

March 8, 1976

PRESIDENT: Senator Cavanaugh.

SENATOR CAVANAUGH: I'll just say I have no objection to the Stoney amendment. I think that it's reasonable. I don't think that it's going to impose any undue burden on the Insurance Commissioner. I think that it does provide some reasonable oversight for the people of the state regarding what type of facilities from outside the state would be participating or would be covered, since the primary concern here is the hospitals of the State of Nebraska, the premium costs and the health care costs. I think that the state, or some appropriate state agency which would be the Insurance Department ... Insurance Commissioner, should have some ability to supervise or scrutinize this type of operation.

I'd support the Stoney amendment.

PRESIDENT: Senator Murphy.

SENATOR MURPHY: Question of Senator Duis if I may. Senator Duis, in getting ... we're getting quite involved in the area of power of this mutual. Right now, under the insurance laws of Nebraska, is there anything to preclude either hospitals or doctors from forming their own mutual, period?

SENATOR DUIS: Well the question is ... no, there's nothing if they put up \$500,000 in cash or securities for their surplus.

SENATOR MURPHY: And this, of course, is....

SENATOR DUIS: Of course, they need this legislation, Senator Murphy, as we found out from our Committee because they haven't the cash or the securities. This was brought about because they want to use letters of credit.

Now, Senator Murphy, may I say also at the same time that in Senator DeCamp's bill ... Senator DeCamp, would you listen please. When he amended this he also amended out one of the amendments that was accepted and that is that they will now be allowed to give this insurance to another insurance company. I don't think they realize what they did. Senator DeCamp, do you realize what you've done? This is a situation that this association could go ahead and then if they found Podunk Mutual or the Podunk Stock Company they could immediately transfer this all to it. Of course, this, if you will recall, was one of the things we took out of the bill in our amendment and it was agreed upon. But now, since we have the DeCamp amendment, we have that back in the bill too.

SENATOR MURPHY: A second question if I may, Senator Duis. In the hospital bill that was heard in the Insurance Committee there was a provision for an initial assessment of up to \$300 per bed. I'm wondering if there is any such, if you read into the doctors act, any provision for a specific assessment to establish this fund other than simply a letter of credit. I don't know how they would guarantee that without an assessment.