforcement and DHHS took no action against Rosewood ownership or management staff for those specific violations regarding mandatory reporting. I think you'll find the language that exists in these and other existing statutes don't go far enough to protect the still-- protect the children of Nebraska. Furthermore, without any accountability to follow these statutes within law enforcement, DHHS or Rosewood Academy, these statutes are effectively just ink on a piece of paper. Thank you, guys, again for this hearing today. Appreciate it.

ARCH: Thank you for your testimony. Are there any questions? Seeing none, thank you again. Next, testifier, Laura or Kristian Jones. Not going to be here, OK. We'll move to the next, Ashley Harris.

ASHLEY HARRIS: Chairperson Arch and members of the Health and Human Services Committee, my name is Ashley Harris, A-s-h-l-e-y H-a-r-r-i-s. First, I would like to thank you all for being here, and I would like to thank Senator Day for introducing LR266. To start, I would like to give you some background on our story. On February 9, 2021, our world was rocked. I came home from work that evening like any other evening and noticed bruises on my daughter's head, who at the time was only five months old. I am a nurse practitioner that practices in child abuse and neglect, so immediately when I saw her injuries, I knew things were not good. I thought to myself, this is bad. Those that don't cruise, don't bruise. That is a saying we teach in trainings and my daughter was definitely not cruising. I called Rosewood and they

had no explanation of how it happened. The next day we ended up at Children's Hospital, where she underwent a multitude of diagnostic tests due to her injuries. I soon realized it wasn't only Rosewood I would be upset at. When we were at Children's, after the provider made the DHHS hotline report, she came in and said, quote, Ashley, it is bad, but Mya might have just saved some kids' lives, end quote. She told me that the person on the other end of the phone stated "another one" when she stated what day care my daughter went to and stated that they've had multiple reports and haven't had any children with injuries, so not much could be done. So they were hoping that maybe something could be done now. Yes, you heard me right. Basically, they stated they had to wait until a child was showing they had been physically hurt to get something done. That same day I left Children's, I called DHHS supervisor, whose name I was given. She told me things that honestly just made me sick. She stated that Rosewood is a terrible day care and her exact words, in quote were, I wouldn't even send my dog there, end quote. She stated in quote, We would shut it down if we could, but that's up to licensing, end quote. So this is telling me that the department that is supposed to protect our children and investigate abuse allegations wants to shut it down, but yet they can't. That seems backwards to me. She also stated that all she could do is start calling parents herself personally to tell them, but not from the agency. Working in this field for the past six years, I have seen many system miscommunications and honestly failures. I can assure you that experiencing this system failed for you personally is 100 times harder. One of the major system failures in our case was a lack of communication. I hadn't heard from our assigned worker for over a month. Not once over the course of the next few months, did any DHHS worker step foot in my house, interview me or my husband, or talk to my other children. Now I know that those things should be done as there are requirements and there are timelines that need to be met. I had to ask, when is somebody coming over? What is going on? What is, what's the update? I never had clear answers. Over the couple of months, I had to tell three DHHS, CFS staff and one licensing staff my full story, all of which sounded like they hadn't been updated. I won't go into detail the issues with law enforcement, but just know that the communication that is supposed to happen between DHHS and law enforcement with these cases was not happening. As a parent, not a professional, I quickly and completely understood why parents do not trust the systems that are in place to protect their children. It felt like nothing was getting done, even though we knew something happened and we had healthcare professionals giving education on why a baby would not have these injuries. Then, to make matters worse is to find

out how many abuse investigations had been done and are currently being done, I can tell you finding out after the fact is not helpful. Had I known any of this past information, like the stories you've heard from the other brave individuals that previously testified and are here again today, I would not have chosen to go to this day care. As parents, we have to know about when abuse investigations are going on. We have to be informed immediately that our children are involved and the cases have to be worked the way they should be. I appreciate this interim study and looking at how DHHS hotline used to report all abuse allegations from licensed childcare facilities to licensing, and that any substantiated abuse case at a licensed childcare center, all parents should be notified. That is a good first step, but please, please be open to the fact this won't be enough. There must be more and I feel like notifying parents of substantiated cases may not be enough, as many cases don't arise to that. But as a parent, if I see a strong history of abuse allegations, I want to take a substantiated case for me to start asking questions. Like our case, it was too late. Our childcare centers need more funding. Childcare employees need more education on abuse and mandatory reporting. And these cases need looked at closer. We know most children at day cares are age zero to five, and that is when they're most at risk. We have to want to do better and put systems in place to dive deep into licensed day care allegations and have all of our departments communicate together. Communication between departments needs to happen and be better, and there needs to be systems in place to ensure that this gets done. Lastly, the communication with parents needs to be timely, frequent, and informative. I want to thank you for being here today and your service, and I truly appreciate all the work that you've been doing. I hope that as the department of our state that is designed to protect children, you also are recognizing our children and communities deserve better.

ARCH: Thank you for your testimony. Are there any questions from the committee? Seeing none. Thank you very much. Amanda Sway.

AMANDA SWAY: Hello. My name is Amanda Sway, A-m-a-n-d-a S-w-a-y. I would like to thank Senator Day for introducing this. Our lives were completely turned upside down March 30, 2021. We'd spent the previous two days searching for a new day care after Rosewood abruptly closed its doors. I received a call that night from another parent and learned for the first time that my daughter had been involved in an incident that had happened at the day care three months before. It had been three months since the incident happened. Three months since it was investigated by DHHS's childcare licensing department, and three

months since DHHS had substantiated the claims. I found on the report online and my husband and I spent the night trying to justify which form of abuse we would be OK with because we didn't know which child out of the six were ours. Our daughter was one at the time. Her legs were taken out from underneath her because the teacher became frustrated with her and it caused her to fall and hit her head on the hard floor in the process. I never received a notification from DHHS reporting or regarding the substantiated report. The day care never provided me a copy of the report and I never saw a notice at the day care regarding the licensing violation. DHHS, CFS Department, initiated a child welfare investigation back in December of '20 based on the same information that licensing did. However, the CFS department identified only one child of the victim of child abuse and neglect, while the licensing investigation identified six who were impacted. Because of the contradicting information, my husband and I called the police department to file a report on my child's behalf just to be careful. And within five days, the teacher was charged with a misdemeanor. Two days later, I received a call from DHHS stating that there was an emergency at Rosewood. Our kids were not safe and they will not be opening again. This was three months after my daughter had been hurt, three months after they had substantiated the report. And to make matters worse, I had two kids there. So I received two phone calls that night with the same message. My children are not safe. I had a phone call conversation with members of each department, and during that time CFS told me they couldn't have notified me because there was an open investigation by the Omaha Police Department. When I asked the detective who oversaw my daughter's case if there was a report of my daughter's incident anywhere, she had mentioned that there was never my name nor the teacher's name notated anywhere in there. So that was a direct contradiction to what the department member had told me. I found out through the news that my daughter had cried for an hour afterwards and was scared to go by the teacher. No family should ever have to get their information like this. No family should ever have to spend weeks trying to get information on an incident where a child was hurt from a department that makes it entirely too difficult to find this information. And the families should not have to be the ones who have to call in to the police department when DHHS already has the report in order to see something to happen. During one of my phone calls with the investigators at DHHS, they said to me, We are not required to do that, but I agree with you. I hope this incident is what helps change the system. The families want to see change. The employees within each division even want to see a change and it's time to make that a

requirement so these changes can happen and no one is left in the dark. Thank you for taking the time to listen to all of our experiences.

ARCH: Thank you for your testimony. Any questions? Seeing none, thank you very much. Ivy Svoboda. Good afternoon.

IVY SVOBODA: Good afternoon, Senator Arch and members of the Health and Human Services Committee. My name as Ivy Svoboda, I-v-y S-v-o-b-o-d-a. I'm the executive director of the Nebraska Alliance of Child Advocacy Centers. Thank you to Senator Day, this committee, and the Legislature for solidifying the collaboration between childcare licensing, child protection and law enforcement on child abuse and neglect investigations last session. Thank you as well for further examining Nebraska's reporting and notification processes in childcare related cases. And I also want to thank the families for coming here today. Very important. The Nebraska Alliance of Child Advocacy Centers is a nationally accredited membership organization for the seven child advocacy centers, or CACs, which now serve over 8,000 children and families annually as part of the child abuse and neglect response in all the 93 counties in our state. Our CAC members are community-based organizations who are charged with providing high-quality, trauma-informed services to assist with investigations of child abuse and neglect. They're also charged with assisting the coordination of over 115 local, multidisciplinary child abuse and neglect investigation and treatment teams throughout Nebraska. When an allegation is made to 9-1-1 or the child abuse and neglect hotline, Nebraska statute requires the parents should be notified immediately by either law enforcement or the department's Child and Family Services Division when there is a suspected out-of-home abuse. Nebraska statute also, as we've heard earlier today on both of these pieces, allows coordination between law enforcement and the department's Child and Family Services Division so that they can figure out who is best suited to make that notification to parents. Additionally, CACs are in statute as part of the coordinated response to child abuse and neglect. In fact, coordinated, collaborative approach to child protection and child abuse investigations is at the core of what CACs do and what we believe. When a child and their family are served at a child advocacy center, CAC, parental involvement is essential to reducing trauma and improving outcomes for children and their families. Our advocates at the CACs provide up-to-date information on the case, ongoing support, and access to comprehensive services that are critical to a child and family's comfort and ability to participate in an ongoing investigation,

possible prosecution, intervention, and treatment. Such access to services includes medical, mental health, support groups, parental education, informational meetings, crisis counseling, education, training, and understanding of the client/victim's right. CACs can also provide education to the organizational communities involved, education to them and/or to rever-- review their internal community organizational policies around child abuse and neglect. Bottom line, the utilization of CACs can help ensure parent notifications occur quickly and each child and family's unique needs can be identified. Children and their families are best served when the many different agencies involved and professionals who investigate, respond, and provide support following child abuse allegations work together. When agencies don't partner effectively, there may be information lost, leaving children and families confused, overwhelmed, stressed, strained with conflicting requests and information. Nebraska Alliance wholeheartedly supports efforts to ensure that coordination across those key agencies occurs so that children are safe and well and families have needs to fill and agencies can maximize resources. We believe that our state should continue to revisit, strengthen, and improve both our policies and financial investment in a coordinated response to child abuse. The Nebraska Alliance and CACs stand ready as partners, of course, to help the Legislature improve investigation. And thank you to Senator Day and all of you for introducing and listening to this important interim study.

