[AGENCY 25]

The Committee on Appropriations met at 1:30 p.m. on Tuesday, March 17, 2015, in Room 1524 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB82, LB381, LB485, and LB506. Senators present: Heath Mello, Chairperson; Robert Hilkemann, Vice Chairperson; Kate Bolz; Ken Haar; Bill Kintner; John Kuehn; Jeremy Nordquist; John Stinner; and Dan Watermeier. Senators absent: None.

SENATOR MELLO: Good afternoon and welcome to the Appropriations Committee. My name is Heath Mello. I'm from south Omaha representing the 5th Legislative District and serve as Chair of the Appropriations Committee. I'd like to start off today by having members do self-introductions, starting first on my far left and your far right.

SENATOR KINTNER: Hello, I'm Bill Kintner from Legislative District 2.

SENATOR NORDQUIST: Jeremy Nordquist from District 7 in downtown and south Omaha.

SENATOR KUEHN: John Kuehn, District 38, south-central Nebraska.

SENATOR HILKEMANN: Robert Hilkemann, District 4, west Omaha.

SENATOR STINNER: John Stinner, Scotts Bluff County, District 48.

SENATOR BOLZ: Senator Kate Bolz. I represent District 29 in south-central Lincoln.

SENATOR HAAR: Ken Haar, District 21, which is northwest Lincoln and part of Lancaster County.

SENATOR WATERMEIER: Dan Watermeier, District 1 in Syracuse.

SENATOR MELLO: Assisting the committee today is Rachel Meier, our committee clerk. And our page for the afternoon will be Julia. Also assisting us today is our fiscal analysts, both Liz Hruska and Sandy Sostad. On the table in the back of the room you'll find some testifier sheets. If you're planning on testifying today, please fill out one of those sheets and hand it to Rachel when you come up to testify. It helps us keep an accurate record of today's public hearing. There is also a sign-in sheet on the back table that if you do not wish to testify but would like to record your position on a specific legislative bill or a specific line item within an agency's budget you can record your position on that as well. If you do have any handout today, please bring at least 11 copies and give them to Julia when you come up. If you do not have enough copies, she will make more additional copies for you to give to the committee. During the portion of today that is the public hearing on legislative bills, we will begin bill testimony with the introducer's opening statement. Following opening statements, we will hear from supporters of the bill, then those in opposition, then those in a neutral capacity. We will end today with a finishing closing statement by the introducer if they so wish to give one. We ask that you begin your testimony today by giving us your first and last name and spelling it for the public record. When we hear testimony today regarding state agencies, we will first hear from a representative or in this case today from the Department of Health and Human Services' representatives of the agency. We will then hear testimony from anyone else who wishes to speak on the agency's budget request. While it is much cooler today than it was yesterday, we will still be using a very strict five-minute light system for all testifiers other than the introducer of the bill or the agency representatives. When you begin your testimony, the light on the table will turn green. The yellow light is your one-minute warning. And when the red light comes on, we ask that you wrap up with your final thoughts. As a matter of committee policy, I'd like to remind senators that the use of cell phones and other electronic devices is not allowed during public hearings. And at this time, I'd ask all of us, including senators, to please look at our cell phones and make sure they're on the silent or on the vibrate mode. With

that, at this time we will begin today's public hearing with state Agency 25, the Department of Health and Human Services. We will be hearing from the Divisions of Developmental Disabilities, Children and Families, and Behavioral Health.

SHERI DAWSON: (Exhibit 1) Good afternoon, Senator Mello and the members of the Appropriations Committee. For the record, I'm Sheri Dawson, S-h-e-r-i D-a-w-s-o-n, and I serve as the acting director for the Division of Behavioral Health. I'm joined today by the division directors: Jodi Fenner, acting director of Developmental Disabilities; and Tony Green, acting director for Children and Family Services. We'd like to thank you and your staff for your work and for reflecting many of the Governor's budget recommendations. We will not address those requests unless you have additional comments for us. The recommendations proposed by Governor Ricketts are intended to reflect the commitment to taking care of our most vulnerable citizens. The most notable variance between the appropriation bill introduced on behalf of the Governor and the Appropriations Committee's recommendation is the appropriation of unencumbered funds. The need of these funds varies within the DHHS program. In our testimony, these needs will be addressed in individual programs. I'll start with the Division of Developmental Disabilities. There are no significant variances between the Governor's recommendations and the committee preliminary recommendation for the Division of Developmental Disabilities. However, Jodi Fenner is here and is able to address any questions you may have. [AGENCY 25]

