

One Hundred Third Legislature - First Session - 2013

Introducer's Statement of Intent

LB347

Chairperson: Senator Kathy Campbell

Committee: Health and Human Services

Date of Hearing: February 27, 2013

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 347 becomes law only if the Medicaid expansion authorized in the Affordable Care Act is authorized in Nebraska.

The mechanism in LB 347 is a three year moratorium on certain health care facilities beginning September 1, 2014. Facilities effected are:

- Ambulatory surgical center;
- Critical access hospital;
- General acute hospital;
- Hospital;
- Mental health center;
- Psychiatric or mental hospital;
- Rehabilitation hospital;
- Substance abuse treatment center;
- and Health care practitioner facility or health clinic if the primary service provided at the facility or clinic is diagnostic imaging.

If a facility had begun an application with the Department of Health and Human Services and had signed construction contracts by February 1, 2013, they are exempt from the moratorium. This year and a half time frame is thought to be enough time for facilities in process to be finished before the moratorium is implemented in September 2014.

Approximately one hundred twenty thousand Nebraska residents may be obtaining insurance coverage through medicaid expansion. This increase in demand for services could spur an unsustainable growth in facilities with an inflationary impact on the overall costs of health care when there is currently under utilized capacity available.

It is in the best interest of the State of Nebraska and our residents that if the optional medicaid expansion is authorized in Nebraska, health care facility licenses be curtailed for a time to avoid the inflationary cost spiral that comes with uncontrolled growth and provision of

services and to allow for unintended consequences and unknown costs to become known and sustainable growth to be planned into the future.

Principal Introducer: _____

Senator Mike Gloor