

TWENTY-EIGHTH DAY - FEBRUARY 19, 2025

LEGISLATIVE JOURNAL

**ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION**

TWENTY-EIGHTH DAY

Legislative Chamber, Lincoln, Nebraska
Wednesday, February 19, 2025

PRAYER

The prayer was offered by Major Scott Shelbourn, Western Division Salvation Army, Omaha.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was offered by Senator Strommen.

ROLL CALL

Pursuant to adjournment, the Legislature met at 9:00 a.m., Speaker Arch presiding.

The roll was called and all members were present except Senators Bosn, Bostar, M. Cavanaugh, Dorn, Dover, Guereca, Hughes, Hunt, Jacobson, Juarez, and Spivey who were excused until they arrive.

CORRECTIONS FOR THE JOURNAL

Page 523, line 31, strike "Room 1023" and replace with "Room 2102."
The Journal for the twenty-seventh day was approved, as corrected.

NOTICE OF COMMITTEE HEARING(S)

Judiciary
Room 1525 1:30 PM

Wednesday, March 5, 2025
LB559 (cancel)

Room 1525 1:30 PM

Friday, February 28, 2025
LB559

(Signed) Carolyn Bosn, Chairperson

MOTION(S) - Withdraw LB708

Senator Conrad renewed [MO38](#), found and considered on page 521, to reconsider the vote taken on MO36.

The Conrad motion to reconsider failed with 0 ayes, 31 nays, 11 present and not voting, and 7 excused and not voting.

SELECT FILE

LEGISLATIVE BILL 229. Senator Hallstrom renewed [AM112](#), found on page 412, and considered on pages 507 and 509.

Senator Conrad offered [MO35](#), found on page 514, to recommit to the Business and Labor Committee.

Senator Hallstrom offered the following motion:

[MO41](#)

Invoke cloture pursuant to Rule 7, Sec. 10.

Senator Hallstrom moved for a call of the house. The motion prevailed with 24 ayes, 0 nays, and 25 not voting.

The Hallstrom motion to invoke cloture prevailed with 33 ayes, 16 nays, and 0 not voting.

The Conrad motion to recommit failed with 14 ayes, 34 nays, and 1 present and not voting.

The Hallstrom amendment was adopted with 32 ayes, 16 nays, and 1 present and not voting.

Senator McKinney requested a roll call vote on the advancement of the bill.

Voting in the affirmative, 33:

Andersen	Clouse	Holdcroft	McKeon	Sorrentino
Arch	DeKay	Hughes	Meyer	Storer
Armendariz	Dorn	Ibach	Moser	Storm
Ballard	Dover	Jacobson	Murman	Strommen
Bosn	Hallstrom	Kauth	Raybould	von Gillern
Brandt	Hansen	Lippincott	Riepe	
Clements	Hardin	Lonowski	Sanders	

Voting in the negative, 16:

Bostar	DeBoer	Hunt	Quick
Cavanaugh, J.	Dungan	Juarez	Rountree
Cavanaugh, M.	Fredrickson	McKinney	Spivey
Conrad	Guereca	Prokop	Wordekemper

Advanced to Enrollment and Review for Engrossment with 33 ayes, 16 nays, and 0 not voting.

The Chair declared the call raised.

COMMITTEE REPORT(S)
Transportation and Telecommunications

LEGISLATIVE BILL 97. Placed on General File with amendment. [AM292](#) is available in the Bill Room.

LEGISLATIVE BILL 568. Placed on General File with amendment. [AM269](#) is available in the Bill Room.

(Signed) Mike Moser, Chairperson

AMENDMENT(S) - Print in Journal

Senator Sorrentino filed the following amendment to [LB441](#):
[AM291](#)

1 1. On page 2, line 21, after the semicolon insert "and"; strike 2 lines 22 and 23; and in line 24 strike "[\(iii\)](#)" and insert "[\(ii\)](#)".

MOTION(S) - Print in Journal

Senator Conrad filed the following motion to [LB513](#):
[MO39](#)
Indefinitely postpone.

Senator Conrad filed the following motion to [LB345](#):
[MO40](#)
Indefinitely postpone.

NOTICE OF COMMITTEE HEARING(S)
General Affairs
Room 1023 1:30 PM

Monday, March 3, 2025
LB651

Note: Joint hearing with LB 677

LB677

Note: Joint hearing with LB 651

LB483

LB705

This hearing will operate under annotated committee guidelines.

Room 1023 1:30 PM

Monday, March 10, 2025

LR20CA

LB63

LB421

LB438

LB342

LB406

LB405

(Signed) Rick Holdcroft, Chairperson

Revenue

Room 1524 1:30 PM

Thursday, February 27, 2025

LB424

LB131

(Signed) R. Brad von Gillern, Chairperson

SELECT FILE

LEGISLATIVE BILL 42. Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 10. [ER3](#), found on page 465, was offered.