SENATOR MELLO: Are there any questions at all for Director Fenner? Senator Bolz. [AGENCY 25]

JODI FENNER: Hi. [AGENCY 25]

SENATOR BOLZ: Hi, Director. Just a couple of questions. One question would be I'm maybe more familiar with it than other members of the committee, but an update on where we're at with rate methodology implementation would be helpful. [AGENCY 25]

JODI FENNER: Sure. We went ahead. We've implemented rate methodology as of July of last year. And we still have about 200 people who are frozen at their budgets prior to rate methodology. Some of those individuals are working through the due process, the appeal phases to the extent that their budgets were reduced. And if you recall, Senator Bolz, we also had to freeze the children's rates. And we're working with Navigant to identify how to better address those. When we went to implementation, there were some very significant variances, and we didn't want to implement those at the risk of putting children at risk of harm. So we froze those for further evaluation. Anticipate working through that with Navigant or internal staff hopefully through the summer and getting those implemented. And the other ones we'll just work through the appeal processes, so. [AGENCY 25]

SENATOR BOLZ: So the children's rates you expect to sit down with the consultant again and sort out maybe in the fall? [AGENCY 25]

JODI FENNER: Yes. We have tried. We've actually talked to them multiple times. There are about I think ten other states in the country looking at rate methodology, and Navigant is one of the primary contractors in the nation who do that. So getting their time is a challenge, so. [AGENCY 25]

SENATOR BOLZ: And a related question and forgive me. [AGENCY 25]

JODI FENNER: That's okay. [AGENCY 25]

SENATOR BOLZ: I honestly don't remember. The risk population, are you thinking about separately from rate methodology or is that something you'll implement later like the children's rates? [AGENCY 25]

JODI FENNER: No. Actually in medical risk and behavioral risk we're part of the rate

methodology. Prior to rate methodology, we had been doing medical risk and behavioral risk services for several years, but we were doing that at negotiated rates. And in the rate methodology process, we actually did have those rates assessed. We do have individuals who have risks that go above and beyond what account for in the rate methodology less than 10 percent of our population, which is pretty small when we look at other states' rate methodologies. And so for those we have an exception process. And that requires document clinical or medical evidence to show there is an enhanced need, and then we do negotiate those rates based on that documented need. [AGENCY 25]

SENATOR BOLZ: Okay. And then one question, it is appropriate to ask you about BSDC? I think we're all sad about the passing of Delvin. Are you the right person to direct questions to or? [AGENCY 25]

JODI FENNER: I'm probably the person so if you have a question I'd be happy to answer those. [AGENCY 25]

SENATOR BOLZ: I just would be interested in an update around staffing and overtime. I know that's kind of been a challenge. [AGENCY 25]

JODI FENNER: Certainly. [AGENCY 25]

SENATOR BOLZ: Is there...are there things that this committee should be aware of? Are there ways they can help? [AGENCY 25]

JODI FENNER: Yeah. There...obviously there's been some things in the news lately related to overtime and things of that nature. We have do...we routinely do an overtime evaluation, a staffing evaluation. And the evaluation for 2014, quite frankly, reflects some very significant enhanced staffing requirements that we had both in the third quarter and fourth quarter of 2014. We had over 2,000 hours of overtime attributed to

individuals who were in hospitals. When our individuals go to the hospitals, we actually do staff them at the hospital because that can be a very scary experience for them. Plus there are medical needs and specialized needs that sometimes hospitals aren't...I mean not that they're not equipped to handle them, but we just find that that's a better thing. We also had a couple of residents who needed end of life care and that requires very significant staffing, and that included about...a little less than 3,000 hours and another 1,200 hours for maladaptive behavior above and beyond what we normally see. We also have more than 30 percent of our BSDC staff is on...experienced sick leave, and almost 7 percent of that for 2014 was long-term sick leave. And so one of the things we're doing is evaluating our staffing ratios based on the expectations that we're going to have those continued absences. There's a lot of other issues that we have in our 2014 analysis. If you would like that, we can provide that later. The one thing that was in the paper significantly and I know there are people who seem to be opposed to our zero tolerance for abuse and neglect, and one of the rationales that the paper addressed was because it increases overtime. And the reality is our absences related to suspensions were less than 2 percent in 2014. And I would say the risk to the vulnerable residents at BSDC far outweigh a 2 percent vacancy or absence ratio. Our turnover rates, our highest turnover rate within the ICF is 13 percent. Since HHS averages 20 percent, when you think about how hard the jobs are at BSDC, I would say that's pretty amazing. We have amazing staff who are dedicated to supporting people at BSDC and they do a very hard job every day. And not that any overtime is acceptable, but our overtime rates are well within what we would consider acceptable ratios. [AGENCY 25]