ARCH: Thank you very much. Thank you for your testimony. Are there questions? Senator Walz.

WALZ: Thank you. Thanks for coming today. I want to just understand the abuse and neglect hotline a little bit better. Do you know, is there, do they collect the data throughout the year? Do you know how that data collection works?

IVY SVOBODA: Yes, and they do an annual report. And so they just released the 2021 annual report of all the child abuse and neglect. I think it was a month and a half ago.

WALZ: Okay. So who has access to those that -- those reports?

IVY SVOBODA: Well, the annual, the annual report that's comprehensive and collected, everybody does, its publicly.

WALZ: OK. I guess the other. So what, there's already a mandate to report obviously and that's, that hasn't been working as well as it

should. So I'm just wondering, do you know if there's any type of an advocacy board that reviews DHHS abuse and neglect reports that is not associated with DH-- not an employee-based board?

IVY SVOBODA: So the teams, so the multidisciplinary teams throughout the state, 115 of them, would review child abuse and neglect reports. So if law enforcement has a report that would be affiliated with child abuse and neglect, they'll submit it to the hotline. And so then as well, you know, I probably am going to confuse a little bit, but both of those, so the system should have all child abuse and neglect reports if they're following state statute and sharing the reports because that's listed in statute.

WALZ: OK. Thank you.

IVY SVOBODA: Yeah.

ARCH: Thank you. Other questions? Seeing none, thank you very much. That concludes the invited testimony. Senator Day, you're welcome to close.

DAY: Thank you for your time for listening. These are not fun stories to listen to, but I think it's important for us to understand where there are potential breaks in the system that we can really bolster the system to help protect kids in the future. I did want to mention the hotline, Senator Walz. In addition to the things that were mentioned today in terms of maybe where DHHS or law enforcement maybe needs some guidance on, on how to notify parents, a lot of parents mentioned struggling with contacting the hotline as well. They were told several times, if you don't have the name of the employee or the name of the potential victim, that they can't do anything for them. To me, that feels-- I don't know if that's a protocol thing or how that works. It's another issue that we discovered over this process. And then you mentioned the, the mandate to report. As Mr. Turner mentioned earlier, there have never been any Class III misdemeanors handed out because of a failure to report as a mandatory reporter. And we see that as another issue of, you know, where the center itself notified the employees that you have to contact me first before you go to any authorities or anyone else. And that's, that is in direct violation of what it means to be a mandatory reporter. So maybe that's an area that we could look at, and I'm not sure what those things look like, but that's why we have done this, this interim study is to examine where are the failures in that system and how can we help. So, thank you.

ARCH: Senator Williams.

WILLIAMS: Thank you, Chairman Arch, and thank you, Senator Day, for bringing this. I think we can all agree these are horrifying stories. My question to you, after looking at this and hearing this and being on it for some time, what do you think is the solution to these issues? And is-- does it, will it require legislation to achieve that solution?

DAY: I think that, yes, there are pieces of it that we can help with legislation. What is in statute in terms of requiring notification of parents I think is really important. And I think that maybe clarifying some things for parents when they are putting a child in care. What are your resources in terms of how do I, if I am concerned about something going on, who do I connect with? We don't currently provide that information to parents. It's not required. Maybe ensuring that workers know what it means to be a mandatory reporter and enforcing that at some point. I think there's so many issues here of access to what the reports are and what centers have multiple reports, I think is another issue. My personal thought is that the whole system, we need to have an entirely new system that's much more transparent for parents to, to see what is essentially public record and not so difficult to navigate. If we had a better system of, you know, potential danger in a childcare center, while also making sure that we're, that we're protecting providers as well. Right? We can't go so far. We have to make sure that we're protecting providers because there's a lot of great providers out there that are doing the right thing and doing things the right way and we have to make sure that we're protecting that and, and ensuring that providers feel comfortable reporting abuse in their own facilities and-- because that's an important piece of the puzzle too. I think there's a lot of things that need to be fixed. From what we've seen, I think there are some easy things. Like I said, notification of parents would be the first one for me. I think there's a much larger issue that needs to be rectified that I think it will take us probably some years to handle. But yes, I believe that we can, we can start to solve some of these problems with legislation and just with public awareness of the issues. Because as a parent, when I first came to this and when I was brought in with the Rosewood families, I was completely unaware that parents were not -- you're not required to notify, to notify parents. I had always expected that that was just a thing. So those are simple things that I think we can do with legislation that will help bolster the safety of kids, yes.

ARCH: Thank you. Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thank you, Senator Day. I remember when we had this hearing, I also was surprised because I get notified whenever there's an incident of--

DAY: Right.

M. CAVANAUGH: --even a scraped arm. So some of the things that I'm taking away from here is that there's no required communication between licensing and child welfare. And I think that's from Mr. Turner said that there were one licensing had six complaints, and the child welfare had one. Is that kind of your understanding?

DAY: Yes. So that's what we worked on with LB854, was that requirement of communication between those two entities.

M. CAVANAUGH: And then you said mandatory reporting that there's no criminal action taken--

DAY: Right.

M. CAVANAUGH: --by those that are not doing mandatory reporting.

DAY: Correct.

M. CAVANAUGH: And this is not really, you probably can't answer this question, but I'll put it to you, regardless. Do you know why law enforcement is choosing not to?

DAY: I do not, unfortunately.

M. CAVANAUGH: A great question for me to follow up on.

DAY: That is a great question.

M. CAVANAUGH: And when you say more transparency, do you have an idea of what that would look like?

DAY: I would, you know, I-- it's sort of like a pie in the sky idea because we just don't have any transparency right now, I feel like. But a system where a parent can get online somewhere and say, OK, I'm sending my child to this childcare center or I'm looking at different childcare centers, this one has, you know, ten substantiated reports of child abuse and this one has one or zero or what does that look like. If parents are, or have been notified of a case of substantiated

child abuse at their childcare center, can they look and see if there's been other cases? To me, those are really simple things that parents should be able to access when they're, especially when we're talking about kids who are nonverbal, you know, kids who are five months old, babies and infants and kids who aren't talking yet, who maybe couldn't, couldn't sit down with one of the CACs and explain their experience. A child is not going to, to let the parent know that there's something going on. So the parents have to do that work upfront to, to investigate if their child is potentially in danger at a childcare center. That's what I see it as, as a system that just provides more transparency to parents in where they're sending their kids for childcare.

M. CAVANAUGH: Thank you.

DAY: Yep.

ARCH: Senator Walz.

WALZ: Just another quick question. Do you know if there's mandatory training for staff or employees on mandatory reporting?

DAY: Yes, there is.

WALZ: OK.

DAY: And I believe, as far as I know from even in the incidents of this childcare center, the staff was trained. I used to work in early childhood, and I received that training, but I think it's different from center to center on how seriously that is taken. We know what it looks like at a school age level for teachers to be mandatory reporters, but I think it's a little bit more complex again when the kids are nonverbal and they're in, in day care centers. So I think if it's something that law enforcement took seriously or that parents took seriously, the centers themselves take seriously, then the employees take it seriously. And I think it's an environment issue. I also think that, again, if there's no accountability and the center doesn't see the need for following the mandatory reporter laws, then they can skirt around that and get away with really awful things. And so that training is provided but sometimes it's just almost useless if the center doesn't take it seriously.

WALZ: All right. Thank you.

ARCH: Any other questions? Seeing none, thank you very much.

DAY: Thank you.

ARCH: Before we close the hearing on LR266, I would mention that the Department of Health and Human Services did submit a letter yesterday before the deadline, and so that will be part of the record. We will now continue with LR360.