ER3 was adopted.

Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 362. [ER8](#), found on page 480, was offered.

ER8 was adopted.

Senator DeBoer offered [AM255](#), found on page 511.

The DeBoer amendment was adopted with 33 ayes, 0 nays, 15 present and not voting, and 1 excused and not voting.

Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 139. [ER6](#), found on page 480, was offered.

ER6 was adopted.

Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 231. Senator Hallstrom offered [AM216](#), found on page 509.

The Hallstrom amendment was adopted with 31 ayes, 0 nays, 17 present and not voting, and 1 excused and not voting.

Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 180. [ER5](#), found on page 480, was offered.

ER5 was adopted.

Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 59. [ER4](#), found on page 481, was offered.

ER4 was adopted.

Advanced to Enrollment and Review for Engrossment.

GENERAL FILE

LEGISLATIVE BILL 247. Considered.

Advanced to Enrollment and Review Initial with 32 ayes, 1 nay, 14 present and not voting, and 2 excused and not voting.

LEGISLATIVE BILL 396. Title read. Considered.

Advanced to Enrollment and Review Initial with 36 ayes, 0 nays, 11 present and not voting, and 2 excused and not voting.

COMMITTEE REPORT(S)

Enrollment and Review

LEGISLATIVE BILL 43. Placed on Final Reading.

LEGISLATIVE BILL 108. Placed on Final Reading.

LEGISLATIVE BILL 208. Placed on Final Reading.

LEGISLATIVE BILL 296. Placed on Select File.

LEGISLATIVE BILL 335. Placed on Select File.

LEGISLATIVE BILL 240. Placed on Select File.

LEGISLATIVE BILL 286. Placed on Select File.

LEGISLATIVE BILL 289. Placed on Select File with amendment.

[ER12](#)

1 1. On page 3, line 23, strike "numbers" and insert "number".

LEGISLATIVE BILL 293. Placed on Select File.

LEGISLATIVE BILL 527. Placed on Select File with amendment.

[ER13](#)

1 1. Strike the original sections and all amendments thereto and

2 insert the following new sections:

3 Section 1. Sections 1 to 7 of this act shall be known and may be

4 cited as the Medicaid Access and Quality Act.

5 Sec. 2. The Legislature finds and declares that:

6 (1) Wide discrepancies between medicaid reimbursement rates and

7 rates of other payers have created challenges to health care access for

8 Nebraska residents covered by medicaid;

9 (2) Approximately one-third of pregnant women, newborns, and

10 children are covered by medicaid and access to health care services is

11 critical for them. Access to labor and delivery services is critical to

12 fostering healthy mothers and babies;

13 (3) Access to primary care is vital to the health of Nebraska

14 communities. Investment in preventative care will help reduce future

15 health care costs to the state and its residents. Improved health

16 outcomes are more likely when patients have access to, and positive

17 relationships with, their primary care provider;

18 (4) Health care access challenges in rural areas have reached a

19 critical point, which requires bold investment and leadership from the

20 state to maintain the health of our rural citizens and communities; and

21 (5) Investment in physical health care access and quality in the

22 medicaid program is an investment in bolstering Nebraska's health care

23 landscape as a whole, addressing health care deserts across the state,

24 and improving the health and prosperity of Nebraska communities.

25 Sec. 3. For purposes of the Medicaid Access and Quality Act:

26 (1) Nonhospital provider means a provider of physical health

27 services that does not hold a license as a hospital under the Health Care

1 Facility Licensure Act;

2 (2) Physical health services means services billed under the

3 medicaid practitioner fee schedule to meet the physical health needs of a

4 patient; and

5 (3) Rural means any county in Nebraska having a population of less

6 than one hundred thousand residents.

7 Sec. 4. (1) No later than January 1, 2026, the Director of

8 Insurance shall establish a schedule for the collection of a tax of six

9 percent of the gross amount of non-medicare direct writing premiums

10 written under a health maintenance organization certificate of authority

11 pursuant to section 44-32,115, to the extent not preempted by federal

12 law, during the preceding calendar year for business done in the state.

13 The director shall remit the tax paid under this section to the State

14 Treasurer. The State Treasurer shall annually credit the entirety of the

15 tax remitted to the Medicaid Access and Quality Fund.

16 (2) No later than August 1, 2025, the Department of Health and Human

17 Services shall amend the medicaid state plan or file other federal

18 authorizing documents necessary to receive federal financial

19 participation for the Medicaid Access and Quality Act.

20 (3) The tax established by this section shall be effective January
21 1, 2026, and applies to premiums received the previous calendar year for
22 all contractual obligations that remain in force by continuing
23 obligation, renewal, or new issuance on or after January 1, 2026. The tax
24 established by this section shall not apply to a premium received during
25 calendar year 2025 that is attributable to an individual contract or
26 policy held by an entity not offering that contract or policy in calendar
27 year 2026.