SENATOR BOLZ: That's really helpful. Just last question to clarify. [AGENCY 25]

JODI FENNER: Sure. [AGENCY 25]

SENATOR BOLZ: Would you say that a significant amount of the overtime is related to those items you listed: hospital care, high behavioral needs, and end of life care?

[AGENCY 25]

JODI FENNER: Those are our three big issues and the long-term illnesses that our staff experienced. We have an aging staff. We have a lot of staff who have been with us for more than 20 years. What that means, though, is much like our aging residents, they have higher instances of medical and other needs. We also have...actually we have the staffing ratios if you would like those as well, and our staffing ratios today are as good as, if not better than, they were in the last year and two years. And some folks have asked, well, why aren't you reducing your staffing levels? And the reason for that is our aging resident population as well. More than 40 percent of the people who live at BSDC are over the age of 60. And so as the people we support get older, they have more medical and other challenges that require us to maintain those staffing levels. [AGENCY 25]

SENATOR BOLZ: Thank you, Director. [AGENCY 25]

JODI FENNER: Sure. [AGENCY 25]

SENATOR MELLO: Thank you, Senator Bolz. Is there any other questions from the committee? Director Fenner, I have one general question. [AGENCY 25]

JODI FENNER: Sure. [AGENCY 25]

SENATOR MELLO: And in part because it's been an issue the committee has dealt with for most of my entire time here, which is the "waiting list" that exists for individuals who want to receive services from the department but, unfortunately, are unable to due to a variety of reasons. And I want to give you the opportunity to explain a little bit about the waiting list issue as well as where we're currently at with that waiting list in regards to your division to the new members of this committee. [AGENCY 25]

JODI FENNER: Sure. I know we have a couple of members who aren't familiar or who don't serve on the Health and Human Services Committee so what's commonly referred to as the waiting list are individuals who are eligible for services but who we don't have sufficient funding to cover. DD services are not an entitlement from a state perspective. Nebraska is one of the few states that do make day services an entitlement and we really appreciate that. That allows us to keep kids employed and in day services right out of high school. But when it comes to residential services or services for children, those are based on the special funding that you provide for that purpose. Or if we have people who leave services, we can fund people on the registry with that and then...sorry, I lost my train. Anyway, so for folks who are waiting for residential or children's services, we have what we call a registry of needs. And so if you're waiting, we call that the waiting list. We...you have been very generous since every year since 2008 this Legislature has provided funding for the registry. And that's significant. In years where most states were actually cutting services, Nebraska was stepping up and providing services. Your most recent appropriations from LB195 and LB905 really, those totaled over $8 million, $8.6 million. And with that money to date, we've offered services to 355 people, 202 of them accepted and we have people at different phases in that process. We do issue a quarterly report to the HHS Committee. If anybody wants a copy of that, we're happy to provide that. We update it monthly. So we've been able to make significant progress. We currently estimate there's still about $2 million of that money left to allocate, but we're holding off until we get budgets finalized for some people who are still waiting on that. Sometimes people ask why does it take so long to get people into services. For some people they've been on the registry for several years. And at one point in time our eligibility process were not as well...they weren't as well documented as what we have today. In 2010 and '11 we implemented an electronic system of documentation. We've been very diligent in making sure people who are eligible meet the Medicaid eligibility standards. So some of the people coming in on the registry we have to do a reevaluation of their eligibility and make sure we have that proper documentation. And sometimes that takes a little while. As far as people waiting on the registry, we have a total of 1,805 as of March 17. Does that sound right? As of

today, basically 1,805. Of those, 516 are receiving some type of Health and Human Services service and 483 of them were previously offered services and declined. And so that's where we're at as far as people who are actually waiting for services as of today. [AGENCY 25]