DAY: Hello again, Chairman Arch and members of the Health and Human Services Committee. My name is Jen Day, J-e-n D-a-y, and I represent Legislative District 49 in Sarpy County. Our second legislative resolution this afternoon is LR360, which looks at DHHS current practices and program developments within CHIP and Medicaid, specifically examining eligibility and enrollment. Today, too many Nebraska children remain uninsured. In 2019, Nebraska had the 11th lowest participation rate among children who are eligible for Medicaid and CHIP as compared to other states. As of 2020, Nebraska ranked 31st in the nation in Medicaid and CHIP eligible children participating in the program. One of the options available to DHHS remains Express Lane eligibility, which was discussed in this committee last session. Express Lane eligibility is a federal program that allows the Medicaid and CHIP to use eligibility information from other programs to make automatic eligibility decisions and enrollment and coverage for children. SNAP is a natural fit in this program because it has lower income thresholds than CHIP and some Medicaid programs. This means that Nebraska kids receiving SNAP benefits are generally income eligible for Medicaid or CHIP. Additionally, SNAP, Medicaid, and CHIP applications collect overlapping information from enroll-- enrollees. Furthermore, there is new urgency to explore these streamlining options as we exit the pandemic and begin to evaluate the effects that the federal public health emergency wind down will have on our state. During the public health emergency, Medicaid did not disenroll members unless they asked to be disenrolled, moved out of state, or died. As a result, the combined total of Nebraska's Medicaid and CHIP enrollment increased from roughly 243,000 people to 304,000 people, an increase of about 25.4 percent, which is on par with the national average. No one thinks that Medicaid should be open-ended in perpetuity. However, throughout this unwinding process, eligible enrollees could lose coverage if they don't receive a notice to renew and as a result, don't return the required documents in the request, requested time frame, excuse me. Additionally, there is the potential for an increased administrative burden as Medicaid agencies nationwide will have a higher influx of renewals that will have to be turned around in time to maintain eligibility. In addition to those who would be directly affected by a loss of coverage, sudden influxes in the

insured population in our state could place further strain on our health providers in the state. Nationally, hospitals are already preparing for increases in charity and uncompensated care and a reduction in federal funds that have been cushioning their costs. Fortunately, our state DHHS is taking steps to prepare, to prepare for this outcome. In correspondence with DHHS, the Department has been helpful in outlining measures being taken to ensure that beneficiaries, even when they may have moved in the past two years, will be contacted with re-enrollment information. This includes new temporary federal CMS guidance that will allow DHHS to get updated information directly from beneficiaries' health providers using the national change of address database, using a commercial address validation service, and efforts to contact beneficiaries by phone or email. However, our state is not taking advantage of all the tools available to minimize gaps in coverage of eligible individuals. In September, CMS recommended that in order to best transition out of the public health emergency, states streamline the eligibility and enrollment process in three programs, one of which is using Express Lane eligibility findings from other programs, including SNAP, TANF, Headstart and nat -- and the National School Lunch Program, and WIC. As many of you may recall in LB857, 90 percent of the initial implementation costs for Express Lane eligibility would have been federally funded. At the time, DHHS testified that this would be redundant with their upcoming iServe system, which, although still involving separate eligibility determinations, would allow applicants to apply to multiple programs at once. On February 10, which you can find on page 53 of the testimony that I handed out, DHHS provided a timeline of April of this year for the iServe portal to be, in their words, rolled out with ongoing improvements to enhance users' experiences in the future. Later in the hearing, when asked why we would turn down the ELE implementation funds, which you can find at the top of page 56, it was said that this would create significant delays in the implementation of iServe. I bring this up because as of right now iServe remains only a landing page, which then directs applicants to ACCESSNebraska. It does not have the functionality to offer the multiple application ability that we were told would exist in April. In my correspondence with DHHS in September, we were given a timeline for the implementation moving forward with the caveat that completion dates for all launches are currently being determined. At the moment, the timeline for iServe is as follows. Launch one, which went active on April 22, launched the iServe portal home page, which, which routes users back to the ACCESSNebraska website. In launch two, a select group of community partners will receive a new link to use a

single application that will cover both Medicaid and economic assistance programs when helping applications at their locations, excuse me, when helping applications at their locations. Yes. OK. The target date for completion is late spring to early summer 2023. For launch three, the department outlined that the iServe portal will go live for all Nebraskans, but only a certain number of applications will be accepted each day to monitor bandwidth and performance. After the maximum number of applications are received, remaining applications will be routed back to ACCESSNebraska. There was no target date included for launch three. The fourth launch is iServe going full live and it also did not include a target date. This is not brought up to criticize DHHS or to relitigate LB857. However, we should be asking ourselves whether this open-ended timeline to implement the joint application really is a better opportunity than the joint eligibility determinations currently offered by Express Lane eligibility that is still being suggested by CMS. Following me on LR360 will be Sarah Maresh from Apple-- Nebraska AppleSeed, Andrea Skolkin of HCAN, and Nyomi Thompson of I Be Black Girl. With that, I'm happy to answer any questions.

ARCH: Thank you. Are there any questions? Senator Cavanaugh.

M. CAVANAUGH: Thank you. I feel like I have so many, but I'm also not entirely sure. I maybe will have more for you at the end. But I'm trying to recall this hearing and the timeline. Do you recall? You probably read this more recently. What, what specifically if we had moved your legislation forward, would have impacted the iServe timeline?

DAY: They didn't give anything specific. They just said it would slow down the implementation of iServe. So there wasn't any--

M. CAVANAUGH: OK.

DAY: --specifics provided and what, what that meant.

M. CAVANAUGH: All right. Yeah. Thanks.

ARCH: Any other questions at this time? Seeing none, thank you very much for your opening.

DAY: Thank you.

ARCH: Sarah Maresh from AppleSeed.

SARAH MARESH: Chairperson Arch and members of the Health and Human Services Committee, my name is Sarah Maresh, S-a-r-a-h M-a-r-e-s-h, and I'm the healthcare access program director at Nebraska Appleseed, testifying on behalf of Nebraska AppleSeed. Appleseed is a nonprofit legal advocacy organization that fights for justice and opportunity for all Nebraskans. And one core priority of our work is ensuring that all Nebraskans have access to quality, affordable healthcare. And a key piece of that is Medicaid, of course. And as Senator Day mentioned, now there's almost over 320,000 Nebraskans enrolled in Medicaid coverage. So a key piece of that work that we do is making sure that Nebraskans have a system that works well for them. We're here to testify on LR360 today because our state can do more to ensure that Medicaid is accessible for all Nebraskans. And we thank Senator Day for bringing this important interim study. So despite its importance, Medicaid often doesn't reach all the folks that it intends to reach. Administrative hurdles can have harmful impacts preventing eligible individuals from enrolling and staying enrolled. These burdens disproportionately impact people of color. Streamlining processes not only benefits those who are eligible for Medicaid and works to address health disparities, it also yields benefits to the state by increasing administrative efficiencies. At our organization, we know from Nebraskans that administrative barriers like long wait times, unnecessary requests for information, and confusing notices are challenges to maintaining enrollment. Our office recently saw the negative impacts administrative issues can have on enrollees. One particular enrollee received a request for information, was unable to understand the notice and respond to the request, and because of that they received a notice they weren't eliqible for Medicaid anymore. If it wasn't due to the COVID-19 pandemic, this person would have been terminated from coverage despite their high needs and continuing eligibility. It took approximately 45 minutes for this person to navigate the call center before they were connected with someone who could provide the enrollee with information about their case. Ultimately, the eligibility worker was able to resolve the request for information without receiving any new information from the enrollee. This story is just one example of how confusing and unnecessary notices can lead to termination. Similar challenges are also reflected in state data. DHHS data shows that Nebraskans are deeply impacted by what's known as "churn," which is a term used to describe what happens when enrollees lose their coverage but then quickly reenroll because they're still eligible. There is substantial evidence of churn in Nebraska. During the three years prior to COVID-19, there were over 240,000 instances of termination of coverage and reenrollment within a

year. We also know, as Senator Day mentioned, that Nebraska children are missing out on coverage. In 2019, our state had one of the lowest child participation rates in Medicaid and CHIP when compared to other states. So as you can see, there is a strong need to make sure that our Medicaid enrollment, enrollment processes and maintenance systems are streamlined at every step, and not only in application, but also at redetermination. Thankfully, there are a wide variety of steps that states can take to ensure that it processes work well for Nebraskans. And many states have taken similar actions in their own states. States can work to reduce unnecessary paperwork like verification requests by increasing data, data sharing and ex-parte renewals, and also by adopting a measure such as 12-month continuous eligibility. As Senator Day mentioned, Express Lane Eligibility, also known as ELE, is one of the ways states can take advantage of other data sources to enroll kids in Medicaid and CHIP. We heard from DHS, DHHS on the bill that Senator Day proposed last session that this could have impacted thousands of kids. While the iServe application was presented as an alternative at this time, as you've heard, the iServe application hasn't been launched. There's no clear launch date, and it is still not clear that DHHS will actually act on data access programs, as ELE would require. Furthermore, ELE goes further than iServe does because ELE also addresses back-end pieces beyond application. While ELE is technical, the goal is simple. Make sure every kid has access to Medicaid who is eligible, and similar data sharing options are also available for adult eligibility, eligibility determination as well. Nebraska can also increase the rates of ex parte renewals, which means it's just a term of art used to describe when Medicaid renewals can happen without requesting more information from enrollees. According to recent data, Nebraska doesn't perform well in that area as well when compared to other states. And as we've seen from the stories in some of those data I provided, this is an issue that impacts Nebraskans. Finally, providing 12-month continuous eligibility helps reduce excessive paperwork and churn. And we know a majority of states have already adopted this option for children. I'll wrap up here. Medicaid is a vital program for Nebraskans, and the above options, along with many others, are available to help Nebraska improve processes. Our state can do more to ensure Medicaid is accessible. And thank you so much for your time, and I look forward to any questions.

ARCH: Thank you. Are there questions? Senator Cavanaugh.

M. CAVANAUGH: Thank you. I'm looking through the testimony from Director Bagley from February 10, 2022, for the bill and some of the things that the director points to, and I guess I'd just be interested

in your thoughts on this or your perspective, is that there would be doing this ELE, he says, places administrative, significant administrative controls on how the data is shared, as well as how applications are processed in order to ensure member privacy and eligibility determination accuracy as one of the reasons that it wouldn't be advised to do this. And also all children, 94 percent of all children enrolled in SNAP programs are concurrently enrolled in Medicaid and as another reason. And then spot checking 4,000 children eligible for SNAP are not eligible for Medicaid indicated in most cases, families simply just had not applied. So I guess I'm trying to figure this out and I know that Director Bagley is not here, but it sounds like this would make it so that those families that have not applied would automatically be enrolled. Is that correct?

