



Ninety-Seventh Legislature - First Session - 2001
Committee Statement
LB 692

Hearing Date: February 14, 2001

Committees On: Appropriations and Health and Human Services

Introducers: (Byars, Cunningham, Engel, Erdman, Jensen, Maxwell, Price, Suttle)

Title: Provide for funding for the Nebraska Lifespan Respite Services Program under the Nebraska Health Care Funding Act

Roll Call Vote – Final Committee Action:

Advanced to General File

X Advanced to General File with Amendments

Indefinitely Postponed

Vote Results:

16	Yes	Senator Jensen, Wehrbein, Byars, Pederson, Beutler, Cudaback, Engel, Hilgert, Suttle, Thompson, Price, Kruse, Foley, Cunningham, Maxwell and Erdman
	No	
	Present, not voting	
	Absent	

Proponents:

Senator Dennis Byars
 Dr. Ted DeLaet
 Denis McCarville
 Susan Boust
 Krynn Buckley
 Aleisa McKinclay
 Roger Keetle
 Kenny Olsen
 Kurt Poulzin
 Judy Halstead
 Mary O'Hare

 Doris Lassiter
 David Holmquist

Representing:

Introducer
 Nebraska Psychological Association
 Children and Family Coalition of Nebraska
 Self
 Nebraska Medical Association
 NE Advocacy Services
 NE Association of Hospitals and Health Systems
 Alzheimers Association
 Self
 Nebraska Respite Coalition
 Governors Planning Council for Developmental Disabilities
 Nebraska Minority Public Health Association
 Citizens for Health NE & American Cancer Society

Opponents:

Mark Welsch

Representing:

G.A.S.P.

Neutral:

Rex Holsapple
 Sheryl Scherepf
 Topher Hanson

Jill Rubottom
 Terry Workman
 Carol Boye
 Pat Lopez
 Sheila Bjerrum
 Chuck Stepaneck

Representing:

State Investment Officer
 Nebraska Behavioral Health Coalition
 Nebraska Association of Behavioral Health
 Organizations
 Region V
 AARP
 Community Alliance
 Nebraskans for Public Health
 Nebraskans for Public Health
 Nebraska Nurses Association

Summary of purpose and/or changes: LB 692 provides funding for respite services and other health care expenditures from an annual fifty million dollar distribution from the Nebraska Health Care Cash Fund.

The bill provides legislative intent to annually allocate the following funding for respite services: In each fiscal year \$150,000 divided equally among the six service areas as seed money to develop new respite programs; \$100,000 for additional administrative staff within the Department of Health and Human Services; and \$810,000 to carry out the Nebraska Respite Services Program.

Grants from the Nebraska Health Care Council are limited to five million dollars annually. Fifteen million dollars is allocated annually to the Nebraska Legislative Health and Human Services Fund. The balance is to be allocated by the Appropriations Committee and the Health and Human Services Committee of the Legislature.

The bill as introduced also has the emergency clause.

Explanation of amendments, if any: The committee amendment (AM 781) becomes the bill, and makes comprehensive changes to the Nebraska Health Care Funding Act (sections 71-7605 to 71-7614).

Section 1 deletes a duty of the Nursing Home Advisory Council in section 71-6050 relating to nursing facility conversion grants, to harmonize the outright repeal of section 71-7613 in the amendment.

Section 2 references the addition of new sections to the act (sections 9-14).

Section 3 amends section 71-7606 relating to the purpose of the Nebraska Health Care Funding Act. The section deletes the current income-only restriction on the use of funds under the act and provides that funds under the act must be used for health care related expenditures. The amendment outright repeals section 71-7606.01 (definition of investment income). Funds appropriated or distributed under the act may not be considered entitlements or obligations on the part of the State of Nebraska and may not be used to replace existing funding for existing programs. Funding under the act may not be used for abortion, abortion counseling, referral for abortion, school-based health clinics, or for any research or activity of any kind involving the use of human fetal tissue obtained in connection with the performance of an induced abortion or involving the use of human embryonic stem cells, or for the purpose of obtaining other funding for such use.

Sections 4 and 5 of the amendment delete income-only language relating to the transfer of funds from the Nebraska Medicaid Intergovernmental Trust Fund and the Nebraska Tobacco Settlement Trust Fund.

Section 6 amends section 71-7609 relating to grants and loan guarantees for the conversion of nursing facilities to assisted living facilities or other alternatives to traditional nursing facility care, to harmonize the outright repeal of section 71-7613 in the amendment. The conversion program is terminated on January 1, 2003. Any unobligated balance in the Nursing Facility Conversion Cash Fund on that date is transferred to the Nebraska Health Care Cash Fund.

Section 7 of the amendment requires the State Treasurer to transfer fifty million dollars annually from the Nebraska Medicaid Intergovernmental Trust Fund and the Nebraska Tobacco Settlement Trust Fund to the Nebraska Health Care Cash Fund. The state investment officer is required to advise the Treasurer on the amounts to be transferred from the Medicaid and tobacco settlement funds to the Nebraska Health Care Cash Fund, in order to sustain such transfers in perpetuity, and is required to report on or before October 1 of every even-numbered year to the Legislature on the sustainability of such transfers.