SENATOR MELLO: Thank you, Director Fenner. Are there any other questions from the committee? Senator Kintner. [AGENCY 25]

SENATOR KINTNER: Hi. [AGENCY 25]

JODI FENNER: Hi. [AGENCY 25]

SENATOR KINTNER: Thanks for coming out. As I remember my first year, I think we put $5 million toward bringing that number down. I didn't think the number was 18. Has that number gone up as we put more money toward it? [AGENCY 25]

JODI FENNER: Well... [AGENCY 25]

SENATOR KINTNER: Do you know what the number was 2013 versus what it is now? Do you have that...did you bring that with you by any chance? [AGENCY 25]

JODI FENNER: It hovers in the 1,700 to 1,900 people range consistently. New people come on the registry every year as they become eligible. [AGENCY 25]

SENATOR KINTNER: So if we put $5 million toward it, that didn't even make a dent. [AGENCY 25]

JODI FENNER: Well, it did. [AGENCY 25]

SENATOR KINTNER: And I'm not criticizing the $5 million or you or anyone else. I'm

just trying to get to the right number. If we want to bring it down to 500 people waiting or whatever or 600, you know, what would it take to do that? And did the $5 million we put toward it two years ago, I guess $5 million both years I believe, or whatever we put toward it, which I'm trying to remember how much it was, but it was somewhere in that neighborhood, what did that do? [AGENCY 25]

JODI FENNER: It gave residential services to a lot of people. I think one of the issues that you're experiencing is for many, many years there was no funding put into the registry and so people didn't bother getting on the registry because there was really no hope for services, quite frankly. Because this has been such a public issue, people are aware of the registry now more. We work with school districts to ensure that they understand the eligibility requirement; and we're, quite frankly, seeing increasing numbers of eligibility. And as people come into the system becoming newly eligible, then when they get past their date of need they end up on what's "the registry." [AGENCY 25]

SENATOR KINTNER: What if we put $20 million more toward it next year, $20 million the year after that--we don't have $20 million but if we did--would it just fill up again? [AGENCY 25]

JODI FENNER: Over time it could. Now again, people leave. One of the things that we've also experienced is individuals coming into the system now at a much higher need level--individuals leaving institutions, we've had some individuals coming out of nursing homes and those individuals tend to be very...have very significant needs. We're also able to maintain people in services who have very significant medical and behavioral needs. Traditionally those people would have went to nursing homes or would have filled up our regional centers. And we've been able to keep them out of those institutions. The flip side of that is the per person cost has increased in many of those circumstances. For example, our children's residential services, the average cost is $67,000 and that's pretty significant. But many of the kids who are in that program

traditionally would have went to institutions and some of them out-of-state institutions. But because we've adapted our services, we're able to keep them in. We do, do an estimated state cost if you were to absolutely fund everybody on the waiting list today. That's estimated at about $49 million. The reality is every time we do offers there are people who decline. Part of that is because if they're not adults, if they're youth then there is a financial responsibility for the family to pay towards that cost. And so a lot of people in that range decline services until they're adults. And quite frankly, we have some adults who just aren't ready to move out on their own. I have young adult males and I wish that at 20 and 21 they were independent, but the reality is they're not ready to do that. And people with disabilities are no different, sir, so. [AGENCY 25]

SENATOR KINTNER: I have a constituent that has a son, he's probably 48, they're getting into their 70s now. They're too old to take care of him. They want to make sure he's taken care of when they're gone. So he's now in a group home. It's a mess. It's an absolute mess. I mean, you guys are sending him letters in Spanish. The guy has the intellectual capabilities of a six-year-old and you're sending him letters in Spanish. If you sent it to him in English, he wouldn't understand it. And you're sending...I mean, they've had nothing but problem after...just one day I guess he gets Social Security money probably and maybe...I don't know, he's got a couple different programs that seem to be a little bit at odds. I've only had...that's the only experience I've had with a constituent, but those are the kind of things that worry me that these people are frustrated. My one constituent, I don't know about the other people at this table, but I've got one constituent that's...appreciates what the state is doing. But they're thinking, you've got to be kidding me. If we're not here to help him navigate through this stuff, if we die--and they're in their late 70s now--who is going to help him with this stuff? So these are the kind of concerns I have, not just the raw numbers of people that we need to take care of, but are we providing the best possible service that we can provide? And, boy, I don't want you to think I'm not grateful for all you guys do. [AGENCY 25]