SARAH MARESH: Yes. Yes. And so, yeah, to give a little more background to so what the-- really the benefit of ELE is, Express Lane when relying on SNAP data like Senator Day mentioned, the eligibility criteria of Medicaid and SNAP are very similar. And so we have higher income levels in Medicaid and CHIP and SNAP. So if kids are income eligible for SNAP, they're very likely eligible for Medicaid. And so you're exactly right, Senator Cavanaugh. I recall, too, from Director Bagley's testimony that he said 4,000 kids would be impacted. And, you know, we definitely think that's still a lot of kids that would be benefited by having that health insurance coverage. And so ELE, just to close up, does permit the department to rely on those pieces of eligibility components to automatically enroll kids in Medicaid coverage.

M. CAVANAUGH: So I, I'm confused and it's not your job to clarify his testimony, but why would create significant administrative controls and make it more difficult to process these?

SARAH MARESH: Yeah, I'm not sure I'm the best person to answer that question, but I do know other states have done this and have taken these measures, including Iowa. So there are our neighbors have done it before and other states have too. And, you know, it's still a recommendation that, you know, CMS is pushing to help with the unwind as well.

M. CAVANAUGH: Thank you.

ARCH: Any other questions? I see none, thank you for your testimony.

SARAH MARESH: Thank you.

ARCH: Andrea Skolkin. Welcome.

ANDREA SKOLKIN: Thank you. Good afternoon, Chairman Arch and members of the Health and Human Services Committee. My name is Andrea Skolkin, A-n-d-r-e-a S-k-o-l-k-i-n, and I'm the chief executive officer of OneWorld Community Health Centers in Omaha. And I'm also testifying today on behalf of the Health Center Association of Nebraska, representing the seven federally qualified health centers. Health centers in Nebraska serve over 113,000 patients annually across the state and provide primary, medical, dental, behavioral health, pharmacy, and numerous support services to patients without regard to their health insurance status or ability to pay. Along with comprehensive primary care services, all Nebraska's health centers provide enrollment assistance. We employ enrollment assistance personnel, including the federally funded navigators and certified application counselors who help Nebraskans sign up for the Marketplace plans, as well as Medicaid coverage and economic assistance programs like SNAP. This year alone, the counselors provided Medicaid application assistance for over 20,000 Nebraskans. I think that in itself is a sign of people that are on in the churn, on and off. Enrolling in Medicaid can be a challenging process for anyone, especially those with low health literacy, diminished capacity, or those that speak languages other than English as their native language. The current paperwork required by Medicaid requires a substantial burden to complete for many individuals. Forms are often confusing, questions unclear, and require additional significant documentation, which many patients do not have on hand when we are helping them. This requires multiple trips back to the health centers to work with the assistors and can be in a significant barrier for those without reliable transportation. On average, our assistors in enrollment personnel spend about 90 minutes each visit with each applicant, educating them on available programs and assisting them with the process. Enrollment problems are further exacerbated for individuals with limited English proficiency, and we have experienced materials or translation being provided in the wrong language. For example, one patient continuously received information in Korean, when their language was Karen more of a Asian country or Burma. These barriers make it significantly harder for individuals to be enrolled in health coverage. Also, many patients or community members can't even read in their own language. These barriers do not just affect initial enrollment, but a significant number of individuals, as you heard, churn on and off Medicaid due to difficulties with paperwork and not really understanding that they need to open that envelope and

respond. According to data submitted by the CMS, I believe this is 2019, 72 percent of children are disenrolled by Nebraska and because they didn't improperly fill out the paperwork, which requires then much more work to reenroll. You've also heard that states have implemented policies that streamline Medicaid enrollment process and reduce the churn. Currently, there are 34 other states that provide 12-month continuous eligibility to children, including Kansas, Iowa, Colorado, Wyoming and Oregon recently received approval of an 1115 waiver to provide continuous Medicaid coverage for children birth to age five and two years continuous eligibility for all Medicaid enrollees ages six and up. Washington, California, and New Mexico are pursuing similar approaches. Continuous eligibility, as you heard, is very important to provide high-quality care, especially from an employer or a provider point of view. Income verifications result in churning and significant administrative costs. You've heard about Express Lane Eligibility. We would also support this, especially as the pandemic emergency subsides. This makes enrolling in programs such as SNAP and CHIP very much easier than it currently is and it reduces the amount of paperwork. So we support streamlining the process. And finally, expanding the number of languages enrollment materials are in would help reduce barriers for individuals that do speak and read other languages. We know the state's in process of rolling out that iServe Nebraska and we look forward to full implementation as one solution and we work closely with Director Bagley and his staff to address barriers. However, those barriers seem to continue and we would hope that in this legislation, additional legislation would come forward to help ease this burden of paperwork. So I thank you to Senator Day for introducing this study and look forward to helping you reduce the amount of barriers to enrollment in Medicaid. Happy to answer questions.

ARCH: Are there questions? Seeing none, thank you for your testimony.

ANDREA SKOLKIN: Thank you.

ARCH: Nyomi Thompson.

NYOMI THOMPSON: Good afternoon, Health and Human Services Committee. And thank you, Senator Day, for providing the opportunity to testify. My name is Nyomi Thompson. That's N-y-o-m-i T-h-o-m-p-s-o-n and I am representing I Be Black Girl as our policy and advocacy manager. I Be Black Girl serves as a collective for black women, femmes, and girls to actualize their full potential, to authentically be through autonomy, abundance and liberation through reproductive justice.

Experiencing a lapse in public healthcare coverage is often due to difficulties navigating the state's renewal and redetermination process. Currently, Nebraska's Medicaid program requires households to renew their eligibility annually, a lengthy process that requires the resubmission of information about the household income and characteristics. Eligi-- sorry. Eligibility determinations require information about the household income and characteristic and require interactions between DHHS and families. So opportunities for unsuccessful submissions arise when either families or the state do not take required action during the window in which it must occur. Research shows estimated administrative costs of lapsing coverage is between \$400 to \$500 for only one person. While reviewing eligibility is important for ensuring that benefits are properly allocated to families that are eligible for assistance, there are viable policy options to redetermine eligibility efficiently and ensure eligible families do not experience lacking -- a lapse in coverage. Compared to adults, a greater percentage of children experience repeated gaps in healthcare coverage. This is particularly true for black children and the black community who are disproportionately impacted by lack of access to healthcare, negative health outcomes, and facing an uninsured rate higher than their white counterparts. Access to healthcare through Medicaid results in improved health outcomes and a reduction in hospitalizations. But without coverage, untreated conditions can develop into severe health issues. Research has shown that following enrollment, individuals are more likely to have a usual source of care, regular visits to physicians and preventative care. To combat families losing their healthcare benefits due to the administrative process, we recommend Nebraska files a state plan amendment to implement Express Lane Eligibility. The Urban Institute found this policy can reduce racial health disparities. There is increasing enrollment and retention of Medicaid and CHIP beneficiaries. Enrollment in the program not only reduces preexisting racial and ethnic disparities in access to care about also reduces unmet need and improved continuity of care. Improving the enrollment and redetermination process of Nebraska's Medicaid program is essential to the health of the state. Streamlining public assistance programs will benefit the most vulnerable Nebraskans, ensuring they receive the support to care for their family while striving for economic liberation. Any temporary lack of coverage costs for recipients and short-term hardship and loss of resources and also for state agencies being that duplicative work requires more administrative spending. We urge you to adopt policy options that simplify public assistance enrollment and ask you to support

Nebraska's most vulnerable children in accessing healthcare. Thank you for your time.

ARCH: Thank you for your testimony. Are there any questions? Seeing none, thank you very much.

NYOMI THOMPSON: Thank you.

ARCH: That will conclude the invited testifiers for LR360. Senator Day, as you are coming up, I would mention that there was one letter that was submitted for testimony by the Department and that will be included as part of the public record.

DAY: Thank you again for listening. I don't have a whole lot to add. Our testifiers kind of said it all, but I think this is just a simple thing that several other states are doing that could improve outcomes for kids. And I was excited when, when Director Bagley showed up at the hearing and said that they were already working on something and whatever that looks like, I am happy to support it, but unfortunately it doesn't appear that that program is functioning currently and it doesn't appear that it's going to be functioning for quite some time. So I feel like this is definitely a step we can take to provide kids with better access to healthcare.

ARCH: Thank you. Are there any concluding questions? Senator Walz.

WALZ: Yeah, thank you. Thank you. In last year's testimony, there was some talk about the iServe type project and that they're using considerable federal funds right now on that iServe project. Just curious, do you know anything about have you checked in on like the federal funds as it relates to what they use it for, those funds for? Are we going iServe on the project or--

DAY: We have not.

WALZ: OK.

DAY: I don't think we have heard anything specifically about where the funding has gone.

WALZ: OK.

ARCH: Other questions? Senator Cavanaugh.

M. CAVANAUGH: Yes. So I'm sorry, I didn't realize that there was a testimony from the department, but I see that it doesn't seem like the numbers have been too different. So, according to Mr., Director Bagley's testimony before, it was 94 percent of children are dual enrolled, which leaves 4 percent that are not dual enrolled. I'm sorry, 9-- 6 percent, 6 percent aren't dual enrolled. And his testimony previously said that most, by spot checking, most are eligible but have not applied. And I'm just curious on your thoughts on this. Do you think that has to do with the fact that a lot of school aged children get through the SNAP program because they're filling out-- their families are filling out paperwork for free and reduced lunch and that's how they're identified?

DAY: Yes.