28 Sec. 5. The Medicaid Access and Quality Fund is created. Interest
29 earned on the fund shall be credited to the fund. Any money in the fund
30 available for investment shall be invested by the state investment
31 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
1 State Funds Investment Act.

2 Sec. 6. The Department of Health and Human Services shall use the
3 Medicaid Access and Quality Fund for the following purposes:

4 (1) Beginning January 1, 2026, forty million dollars annually shall
5 be used to obtain federal financial participation for the purpose of
6 enhancing rates paid to nonhospital providers of physical health
7 services, as published in the medicaid practitioner fee schedule. This
8 funding shall not be used to replace or offset existing state funds paid
9 to providers for providing services under the medical assistance program:
10 (a) In calculating a rate enhancement under subdivision (1)(a) of
11 this section, the department shall work with a statewide association
12 exempt from taxation under section 501(c)(6) of the Internal Revenue Code
13 of 1986 that primarily represents health care providers in multiple
14 specialties who are licensed to practice medicine and surgery under the
15 Uniform Credentialing Act; and

16 (b) It is the intent of the Legislature that a rate enhancement
17 provided by subdivision (1) of this section should aim to improve access
18 to care through increasing rates across a broad range of physical health
19 services provided by nonhospital providers, with an emphasis on
20 evaluation and management services, labor and delivery services, and
21 rural services;

22 (2) Beginning no later than January 1, 2027, five million dollars
23 annually shall be used to obtain federal financial participation to pay a
24 monthly per-member fee of not less than seventy-five dollars to qualified
25 primary care providers who meet criteria established by the Department of
26 Health and Human Services to serve as a primary care medical home for
27 target populations;

28 (3) Any remaining funds shall be transferred to the medical
29 assistance program and the Children's Health Insurance Program; and

30 (4) Use of the funds described in this section are subject to all
31 required federal approvals including any approvals necessary for the use
1 of the funds to obtain federal financial participation.

2 Sec. 7. It is the intent of the Legislature that the medicaid
3 practitioner fee schedule rates and the General Fund appropriations for
4 rates established in the fee schedule shall not be reduced in amounts
5 lower than the rates published as of July 1, 2024.

6 Sec. 8. Section 44-32,180, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 44-32,180 (1) Any health maintenance organization subject to the
9 Health Maintenance Organization Act shall also be subject to (a) the
10 premium taxation provisions of Chapter 77, article 9, to the extent that
11 the direct writing premiums are not otherwise subject to taxation under
12 such article, and (b) the retaliatory taxation provisions of section
13 44-150, and (c) the tax levied by section 4 of this act.

14 (2) Any capitation payment made in accordance with the Medical
15 Assistance Act shall be excluded from computation of any tax obligation
16 imposed by subsection (1) of this section.

17 Sec. 9. Section 44-4726, Reissue Revised Statutes of Nebraska, is

18 amended to read:

19 44-4726 ~~(1)~~ The same taxes provided for in section 44-32,180 shall
20 be imposed upon each prepaid limited health service organization, and
21 such organizations also shall be entitled to the same tax deductions,
22 reductions, abatement, and credits that health maintenance organizations
23 are entitled to receive.

24 ~~(2) Any capitation payment made in accordance with the Medical
25 Assistance Act shall be excluded from computation of any tax obligation
26 imposed by subsection (1) of this section.~~

27 Sec. 10. Section 77-908, Revised Statutes Cumulative Supplement,
28 2024, is amended to read:

29 77-908 (1) Every insurance company organized under the stock,
30 mutual, assessment, or reciprocal plan, except fraternal benefit
31 societies, which is transacting business in this state shall, on or
1 before March 1 of each year, pay a tax to the director of one percent of
2 the gross amount of direct writing premiums received by it during the
3 preceding calendar year for business done in this state, except that (a)
4 ~~(1)~~ for group sickness and accident insurance the rate of such tax shall
5 be five-tenths of one percent, (b) ~~and (2)~~ for property and casualty
6 insurance, excluding individual sickness and accident insurance, the rate
7 of such tax shall be one percent, and (c) in addition to the tax paid
8 under this section, for health maintenance organizations subject to the
9 Health Maintenance Organization Act, the tax levied by section 4 of this
10 act.

11 (2) A captive insurer authorized under the Captive Insurers Act that
12 is transacting business in this state shall, on or before March 1 of each
13 year, pay to the director a tax of one-fourth of one percent of the gross
14 amount of direct writing premiums received by such insurer during the
15 preceding calendar year for business transacted in the state.