JODI FENNER: No. [AGENCY 25]

SENATOR KINTNER: And I'm just trying to get a handle on all this so we can help you do what you need to do. [AGENCY 25]

JODI FENNER: I really appreciate that. And my expectation for my service coordinators is they should be assisting the family with that. So if you're ever aware of a family in that circumstance, please let us know and we'll address that... [AGENCY 25]

SENATOR KINTNER: Okay. [AGENCY 25]

JODI FENNER: ...because we are, again, thanks to your generosity, we were able to reduce our caseloads for our service coordinators to very reasonable amounts. Our caseloads are at 28 and under, and for our enhanced needs population, they're under 20. So there's no reason for somebody in services to be experiencing that. So if you would connect me with that family, we'll take care of that. That's not acceptable. The rules are incredibly challenging because the people in DD services, sometimes they need economic assistance to supplement their food. We only pay for services. We don't pay for their room and board. They use Social Security and Medicaid for those purposes. But our service coordinator should be helping them coordinate that process. So I really appreciate that and I apologize. [AGENCY 25]

SENATOR KINTNER: I'm not asking you to do casework here or anything. I'm just... [AGENCY 25]

JODI FENNER: And no caseworker is perfect and they all make mistakes and we try to provide them adequate support. So I don't mean to hang a caseworker out to dry. But maybe this is a circumstance where we need to provide that caseworker in team support so. But that is my expectation that our service coordinators would support the individual, not just with our DD services but with accessing the system as a whole because it can be very challenging. Absolutely. [AGENCY 25]

SENATOR KINTNER: Well, thank you very much for being here today. I look forward to working with you (inaudible). [AGENCY 25]

JODI FENNER: Thank you. [AGENCY 25]

SENATOR MELLO: Thank you, Senator Kintner. Any other questions from the committee? Director Fenner, I've got one last one. [AGENCY 25]

JODI FENNER: Sure. [AGENCY 25]

SENATOR MELLO: Can you inform the committee of what your reappropriation dollar amount is likely to be at the end of the fiscal year? [AGENCY 25]

JODI FENNER: DD services isn't asking for any reappropriation specifically for my division. [AGENCY 25]

SENATOR MELLO: Okay. All right. See no further questions, thank you, Director. [AGENCY 25]

JODI FENNER: Thank you. [AGENCY 25]

SHERI DAWSON: Okay. I'll continue with Behavioral Health. The Governor's recommendation includes additional General Funds of $300,000 in fiscal year 2016 and $500,000 in fiscal year 2017 for the Norfolk Sex Offender Treatment facility. The patient population has increased in fiscal year 2014 by five patients and fiscal year 2015 is expected to increase an additional six. In order to continue admissions and maintain appropriate staffing levels to be in compliance with licensing and professional standards, we're requesting the increased funding as recommended by the Governor. We anticipate the need for additional staff to be ongoing and would prefer to not use

one-time reappropriation balances as recommended by the committee to finance an ongoing staff requirement. Medical expenses--in the Behavioral Health operations Program 365 and at the Norfolk Sex Offender Treatment Program, Program 870, medical expenses along with pharmacy services are the largest expense after salaries and benefits. All of the mental health patients at Lincoln Regional Center are on at least one and usually several psychotropic medications. Many of the patients at the Norfolk Sex Offender Treatment Program and the Lincoln Regional Center have significant medical issues. When a patient at Norfolk Sex Offender Treatment Program or the Lincoln Regional Center needs medical attention, we use medical providers and general hospitals in Lincoln and Norfolk for medical diagnosis and treatment. The significant cost of one or two major medical episodes can quickly consume the medical services budget. Therefore, we request that the reappropriation be made available to Programs 365 and 870 to cover the unexpected medical expense. Thank you for your consideration of these items, and I'm happy to answer questions. [AGENCY 25]

SENATOR MELLO: Thank you for your testimony this afternoon, Director Dawson. Are there any questions from the committee? Senator Kuehn. [AGENCY 25]