M. CAVANAUGH: And so we're not getting to that other healthcare side of things.

DAY: Yes, I do. Exactly. And if you've never filled out the paperwork, you don't know how-- I said this in the testimony last year. I have filled out this paperwork. Previously, we used CHIP and Medicaid for health insurance as small business owners and as a college educated woman who has, you know, speaks English as my first language, it was really difficult to get all of the information that was needed. And then there was times where we didn't get the information in in time for renewal and it was just a, it was a very outdated, complicated system. And again, this is something similar to the last hearing where I feel like it's 2022, we as a state should have a much more simplified system of allowing families to apply for multiple programs at one time. And they should see there what programs they're qualified for easily, because not everybody comes from the same background in terms of, of English as a first language, education, ability to read, those types of things. So yes, free and reduced lunch is the easiest way for families to qualify for SNAP and that's why that happens, yes.

M. CAVANAUGH: And then I also see in the testimony that Director Bagley does outline or, sorry, I'm giving credit to the wrong person. Nicole Barrett outlines the launch program or timeline for iServe Nebraska, but there isn't any explanation as to why, and I just wondered if you had received this. I ask because previously they've, the department has given us very long timelines and Gantt Charts, which I love a good Gantt Chart, on how implementation is happening.

DAY: Let's see, I have some of that information back here when we asked for it. I don't know if they give an explanation of why it has taken so long. Give me just a second here.

M. CAVANAUGH: Well, maybe we can--

DAY: Yeah, I don't. There's no real explanation of why it hasn't, why it's been continuously delayed and why, you know, I think the most important thing that, that, that I took away from it was I felt like in the February hearing, April was the date that it would be fully live and accessible to everyone in Nebraska. And at least that's how I interpreted that. And now it appears that that in terms of accessibility to everyone in Nebraska, we don't have a date for that yet. So that's where I find that is semi-problematic, yeah.

M. CAVANAUGH: Well, if the department is watching--

DAY: Yes.

M. CAVANAUGH: --I'll be interested to know if they have a more fleshed-out timeline. I know they've provided those to the committee in the past, so thank you.

ARCH: Thank you. Any other questions? Seeing none, this will conclude our hearing for LR360 and we will open the hearing for LR378.

DAY: Good afternoon for third time. Chairman Arch and members of the Health and Human Services Committee, I am Senator Jen Day. That's J-e-n D-a-y and I represent Legislative District 49 in Sarpy County. Our third legislative resolution for today is LR378, which examines Nebraska's process for determining the rate of reimbursement for the childcare subsidy program. Nebraska's childcare subsidy program is designed to help low-income working parents afford the cost of childcare for children under the age of 12. Over fiscal year 2022, there were an average of 12,827 children enrolled in the program, which is expected to grow to 13,212 in 2023. In order to participate in the program, you must either be working, involved with Employment First as a part of the ADC program, going to school, going to medical or vocational training, or have an illness confirmed by a doctor. So while Nebraska's subsidy program helps parents afford quality childcare, it also serves as a tool that's critically necessary for a number of Nebraskans to participate in the workforce at a time where Nebraska's businesses are facing unprecedented labor shortages. The reason I filed LR378 is, as you all know, Nebraska is in the middle of

a crisis in childcare. We face combined and often conflicting challenges that include high costs for parents, low salaries for employees, providers barely breaking even, and a shortage of workers. As it stands, providers have been unable to keep up with the rising wages in other industries that require less training, making it even harder for childcare centers to find qualified staff. For many of our childcare providers, funding through the childcare subsidy program is a vital revenue source that allows them to provide care for families who otherwise could not afford it. The Legislature plays an important role in how subsidy reimbursement rates are determined. Currently, statute requires the use of a market rate survey, a survey designed to gather information about the price of childcare throughout the state and use that information to determine subsidy rates. Yet this committee has heard from childcare providers and early childhood experts through the years, and especially since the start of the COVID-19 pandemic, that the childcare market is broken. I introduced this LR to examine what happens if market rates are used to determine reimbursements within a broken market. Statewide, if providers in childcare facilities continue to close, reduce the amount of children they enroll, or stop participating in the childcare subsidy program, it will have a direct impact, impact on our state's workforce, as parents will have no choice but to leave employment to watch their children. In certain areas of our state this crisis, crisis has already reached a breaking point. In York County, Lisa Hurley, the executive director of their Economic Development Corporation, recently said that they're averaging a childcare gap of around 357 children, and it's impacting York County's ability to find qualified employees and grow their community. So while we may think of this as solely a childcare issue right now, it is truly an economic development issue for the entire state. The childcare Development Block Grant was reauthorized in 2014 and clearly laid out that states need to try to level the playing field for children utilizing the subsidy and increase the number of low-income children in high-quality childcare settings. But if providers do not feel subsidy reimbursements are sufficient to cover their costs, our state program will run counter to this goal. Among the things we can best do to ensure that Nebraska's childcare subsidy program is competitive with privately enrolled children is to have the rate structure that best reflects the costs of enrolling the child and mirrors the private market rate. Additionally, we should be asking whether there are steps we can take to make the program more accessible to providers, whether that would be through more flexibility, changes in provider agreement structures, or models used by other states to encourage childcare providers to participate

in the program. We have invited four testifiers to give insight on LR387. Quentin Brown from Educare Lincoln will discuss the childcare subsidy as a revenue source for providers and show its impact on families. Dr. Alexandra, Dr. Alexandra Daro from the Buffett Early Childhood Institute will explain how the market rate survey is conducted. Dr. Katie Bass from First Five Nebraska will explore the current statutory framework and methodology for rate setting. And Anahi Salazar from Voices for Children will be providing an overview and outline of the program, and I'm happy to answer any questions.

ARCH: Thank you. Are there any questions? Seeing none. We'll ask the first testifier on my list, Katie Bass from First Five.

KATIE BASS: Hello again. Chairperson Arch and members of the Health and Human Services Committee, my name is Dr. Katie Bass, spelled K-a-t-i-e B-a-s-s, and I'm the data and policy research advisor representing First Five Nebraska. First Five Nebraska is a statewide public policy organization focused on supporting policies that promote quality, early care and learning experiences for young children in our state. I would like to thank Senator Day for introducing LR378 to examine the market rate survey and how it relates to childcare subsidy reimbursement rate setting here. We'll hear from Dr., or from Mr. Brown today about the importance of accepting subsidies for families and providers. And Dr. Daro will talk a little bit about the actual analytics and what goes into conducting and analyzing the market rate survey. So what I want to talk about is the practical reasons and the statutory framework for using a market rate survey and some of the concerns with the methodology such as [INAUDIBLE]. So the childcare subsidy program is designed to provide equal access to the childcare market for families enrolled in the program compared to families who access the childcare market through private pay. While states have broad discretion in setting their subsidy reimbursement rates, the Administration for Children and Families or ACF, requires use of a market rate survey or alternative methodology for determining childcare subsidy rates. The ACF does not require a specific benchmark for setting rates based on the survey, but recommends the 75th percentile on the principle that if rates are at the 75th percentile, the rate will be sufficient to cover the private pay of three out of four providers what they would charge, and therefore we would have equal access or close to it. So Nebraska has two statutes that dictate how childcare subsidy reimbursement rates are set. The first is 43-536, and that requires that the state conduct a market rate survey and set a base reimbursement rate between the 60th and the 75th percentile. The second is 68-1206, which mandates that providers

cannot receive a higher reimbursement rate than what is charged to their private pay families. The second component is important because when Nebraska recently raised reimbursement rates from the 60th to the 75th percentile, this did not equate to an increase in reimbursements for all providers. Based on data provided from DHHS, more than half of the providers who accepted subsidy in fiscal years 2021 and 2022 were reembraced-- reimbursed at a rate lower than the 60th percentile. So when the change goes into effect, they would not see an increase in what their reimbursements are. So using price data from a market rate survey to determine subsidy rates assumes a healthy early childhood market. Unfortunately, research has shown that the actual cost of providing care has less influence on market prices than we would like. Instead, providers are setting their prices based on what families in their market can afford to pay. As it is, many families struggle to afford childcare. If providers charge prices that reflected the true cost of care, they would be unable to fill slots, as families wouldn't be able to access them. By basing subsidy reimbursement rates on the price of childcare, we inadvertently embed a broken market into our subsidy system. This is especially true for childcare providers in low-income neighborhoods, family childcare providers, and providers in rural areas whose prices and therefore subsidy reimbursements are more likely to fall below the cost of providing care. Awareness of this broken market system is exactly why the Administration for Children and Families has moved from requiring all states to conduct a market rate survey to requiring a market rate survey or alternative methodology. The attached report and brief outline the most common, the two most common alternative methodologies. But the central theme is that they rely on the cost of providing care as their basis for analysis. More states are introducing these cost analyses as either a standalone or in conjunction with their market rate survey. Utilizing funds from the Preschool Development Grant, Nebraska is working to implement a cost estimation model. This will provide our state valuable information regarding the costs to provide care and how those costs compare to market rates. But it is important to mention that even if the cost estimation model shows significant gaps between the market rates and the cost of providing care, statute currently dictate, dictates that only findings from the market rate survey can be used to set rates. We know early childhood educators are the work force behind the work force. Ensuring we have a healthy childcare market is vital to Nebraska's economy and subsidy reimbursement-reimbursements are an important part of a healthy childcare market. Thank you for your time, and I'm happy to try to answer any questions you may have.

ARCH: Thank you. Are there any questions? Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thank you, Dr. Bass. So I'm looking at the statement from DHHS. It says that they are in the process of changing the current subsidy billing structure from hourly and daily units to half day and full day units.

KATIE BASS: Yes.