Section 8 makes technical changes to section 76-7614 relating to the awarding of grants from the Nebraska Health Care Council under the act. The amount for such grants is limited to five million dollars annually, "for public health purposes as defined by the council and adopted in rules and regulations of the Department of Health and Human Services Finance and Support." In addition to other current reporting requirements, the department is also required to report annually to the Legislature and the Governor on the priorities established by the council for such grants.

Section 9 provides intent to appropriate from the Nebraska Health Care Cash Fund as follows: (1) (a) \$7.5 million in FY 2001-02 and FY 2002-03 to the Department of Health and Human Services Finance and Support for rates paid to providers of mental health and substance abuse services, (b) \$2.4 million in FY 2001-02 and \$2.6 million in FY 2002-03 to the Department of Health and Human Services Finance and Support for rates paid to providers of inpatient hospital mental health services and acute or intensive residential care mental health services under the Medicaid mental health managed care contract; (2) \$6 million in FY 2001-02 and FY 2002-03 to Department of Health and Human Services Finance and Support for the development of community-based mental health and substance abuse services, including intermediate level residential mental health services. Competitive bidding and a determination by the Director of Health and Human Services that such services cannot reasonably be provided otherwise is required before a regional governing board may directly provide such services; (3) \$1.5 million in FY 2001-02 and FY 2002-03 to the Department of Health and Human Services Finance and Support for the cost of maintenance and treatment of persons in a mental health facility, from 72 hours after commitment by a mental health board or district court under sections 29-1823 and 83-1037 until the persons are admitted for treatment pursuant to such commitment orders; and (4) \$1 million in FY 2001-02 and FY 2002-03 to the Office of Juvenile Services for mental health services to juvenile offenders under section 43-407.

Section 10 of the amendment provides intent to appropriate \$3 million in FY 2001-02 and \$5 million in FY 2002-03 from the Nebraska Health Care Cash Fund to the Department of Health and Human Services Finance and Support for developmental disability services to persons on the waiting list for such services, beginning with those who have been on the waiting list for the greatest length of time past their date of need.

Section 11 provides intent to appropriate from the Nebraska Health Care Cash Fund for public health as follows: (1) \$6 million in FY 2001-02 and \$6 million in FY 2002-03 for local public health services, public health planning, and public health infrastructure development. The department, in cooperation with counties, public health organizations, and the legislature, is required to submit a proposal for the distribution and use of that funding by July 1, 2001. The department is required to adopt and promulgate rules and regulations by January 1, 2002. No appropriated funds may be expended under the subdivision before January 1, 2002; (2) \$2.5 million in FY 2001-02 and FY 2002-03 to Department of Health and Human Services for minority public health services in counties having a minority population of at least five percent of the total population of such county for specifically targeted public health initiatives.

Section 12 of the amendment provides intent to appropriate from the Nebraska Health Care Cash Fund for respite services as follows: (1) \$100,000 in FY 2001-02 and FY 2002-03 to Department of Health and Human Services for the development of new respite programs; (2) \$100,000 in FY 2001-02 and FY 2002-03 to Department of Health and Human Services for personnel and other administrative costs related to the Nebraska Lifespan Respite Services Program; and (3) \$800,000 in FY 2001-02 and FY 2002-03 to Department of Health and Human Services Finance and Support to aid in carrying out the Nebraska Lifespan Respite Services Program.

Section 13 provides intent to appropriate \$10 million in FY 2001-02 and FY 2002-03, \$12 million in FY 2003-04 and FY 2004-05, and \$14 million in every fiscal year thereafter from the Nebraska Health Care Cash Fund to Department of Health and Human Services Finance and Support for biomedical research as follows: 24 % to the University of Nebraska, 16% for contracts with other postsecondary institution in Nebraska and their affiliated research hospitals in Nebraska, and 60% to the University of Nebraska and for contracts with other postsecondary institution in Nebraska and their affiliated research hospitals in Nebraska based on the percentage of prior year funding expended from the National Institutes of Health (NIH) by those institutions. A certified report of such expenditures to the department from such institutions is required. The report must exclude any NIH funding expended for research or any activity involving the use of human fetal tissue obtained in connection with the performance of an induced abortion or involving the use of human embryonic stem cells. Annual reporting relating to the use of funding under the section from such institutions is required. The Appropriations Committee and the Health and Human Services Committee are required to conduct a review of all appropriations under the section to such institutions no later than five years after the effective date of the bill and every five years thereafter.

Section 14 provides intent to appropriate \$500,000 from the Nebraska Health Care Cash Fund in FY 2001-02 to the Legislative Council for an evaluation and planning study relating to the delivery of publicly funded health and human services in the state directed by the Health and Human Services Committee. The chairperson of the committee is required to submit a plan for the study on or before September 1, 2001, and the study must be completed and a report issued to the Legislature and the Governor on or before January 1, 2003.

The amendment contains the emergency clause.

Senator Roger R. Wehrbein, Chairperson

Senator Jim Jensen, Chairperson