SENATOR KUEHN: Thank you. Do you have best estimates on what your total reappropriated balances would be in both Program 870 and 365? [AGENCY 25]

SHERI DAWSON: Yes. For 870, anticipating 1.5 unexpended and the encumbrances are usually 1.2 so leaving about $300,000. [AGENCY 25]

SENATOR KUEHN: Okay. [AGENCY 25]

SHERI DAWSON: And in 365, 4.5 unexpended; encumbrances are usually 2.7 so leaves about 1.8. [AGENCY 25]

SENATOR KUEHN: Thank you. [AGENCY 25]

SENATOR MELLO: Any other questions from the committee? Senator Bolz. [AGENCY 25]

SENATOR BOLZ: You sent me a letter regarding the Lincoln Regional Center which I appreciate. And you noted and I noted that we've got a waiting list of about 19 right now. Understand that that's waxed and waned over time, but it would be helpful for me to just hear you talk about, you know, what you expect to see in the future with that waiting list, how we should respond, and what your needs are. [AGENCY 25]

SHERI DAWSON: Sure. Thank you, Senator Bolz. Today, for example, our individuals that are waiting for court-ordered treatment, which are competency evals, competency restoration, and individuals that are not responsible by reason of insanity, those admissions right now are handled as the court orders them. And we try to address those as quickly as possible. We are challenged in terms of the trends that you probably saw on the chart over the last year. There was a time not more than a year and a half or two years ago that we were able to get individuals in within a week or two and that has continued to climb. Actually tomorrow folks from the regional center and Corey Steel, the Court Administrator, we're going to meet to look at the data to further study it to see if there's any trends or patterns, look at our challenges, and identify some options to be able to address that. [AGENCY 25]

SENATOR BOLZ: Is that something you think you could report back to me or to other committee members on? [AGENCY 25]

SHERI DAWSON: Absolutely. [AGENCY 25]

SENATOR BOLZ: I'd like to just be kept up to speed. [AGENCY 25]

SHERI DAWSON: Absolutely. [AGENCY 25]

SENATOR BOLZ: Thank you. [AGENCY 25]

SENATOR MELLO: Senator Hilkemann. [AGENCY 25]

SENATOR HILKEMANN: Two questions: How many patients are at the Norfolk Sex Offender Treatment center? [AGENCY 25]

SHERI DAWSON: Today there's 85. [AGENCY 25]

SENATOR HILKEMANN: Okay. Now we heard some testimony earlier about taking down some of the regional center that's around there. Now your center, is that going to...your center stays in place or is that going to be replaced or what's the...? [AGENCY 25]

SHERI DAWSON: No. Our center is fine and that's just an extra empty building out there. So our unit is not affected. [AGENCY 25]

SENATOR HILKEMANN: Okay, thank you. [AGENCY 25]

SHERI DAWSON: Um-hum. [AGENCY 25]

SENATOR MELLO: Any other questions from the committee? Director Dawson, real quick, Program 38 reappropriated balance, will there be any funding that will be left to be reappropriated? I noticed you didn't request that so. [AGENCY 25]

SHERI DAWSON: At this point, our estimation is that there would be about $7.2 million unexpended. [AGENCY 25]

SENATOR MELLO: Do we normally have...I guess we normally have behavioral health

providers in the regions constantly coming in front of this committee requesting a variety of different policy changes and/or increases in aid. Is there a reason why we would see such a large dollar amount in unexpended behavioral health aid? [AGENCY 25]

SHERI DAWSON: You know, I think there's certainly the planning that goes along with some individuals that are outside of the norm that we've really tried to focus on. A majority of our aid can serve a number of individuals, probably 85 to 90 percent of those. Some come with very complex needs. And we've really tried to focus in the last year of so about how we can better serve those individuals. I do think that the opportunity to bring up new services from the regions' part has been some challenge based on the restriction in the A bill last year. I think there are times where, again, we have some challenges with work force at the various levels of care. And so that might slow down some of the drawdown in admissions and those kinds of things. [AGENCY 25]

SENATOR MELLO: And I know we're going to hear from the regions and probably some providers later at some point this afternoon. The issue, as I understand a little bit of the challenge they run into as regards to how the department asks the regions and, i.e., the providers to provide their budgets during a budget process that they don't quite know and arguably you don't know because we haven't made the decision yet... [AGENCY 25]