M. CAVANAUGH: How does that impact how childcares are-- is this going to help childcares or is this going to be less?

KATIE BASS: I think in some ways it will provide better consistency.

M. CAVANAUGH: OK.

KATIE BASS: So right now, a whole day, I believe, and I will confirm this, is 6 or more than 6 hours. You would get a whole day reimbursement. If it's anything less than 6 hours, it's based on an hourly rate. And in particular, if you're enrolling, I think the best example is children in before and after school care programs. You're not always going to have consistent hours, right? So you might assume that you would be able to bill a certain amount, but if the children are not attending or maybe only attend for half of the day and not the other half. So I think when we move to a half day and whole day, it will be closer to at least for providers to have a better understanding of what they're likely to receive in revenue at the outstart.

M. CAVANAUGH: OK.

KATIE BASS: Right? When you and I pay for childcare, or at least when I pay for childcare, I have to pay for my whole month ahead of time.

M. CAVANAUGH: Yes.

KATIE BASS: Right? When you're being reimbursed for the subsidy program, that revenue doesn't come in until after those hours have been billed, right? And so I think that will help with some consistency and in what you can expect.

M. CAVANAUGH: And so the market rates are vague.

KATIE BASS: Yes.

M. CAVANAUGH: It's sort of a complicated concept to grasp.

KATIE BASS: It is. And that's why I asked Dr. Daro to attend as well.

M. CAVANAUGH: OK, great. Then I'll--

KATIE BASS: No, I'm happy to try to answer some questions.

M. CAVANAUGH: Oh no, I'll ask Dr. Daro these questions. I'm going to hold off. Thank you.

KATIE BASS: Yes.

ARCH: Thank you. Are there other questions? Seeing none, thank you for your testimony.

KATIE BASS: Thank you.

ARCH: Quentin Brown.

QUENTIN BROWN: Good afternoon, Chairman Arch and members of the committee. My name is Quentin Brown, Q-u-e-n-t-i-n B-r-o-w-n, and I serve as executive director of Educare Lincoln, where we provide high-quality care and education for 0 to 5-year-old children and their families. It is my pleasure to come before you today regarding LR378, which allows for an interim study to examine the process for determining the rate of reimbursement for the childcare subsidy program. My colleague before me, and certainly those after me will share with you the technical aspects of our request. But I'm here for the purpose of briefly summarizing why such a program like childcare subsidy is valuable and important to programs like Educare Lincoln and the many families that we serve. Educare Lincoln prides itself on supporting children from high-need circumstances at no cost, and preparing those chosen for kindergarten and lifelong success. Our ability to support these children with our world-class program ensures that we are leveling the playing field for children whose families might not be able to afford this type of care otherwise. This approach is only possible because of our blended funding model, which includes subsidy reimbursements. The ability of programs like Educare to support families who are unable to afford high level quality care is a direct result of the childcare subsidy program. And without the support, many families, those that need us most, may go unserved and in turn jeopardize the future success for their children. In closing, I ask that you have a critical review of the rate setting process to ensure that we can incentivize providers to accept subsidy because

then they would know it is a sufficient and dependable funding stream that will allow them to provide the highest quality care that all children deserve. Thank you.

ARCH: Thank you for your testimony. Are there any questions? Senator Cavanaugh.

M. CAVANAUGH: You mentioned the blended ways that you are able to cover the cost. Could you just expand on that a little bit?

QUENTIN BROWN: Yeah. Yep, so Educare Lincoln, we are a 501(c)(3) nonprofit and our blended funding structure for sustainability purposes is grants, state support, individual support and state. There are some funding that comes to us by way of our school district, Lincoln Public Schools, due to the students that we serve. So really all of the above to ensure our sustainability as a nonprofit.

M. CAVANAUGH: And what percentage of your constituency are from the childcare subsidy?

QUENTIN BROWN: I say today it fluctuates as families roll off and we get them back on. I say today probably around 25 per cent.

M. CAVANAUGH: Thank you.

QUENTIN BROWN: Yep.

ARCH: Thank you. Any other questions? Good to see you again. Thanks for coming back to the committee. and for your testimony.

QUENTIN BROWN: Thank you.

ARCH: Thank you for your testimony. Next testifier, Dr. Alexandra Daro.

ALEXANDRA DARO: Good afternoon, Chairperson Arch and members of the Health and Human Services Committee. My name is Dr. Alexandra Daro, A-l-e-x-a-n-d-r-a D-a-r-o. I serve as a research specialist with the Buffett Early Childhood Institute at the University of Nebraska. I'm appearing here today as an individual and my testimony does not represent the official position or views of the University of Nebraska system or its campuses. Senator Day, thank you for introducing LR378. The Buffett Institute has been contracted by the Department of Health and Human Services to conduct the Nebraska childcare Market Rate Survey since 2019. I am a member of the team responsible for

conducting the market rate survey and I'm here today to explain how the survey is conducted, how the data is analyzed, to give a brief, brief explanation of what it means to set the rate at a specific percentile, and to demonstrate what moving that percentile would mean practically for providers. The Nebraska childcare Market Rate Survey is a survey designed to gather information from licensed providers regarding the price they charge to provide care for specific age groups of children. This information is ultimately used by DHHS to establish subsidy reimbursement rates in Nebraska. The surveys are developed with input from early childhood providers, experts in data collection, and experts in subsidy. Every licensed provider in Nebraska is contacted by mail and asked to participate in the market rate survey with additional contacts made electronically if email is available. The goal is to take a census of all licensed providers. By getting as many providers as possible to participate, we can provide the best data to DHHS. The most recent survey was live for 90 days and we provided updates to DHHS at the end of every 30-day period. After providers have had the opportunity to complete the survey, the data cleaning and analysis begins. Data cleaning means checking for potential errors or inconsistencies. All analyses are descriptive, meaning that they describe what the set of data points looks like: counts, averages, standard deviations, and percentiles. Because the price of childcare varies based on several key factors, the analyses are disaggregated or split by urban and rural, setting type, and child age. For setting type, family childcare home and center-based, which includes preschools, are the two categories used. Child age is broken into four categories: infant, toddler, preschool and school age. After establishing the various ways the data is divided up, we calculate the price percentiles or market rates based on these divisions. For example, percentiles are calculated for rural family childcare home providers providing care for infants. Percentiles are a ranking of the data. Many people are aware of percentiles in reference to things like how a baby's weight and height compares to other babies of a similar age. Your doctor reports your child's weight as in the 40th percentile, meaning he or she weighs as much as or more than 40 per cent of babies in their age group and less than 60 per cent. In the context of the market rate survey, providers prices are ranked within each subcategory. Using the previous example of rural family childcare home providers providing care to infants, all of the price data we collect in this category is ranked from smallest to greatest. The price in the middle is the 50th percentile. That price is equal to or less than the price charged by 50 per cent of providers. When we report the data for the market rate survey, we start at the 50th

percentile and continue grouping and reporting the associated prices in 5 percent increments through the 100th percentile. In previous years, the childcare subsidy rate was set at the 60th percentile, meaning 60 per cent of providers who responded to the survey charged that price or less for childcare. Using the 2021 market rate survey as an example, the hourly rate representing the 60th percentile for rural family childcare home providers providing care for infants was \$3 per hour. You can find this example in the copy of the 2021 Market Rate Survey Report on page 14 and in table 5 marked with the Post-it note. Sixty percent of rural family childcare home providers charge \$3 per hour or less to provide care for infants. That \$3 per hour was the maximum amount rural family childcare home providers could be reimbursed to provide care for infants receiving childcare subsidy. Last year, legislation increased the reimbursement rate from the 60th percentile to the 75th percentile. To demonstrate what this meant practically for providers, we can look at the same example. At the 75th percentile for the same group of providers providing care for the same age of children, the rate is \$3.43 per hour. The important thing to note is that the move from \$3 per hour to \$3.43 per hour is not a 15 percent increase in the rate. In this example, the rate increased just over 14 percent. Instead, this is the price increase that would include 15 percent more providers charging this price or less. Calculating percentiles is not complicated, but can be difficult to explain because most people do not encounter them in their day-to-day lives with much frequency. I thank you for your time this afternoon and I'm happy to answer any questions you may have.

ARCH: Thank you. I have a question.

ALEXANDRA DARO: Sure.

ARCH: Do you have, do you have any issues with participation in the market study?

ALEXANDRA DARO: We do. We see roughly, I would say a third of providers respond to the survey, which in the social sciences, which is what my degree is in, that's a good participation rate. But we were only hearing from roughly a third of providers.

ARCH: Do you, do you get feedback that that's not a representative sample?

ALEXANDRA DARO: From whom?

ARCH: Providers.

ALEXANDRA DARO: We don't hear from providers that it's not a representative sample.

ARCH: OK. Thank you. Other questions? Senator Cavanaugh.

M. CAVANAUGH: Do you hear from other entities that it's not a--

ALEXANDRA DARO: We provide some analyses that, that give an idea of where the surveys are coming from that can help and then we give recommendations that can help for like the next round, that can help boost participation.

M. CAVANAUGH: Are there any thoughts on what can be done to boost participation from the states?

ALEXANDRA DARO: I can't speak on behalf of the state, but generally speaking, if you want to increase survey participation, you can incentivize. But that can be costly. There's-- when we did the market, most recent market rate, there was roughly 3,000 providers.

M. CAVANAUGH: OK. I'd ask you more math questions, but I think you did an excellent job of explaining statistical analysis to all of us, so. And I look forward to reading this beautiful report, Dr. Daro.

ALEXANDRA DARO: Thank you.

ARCH: I was reaching for my calculator. [LAUGHTER] Thank you for your testimony.