16 (3) The taxable premiums shall include premiums paid on the lives of
17 persons residing in this state and premiums paid for risks located in
18 this state whether the insurance was written in this state or not,
19 including that portion of a group premium paid which represents the
20 premium for insurance on Nebraska residents or risks located in Nebraska
21 included within the group when the number of lives in the group exceeds
22 five hundred. The tax shall also apply to premiums received by domestic
23 companies for insurance written on individuals residing outside this
24 state or risks located outside this state if no comparable tax is paid by
25 the direct writing domestic company to any other appropriate taxing
26 authority. Companies whose scheme of operation contemplates the return of
27 a portion of premiums to policyholders, without such policyholders being
28 claimants under the terms of their policies, may deduct such return
29 premiums or dividends from their gross premiums for the purpose of tax
30 calculations. Any such insurance company shall receive a credit on the
31 tax imposed, except the tax paid under subdivision (1)(c) of this
1 section, as provided in the Creating High Impact Economic Futures Act,
2 the Nebraska Job Creation and Mainstreet Revitalization Act, the New
3 Markets Job Growth Investment Act, the Nebraska Higher Blend Tax Credit
4 Act, the Relocation Incentive Act, the Sustainable Aviation Fuel Tax
5 Credit Act, the Nebraska Shortline Rail Modernization Act, and the
6 Affordable Housing Tax Credit Act.

7 Sec. 11. Original sections 44-32,180 and 44-4726, Reissue Revised
8 Statutes of Nebraska, and section 77-908, Revised Statutes Cumulative
9 Supplement, 2024, are repealed.

10 Sec. 12. Since an emergency exists, this act takes effect when
11 passed and approved according to law.

12 2. On page 1, strike beginning with "44-2702" in line 1 through line
13 8 and insert "44-32,180 and 44-4726, Reissue Revised Statutes of
14 Nebraska, and section 77-908, Revised Statutes Cumulative Supplement,
15 2024; to adopt the Medicaid Access and Quality Act; to change provisions

16 relating to taxes on health maintenance organizations, prepaid limited
17 health service organizations, and insurance companies; to repeal the
18 original sections; and to declare an emergency."

LEGISLATIVE BILL 609. Placed on Select File with amendment.
[ER14](#) is available in the Bill Room.

LEGISLATIVE BILL 241. Placed on Select File.
LEGISLATIVE BILL 377. Placed on Select File.

LEGISLATIVE BILL 593. Placed on Select File with amendment.
[ER15](#)

1 1. On page 2, lines 6 and 13, strike "Spark Ignition", show as
2 stricken, and insert "Spark-Ignition".

(Signed) Dunixi Guereca, Chairperson

Health and Human Services

LEGISLATIVE BILL 83. Placed on General File.
LEGISLATIVE BILL 192. Placed on General File.

(Signed) Brian Hardin, Chairperson

Agriculture

The Agriculture Committee desires to report favorably upon the
appointment(s) listed below. The Committee suggests the appointment(s) be
confirmed by the Legislature and suggests a record vote.

Duane Gangwish - Nebraska Brand Committee

Aye: 8. DeKay, Hansen, Holdcroft, Ibach, Kauth, McKeon, Raybould,
Storm. Nay: 0. Absent: 0. Present and not voting: 0.

(Signed) Barry DeKay, Chairperson

NOTICE OF COMMITTEE HEARING(S)

Natural Resources
Room 1023 1:30 PM

Wednesday, February 26, 2025

Randy L Gard - Nebraska Ethanol Board

Stephen D Mossman - Nebraska Game and Parks Commission

Kurt Arganbright - Game and Parks Commission

LB695

LR22CA

Room 1023 1:30 PM

Thursday, February 27, 2025
LB607
LR17

Room 1023 1:30 PM

Thursday, March 6, 2025
LB349
LB595

(Signed) Tom Brandt, Chairperson

Nebraska Retirement Systems
Room 1525 12:00 PM

Friday, February 28, 2025
LB661
LB571

(Signed) Beau Ballard, Chairperson

GENERAL FILE

LEGISLATIVE BILL 265. Title read. Considered.

Pending.

RESOLUTION(S)

Pursuant to Rule 4, Sec. 5(b), LR45 was adopted.

SPEAKER SIGNED

While the Legislature was in session and capable of transacting business, the Speaker signed the following: LR45.

UNANIMOUS CONSENT - Add Cointroducer(s)

Unanimous consent to add Senator(s) as cointroducer(s). No objections. So ordered.

Senator Conrad name added to LB76.
Senator Conrad name added to LB173.

VISITOR(S)

Visitors to the Chamber were members of Leadership Beatrice; members of Leadership York; members of Nebraskans for the Arts; Kearney High School Clarinet Choir and String Quartet.

ADJOURNMENT

At 11:48 a.m., on a motion by Senator Dover, the Legislature adjourned until 9:00 a.m., Thursday, February 20, 2025.

Brandon Metzler
Clerk of the Legislature