SHERI DAWSON: Um-hum. [AGENCY 25]

SENATOR MELLO: ...as a committee, let alone the Legislature, of what actually is going to be appropriated for behavioral health funding in the state. Is that something that we need to consider changing in regards to...I mean, what seems to be the disconnect here in regards to how the department is asking, you know, a behavioral health provider in south Omaha, let's just say, to come up with a budget that you don't even know what we're going to give you, so to speak, yet let alone how can you ask

them, so to speak, to develop a budget based on a number that we haven't even come up with? [AGENCY 25]

SHERI DAWSON: Sure. I do think, you know, there's certainly some timing challenges. For example, this spring is what we call our regional budget planning process. It's sort of a season, if you will. And we release our priorities that the division wants to communicate to the regions, our contractors. And then they in turn look at those priorities and gather information from the providers and anticipate to the best that they can the planning for those priorities based on utilization in the past year. And so it is a challenge. The same thing with rates, for example. While it's, you know, on paper right now at 2 percent, trying to anticipate those numbers is also a challenge. We also are doing a rate study ourselves and so trying to have them plan with what's going to be the result of that rate study to be able to budget, there are some challenges. I think timing in terms of processes certainly could be considered. [AGENCY 25]

SENATOR MELLO: Is that something that we have to, I guess...is that something that we need to make a request of you and make a request of the department to start to work on finding a better way to work with the regions, the providers to figure out this budget timing issue? Because it seems like every year, at least the last three or four years, this has been an issue that I have providers in my area of the state coming to me and this is just a big concern and a big challenge is that they just don't know how to essentially move forward without essentially developing a budget that's laying off behavioral health staff, only then to make the determination that, well, the Legislature appropriated this amount to the department. Now we have to go try to hire some people back, which...I mean, I just don't know how we can ask...we can't ask a business to operate that way in the sense of laying people off in advance of not knowing what decisions we make and then expect them to go hire these people back and then somewhere along the line say, well, we've got problems with work force development issues around the state and that's part of the reason why we're not able to spend all the money you give us. [AGENCY 25]

SHERI DAWSON: Yes. No, and I appreciate that comment and I think they do the very best given the very challenging circumstances to do that, as do we. We, interestingly enough, have a regular meeting with the regional administrators and that happens to be this Thursday. [AGENCY 25]

SENATOR MELLO: Okay. [AGENCY 25]

SHERI DAWSON: And one of the items on there is our regional budget plan so certainly can have some discussion about that. [AGENCY 25]

SENATOR MELLO: Okay. Any other questions from the committee? Seeing none, thank you, Director. [AGENCY 25]

SHERI DAWSON: Thank you. [AGENCY 25]

TONY GREEN: (Exhibit 2) Good afternoon, Senator Mello and members of the Appropriations Committee. For the record, I'm Tony Green, T-o-n-y G-r-e-e-n, and the acting director of the Department of Health and Human Services Division of Children and Family Services. And I'm here to discuss the divisions' request for additional appropriations related to fiscal year '16 and '17. I'll start with the childcare market rate survey. As you know, this is required by 43-536 of the Nebraska Revised Statutes. It requires that childcare subsidy providers receive no less than 60th percentile and no more than the 75th percentile of what licensed providers charge. At the time of the Governor's recommendation when that was put forth, the child market survey had not been completed. The Governor's recommendation reflected the department request, which was calculated using our fiscal year '14 data and used the lowest percentage impact of the past three surveys for the upcoming biennium estimate. Once that survey was completed, the impact in dollars is higher than the estimate by $5.1 million. The $8.5 million for public assistance and $502,000 for child welfare and state General