ALEXANDRA DARO: Thank you.

ARCH: Anahi Salazar.

ANAHI SALAZAR: Good afternoon, Chair Arch and members of the Health and Human Services Committee. My name is Anahi Salazar, spelled A-n-a-h-i S-a-l-a-z-a-r, and I am here today on behalf of Voices for Children in Nebraska. I would like to thank Senator Day for bringing forward this interim study, LR378. Voices for Children in Nebraska is the independent voice building pathways to opportunities for all children and families. Nebraska is full of hardworking caretakers who are determined to better the lives of the children they look after. It is full of hardworking parents and guardians who want to provide economic security for their children. One of the obstacles that stands

in the way of accepting and keeping employment is finding quality and affordable childcare. Quality early childhood programs give children the best chance for success later in life. Nebraska's process for analyzing and using the market rate survey-- Survey report to determine the rate of reimbursement helps bring to light the needs of providers and how they help provide, fulfill, excuse me, those needs in their communities. Some of the factors impacting providers identified in the most recent report were the increase in cost of living, influencing operating costs, providers trying to balance the parents' ability to pay, and desiring to increase the pay for their teachers so they have a livable wage. Attracting and retaining professional childcare staff is in high demand, as 54 percent of providers care for children with behavioral needs and 93 percent of providers care for children with medical needs. For children to be cared for adequately and safely, there needs to be a professional who can care for their specific needs. To recruit and retain high-quality, high-quality childcare professionals for all Nebraska kids, Nebraska needs to create systems which allows flexibilities, flexibility for providers to pay a living wage. childcare professionals working in childcare facilities can educate children starting from an early age. Currently, childcare professionals make an average of \$13.31, with an annual wage of \$25,610. And in order to have a living wage in Douglas County, Omaha, Nebraska, the hourly living wage would have to be \$17.30 for one adult and no kids. Eligibility for childcare subsidy is out of line with the living wage and out of step with most other states. Eliqibility for the subsidy in Nebraska is currently set at the lowest levels in the country. Nebraska's childcare subsidy income limit is set to the federal poverty level, or FPL, of 185, 185 percent. Our state payment rates are at least in the 60th percentile of 2019 rates. There are 43 states, including our neighbors Kansas, Colorado, and South Dakota, who have set higher income limit eligibilities. Kansas, neighbors to the south, increased their income limit to 250 FPL. The state also increased to an average of 85th percentile payment for all age groups. Colorado, our neighbors to the west, set their income limit within county standards. So as of October 2021, their income limits were 185 percent, 225 percent and 265 percent FPL. South Dakota set their payment rates at the 75th percentile of 2019 rates. So what can we do with all this information? Testifiers present here today will propose some solutions and recommendations based on input solicited from individuals involved in childcare. But in the meantime, our perspective from Voices for Children, as a state, we can and should ensure that market rate limitations and statute do not hamstring providers. To create a strong

network of quality childcare providers, as a state, we need to maximize flexibility in our payment model so that providers can meet families' needs while recruiting and retaining a stable, professional workforce. Engage in meaningful, meaningful conversations with childcare professionals and parents, asking childcare providers and professionals how they can better be supported and allowing parental feedback is their best avenue for identifying gaps in services and ways to improve our system and help equip childcare providers with trained staff. Increasing the access and availability to training for individuals wanting to pursue a career in early childhood will allow childcare professionals to learn skills and acquire best practices that would impact the work they do with children. And lastly, foster accessible communication with the Department of Human, of Health and Human Services. Providers need and deserve a consistent, reliable way to communicate with DHHS when the subsidy is not paid on time or there is a technical assistance. I would like to thank Senator Day for bringing forward this interim study, and I would like to thank the members of the committee for your time, attention, and commitment to all children in Nebraska. Thank you.

ARCH: Thank you. Are there questions? Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thank you for your testimony. In talking about the wages here and the— and then you have recommendations on the back about the market rate. Do you think that the market— if we, how we're doing the market rate reimbursement, is that impacting the wages that childcares can provide? Or is that a bigger problem than just the reimbursement for childcare subsidies?

ANAHI SALAZAR: I think looking at, yes, the way that we reimburse healthcare providers will impact the wages that they can give. But I can get more information on that and send that to you if you'd like.

M. CAVANAUGH: I'm just curious. I had a conversation with my own, someone from my own childcare, and they're unable to maintain staffing levels because they can't afford to pay livable wages. And so they're having a hard time. And now the people that work in the main office are taking shifts, which I think we're seeing everywhere. But we also have a workforce shortage, so just curious if you have any recommendations on— you can follow up if you do, with how we can address that sort of workforce shortage intermixed with the cost of reimbursements and things like that.

ANAHI SALAZAR: Yeah, I would love to follow up and get more recommendations, if that's--

M. CAVANAUGH: Great. Thank you.

ARCH: Any other questions? Seeing none. Wait. I mispronounced your first name. Could you say it again, please?

ANAHI SALAZAR: Yes, of course. Anahi.

ARCH: Anahi.

ANAHI SALAZAR: Yes.

ARCH: Thank you.

ANAHI SALAZAR: You're welcome.

ARCH: Thank you for your testimony. That concludes our invited testifiers for LR378. While you're coming up, Senator Day, I would mention that there were three letters that were submitted as testimony and they will be part of the public record.

DAY: Thank you again for the third time today. I don't have-- again, not much to add, our testifiers provided all of the information we were looking for. But I think related to your question, Senator Cavanaugh, that you just asked about wages, I think we know that for a long time there's been an issue with wages in early childhood care and that leading to centers hiring maybe unqualified or lower quality workers. And I think this also connects back to our first hearing today when we talked about instances with child abuse and that whole system. So, you know, I feel like the reimbursement rates and the participation, participation rate in the childcare subsidy is directly linked to so many of the other issues that we see with, with childcare in Nebraska. So I, again, appreciate your patience today on a Friday afternoon, listening. Yes.

ARCH: Thank you. Any follow-up questions for Senator Day? Seeing none, this will conclude our hearing for LR378 and we will now open the hearing for LR389.

DAY: Last hearing for the day today. Again, thank you, everyone, for being here on a Friday afternoon. I greatly appreciate you being here because you don't have to be here and you are choosing to be here with me, listening to me discuss issues that are important to me, so I am

grateful for you all. Again, my name is Jen Day. That's J-e-n D-a-y, and I represent Legislative District 49 in Sarpy County. Our final legislative, legislative resolution of the afternoon is LR389. LR389 was brought to me by the Michael J. Fox Foundation to review and update the Nebraska Parkinson's Disease Registry. Nebraska had the foresight in 1996 to be the first state in the nation to create a Parkinson's Disease Registry with the purpose of tracking certain patient data for research purposes. Information such as gender, date of birth, current address and address at the time of diagnosis, date of diagnosis, the reporting source, and any additional information the department deems necessary is collected to create a picture of Parkinson's disease in Nebraska. Under current state law, physicians are required to report to DHHS patients with a diagnosis of Parkinson's disease, and pharmacists are required to report any medication on the reportable list of drugs. Individuals diagnosed with Parkinson's disease may also self-report. The department also has the Parkinson's Disease Registry Advisory Committee that meets annually to review the state of the registry, update any medications on the list of reportable drugs, and discuss other related issues. Since 1996, there have not been great improvements to the registry. While money to support the registry does not come from General Funds, the amount of state cash funds expended for the registry is minimal. In fact, only recently the department found enough funding to begin moving from paper reporting toward electronic reporting. In 2016, Congress authorized the CDC's National Neurological Condition Surveillance System to track neurological conditions and receive timely information to increase understanding of these conditions and accelerate research into causes, diagnosis, and treatment. Funding for this program was delayed until 2019, and states across the country are now boosting the registries to help aggregate data on a state and national level. Our Parkinson's Disease Registry is a perfect candidate to connect with the CDC's efforts. We are here today to discuss options available to the state to upgrade the registry. Behind me, you will hear from a representative with the Michael J. Fox Foundation about what other states are doing and conversations that are ongoing in Nebraska. You will also hear from Jaime Bland, CEO of CyncHealth, which houses Nebraska's Health Information Exchange and prescription drug monitoring program. Both are a wealth of knowledge and can answer any of your questions.

ARCH: Thank you. Questions for Senator Day? Seeing none, thank you. First testifier -- first invited testifier, Jaime Bland.

Jaime Bland: Thank you, Senator Arch and the committee. My name is Jaime Bland, J-a-i-m-e B-l-a-n-d, and I am CEO and president of the Statewide Health Information Exchange and Prescription Drug Monitoring Program known as CyncHealth. Registry reporting is a health data utility function that is well-suited for support by CyncHealth. The data elements that are required to support the Parkinson's registry, such as name and address of the pharmacy; prescribing physician; the medication information such as active ingredient/strength, generic name, medication trade name, NDCs, frequency dispensed, days supplied; a number of other data elements are all ones that can be supported in near real time and are actively collected by our organization. This could also be readily available in near real time for those that are utilizing the Parkinson's registry for a variety of reasons. I am happy to take any questions that you may have on the automation of the Parkinson's registry.

ARCH: I have a, I have a question. So your testimony says that these are the, these are the data elements that are required for the Parkinson's registry, correct?

JAIME BLAND: Correct.

ARCH: And these data elements are available within CyncHealth now?

JAIME BLAND: Correct. Through the prescription monitoring program, all dispensed medications coming to our repository with this information already.

ARCH: OK. I would just mention to the committee that, that Jaime and I have had, have had a discussion regarding registries in general.

JAIME BLAND: Right.

ARCH: We have a number of registries within our state that, that were set up prior to an HIE. And, and maybe there would be an opportunity there to take a look at a number of them and see if, if, see if we have redundant costs or redundant requirements of providers to input data or even the department to input data into an electronic form when perhaps they sit with CyncHealth.

JAIME BLAND: Right. So a number of registries over a period of time since the movement to electronic health information and electronic health records have been embedded into electronic health record data elements. Those data elements are now aligned to different CDC require reporting for providers and all data elements that we do collect.

ARCH: Other questions for Jaime? Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thank you for being here. So this, this is a very concise. So my understanding is that we currently have a Parkinson's registry. And what you are saying is that it would be very easy for CyncHealth to be the holder of the Parkinson's registry—

JAIME BLAND: Yeah.

M. CAVANAUGH: --because you currently have the data. So you just have to be authorized to be the state's Parkinson's registry.

JAIME BLAND: Correct. I think it is within the state HIT Board's purview to approve that, use case for the prescription line item program data.

M. CAVANAUGH: So would you need legislative action?

JAIME BLAND: I don't think we would need legislative action. I do think it's within the-- we could provide the data or provide reports. We would have to take that to the state HIT Board. But the state HIT Board can approve use cases that utilize prescription, prescription monitoring data. Whether or not that would be the state registry, but it certainly could be a comprehensive, near real-time Parkinson's registry with the data elements that we have. I will point out that a lot of time, I think it's like a biannual or annual reporting requirement currently that's set up in the state and it's a manual process. So it's an additional reporting burden for providers. So we do hear from pharmacy representatives as well as providers that it would be great if we would just send that data on behalf of the entities that report to us to the state. And I know that there are still some that do report on paper forms as well.

M. CAVANAUGH: And to your knowledge, would we have to take legislative action to have it no longer being reported to the state? That's-- you might not be able to answer that.

JAIME BLAND: Yeah, I'll probably refrain from answering that.

M. CAVANAUGH: That's a question we'll have to answer. Thank you.

ARCH: Any other questions? Yeah, I would, I would say that if, if we want to take that on and take a look and that's what interim studies are all about, that we'd probably have to go statute by statute, look at each individual registry, make sure that, you know, the language in

there would, would allow something like this, but that's something we can do.

JAIME BLAND: Sounds good.

ARCH: Thank you. Thank you for your testimony. Next testfier, Julia Worcester.

JULIA WORCESTER: I am the official caboose for the day. [Laugh]

ARCH: Welcome.

JULIA WORCESTER: Thank you, Chairman Arch and members of the committee. Julia Worcester, J-u-l-i-a W-o-r-c-e-s-t-e-r, and it's OK. I get it butchered all the time, it's not a problem.

ARCH: Sorry. Sorry.

JULIA WORCESTER: It's close to the sauce, but not all the way. Thank you all so much for having me today. I am the Director of State Government Relations for the Michael J. Fox Foundation Parkinson's Research, and I'm thrilled to hear so much about data on the previous LR because as you can see, so much data is required to get through and pursue just about everything when you want to make change and go forward in our society and culture, whether it's on childcare subsidies or Parkinson's registries or other registries as a whole. And I'm thrilled to hear that you all are interested in looking at this from a holistic perspective and working with the states' HIE. That is something that we are now seeing as a potential pathway going forward and I wanted to thank Ms. Bland and working with Cync earlier before I came out into town. The Michael J. Fox Foundation for Parkinson's Research was founded in 2000 and has been singularly dedicated to finding a cure for Parkinson's disease through aggressively funded research agenda and ensuring the development of improved therapies for those living with Parkinson's today. The Nebraskans Park-- the Nebraska Parkinson's Disease Registry and those that are coming online could, that truly power significant progress towards new treatments and ultimately a cure for Parkinson's patients. Where we are today is that we consider we have two official registries in the country, California and Utah, and they are light-years different. California has expanded their Parkinson's registry to include five other neurodegenerative disease states and now are going to be the first neurodegenerative disease registry in the country. And Utah is, has not updated their registry since 2020. However, they both

were reporting to the CDC, which is the ultimate goal of these registries. It's to find the number of incidents and prevalence in each state so each state can have that data for themselves and also to funnel this information beyond to the CDC that can be accessed by researchers all across the country and the globe, that we can start to look towards a cure for Parkinson's one day. Your registry is fully funded and modernized from beyond a paper collection towards data, electronic data collection, or authorizing the state HIE or working in partnership elsewhere with their aggregation could provide data on the incidence of the disease and the various patterns in the state, including potential geographic clusters and environmental exposures. I'd also like to note that there was recent news this week that the Nebraska Hospital Association and UNMC's collaboration for data collection is exactly this style of collaboration for research data that we like to see and is-- have begun talks even this morning with the Nebraska Hospital Association, how we can all work for a path to making this registry come up to 2022 and beyond, and how we can tap into that. Patient registries provide real-world view of clinical practice, patient outcomes, safety and comparative effectiveness. Registry data can also inform policymakers about healthcare equity, disparities, and the influences of social determinants of health. They're now becoming a a mainstream in, I'm sorry, a mainstay in healthcare, independent of setting, specialty, or situation. They provide a unique view into what happens, why it happens, and how to improve. Registries empower clinicians, researchers, innovators and patients to make data-informed decisions to, and the role of that clinical data has never been more significant than now in a global economy and how health information can be shared across states and throughout the globe. As we mentioned, the Nebraska registry was the oldest and the first in the nation and far ahead of the rest of the country and we want to continue that work into the future with innovation and modernization going forward. Our estimates, we did an economic burden study back in 2017, and our estimates is that we believe that there are somewhere between 5,000 and 7,000 people living with Parkinson's in the state of Nebraska today. And meeting with several of you today, I realize that it touches you all very personally. And the estimates of that, with looking at a percentage of the Medicare costs, is that it costs the state of Nebraska \$300 million annually in direct and indirect costs. So while a light switch of flipping this registry into being modern is not going to save money immediately and do anything instantly, it is something that as a stage of what we are looking to do from the Fox Foundation overall when it comes to the Parkinson's community of funding more innovation and ways

to get better care to those living with Parkinson's. We are so committed to the success of this patient data registry here in this state and other states that we have convened a two-day summit, a data registry summit with the CDC and data researchers and scientists in our office coming in November, in our office in New York City. And we're very thrilled that we will have a report at the end of that to share with other states. And I just want to end because I believe I'm finished, that where we are is Maryland and Massachusetts have a partial start to a registry. They started with the advisory committee and in 2023 they will have legislation for the infrastructure and funding. And we are waiting on a vote in Ohio, hopefully before the end of the year. And in 2023, we have legislation committed to be submitted in Colorado, New York, and Oregon and possibly Ohio if it doesn't make it to the end of the year. Thank you for having me.

ARCH: Thank you. Questions? I have one. Oh, Senator Walz, please.

WALZ: I was just-- thank you. Did you, did you have the opportunity to meet with--

JULIA WORCESTER: Not everyone, but a couple.

WALZ: OK. Could you just easily, I guess, tell us how this data collection system would help on a national level, like if we were able to go?

JULIA WORCESTER: Sure. Absolutely. Thank you for that question. Having a robust patient data collection system for each state and we may get to 50 states, we may or may not. But having that data from Nebraska, California, Maryland, Massachusetts, Oregon, wherever we're getting these registries online, taken from the state and sent to the CDC, would ultimately allow a one place, a one-stop shop for researchers at Johns Hopkins, UCLA, etcetera, to tap into that and look for patterns. We are looking at neurological impact of COVID-19 on Parkinson's patients. We're looking at young onset and I know you and I spoke about that earlier. We're seeing more and more women with young onset, and we have also seen pregnant women with young onset Parkinson's. And we cannot make recommendations when it comes to medications for Parkinson's and pregnancy. These types of ability for researchers to tap into that data from, from the CDC can-- it's just the world is their oyster at that point in time. And then from there maybe make recommendations for better, better care, maybe better therapies partnering with biopharmaceuticals. So it has the potential to do a lot and the patient community is very, very excited about registries

in other states and I know would love to see your state come up and modernize to be able to do more for the community. Thanks.

WALZ: Thank you.

ARCH: Thank you. Senator Murman.

MURMAN: Thank you. You mentioned California has five other registries, I think. Do you have the information what those other five disorders are? Do you know [INAUDIBLE]?

JULIA WORCESTER: Yes. So it's going to be under one neurological, I'm sorry, neural, neurodegenerative disease registry and it's going to be Parkinson's, MS, Alzheimer's, ALS, and Huntington's. That's the first pilot.

MURMAN: Thank you.

JULIA WORCESTER: You're welcome.

ARCH: Any other questions? My question was answered with your response to Senator Walz, so thank you.

JULIA WORCESTER: Absolutely. I'd love to come back and work together, whether it's on a statute, whether it's on, you know, working with Cync on how to pull things together and how we can, you know, go forward in 2023. So thank you all for having me here today.

ARCH: Thank you for coming. Thank you for coming. That concludes the invited testifiers for LR389. We received no letters for this interim study so, Senator Day, you're welcome to close.

DAY: Thank you all again for being here today. And I learned something about the importance of registries today and I hope you did, too, and how important data and research is in improving patient outcomes. And I always get a little flutter in my heart when people start talking about data and research and how we could more effectively use it for legislation. So, yeah, if you have any questions, I'm happy to answer.

ARCH: Are there any concluding questions? Seeing none--

DAY: Thank you

ARCH: --that concludes LR389. It concludes the hearings for the day. It concludes the Senator Day day, and our next HHS Committee hearing is on October 28 at 1:00. Thank you for coming.