Funds as recommended by the committee are needed in order to fulfill statutory requirements. And I appreciate the Appropriations Committee recommendation for this purpose. As it relates to the minimum wage, the passage of the state minimum wage increases in January 2015 and January 2016 create a need in our public assistance programs, where providers primarily are childcare subsidy providers and chore service providers, are paid the minimum wage. In fiscal year '16 we request an appropriation increase of $754,000 in state General Funds. In fiscal year '17 we request an increase of $1,056,740 General Funds. This issue was included in the Governor's budget recommendation, and we respectfully request the committee include this funding. As it relates to child welfare aid, LB949 which was signed into law by the Governor on April 12, 2012, moved child welfare expenditures out of Program 347, which is our public assistance aid, into the newly created Program 354 or child welfare aid, which was effective July 1, 2012, or the beginning of state fiscal year '13. At the beginning of state fiscal year '14, $15.1 million of state General Funds were expended for previous year obligations from Program 354. Subsequently, Program 354 was overobligated in state General Funds at the end of state fiscal year 2014 by $12.3 million. The Title IV-E deferral resulted in General Funds being overspent by $6.9 million and $4.4 million of service costs for the OJS population where there was no General Fund appropriation. These two issues accounted for $11.3 million of the $12.3 million shortfall or 92 percent and explains why there was no carryover funds related to state fiscal year '14 in Program 354. In state fiscal year 2015 then, $12.3 million of state General Funds were expended for obligations that we incurred in fiscal year '14. Therefore, we estimate that an additional $12.3 million General Funds will be needed in fiscal year '16 child welfare aid Program 354 to break this cycle of Program 354 being overobligated at the end of each fiscal year. This would be a one-time funding in state fiscal year '16 for services provided in fiscal year '15. The department requests that reappropriation of unused General Funds from Program 250 or juvenile services operations, Program 347 public assistance aid, and Program 514 public health aid, totaling $12.3 million, be appropriated to Program 354 child welfare aid for fiscal year '16 to finance Program 354 child welfare aid. I want to thank the Appropriations Committee once again for your

assistance with our emergency request to transfer $7 million from Program 347, our public assistance, to Program 354 child welfare aid, as well as including the $7.5 million General Funds relating to foster care reimbursement rates in the preliminary recommendations for fiscal year '15 supplemental funding. There is one additional supplemental request in the Governor's recommendation that I hope you will consider funding and that is for the youth that are still in the care and custody of the Department of Health and Human Services after the Office of Juvenile Services population transitioned to the Office of Probation Administration. For a variety of reasons, these youth, of which there are currently 59, remain with the department until they age out. While we continue to provide services for these challenging cases, we do not have appropriations or aid funding to support this population as the funds were all transferred to Probation. We, therefore, request $365,000 state General Funds with $271,000 personal service level for staffing in Program 033 operations and $1.1 million state General Funds for aid or services in Program 354 child welfare aid for fiscal year '15. Thank you for your consideration of these items, and I'd be happy to try and answer any questions you might have. [AGENCY 25]

SENATOR MELLO: Thank you for your testimony today, Director Green. Are there any questions from the committee? Senator Nordquist. [AGENCY 25]

SENATOR NORDQUIST: I just have one on the childcare subsidy. I think there's either federal regulations pending or that have been adopted that require a larger portion of the federal funds that come down in childcare block grant to be used for quality set aside. And I was just wondering if, I think it's like 12 percent, if that's the case what...if we start setting a larger chunk aside for quality, what happens to the kids that are being served by those dollars right now? [AGENCY 25]

TONY GREEN: Sure. So the department does expend currently a percentage of the funds that we do receive in that block grant to quality initiatives. While legislation at the federal level has passed that mandates the department must increase the percentages

for quality, we to date have not received confirmation that we will receive federal funding equivalent to that increase. [AGENCY 25]

SENATOR NORDQUIST: Right. [AGENCY 25]

TONY GREEN: From all indications, it's highly likely that that federal funding will come along with it, which will cover that increased cost for quality in our childcare block grant fund. [AGENCY 25]

SENATOR NORDQUIST: Okay. Thank you. [AGENCY 25]

TONY GREEN: You're welcome. [AGENCY 25]

SENATOR MELLO: Thank you, Senator Nordquist. Senator Kuehn. [AGENCY 25]

SENATOR KUEHN: So could you run down for me...obviously you've got at least $12 million in unexpended reappropriations. What's your total balance that you have in each of these programs that you have at least $12.3 million in unexpended funds to draw from? [AGENCY 25]

TONY GREEN: So by program where that $12.3 (million) is projected to come from, from our standpoint, would be in Program 250 juvenile services, $6.6 million; Program 347 public aid of $3.9 million; and Program 514 public health of $1.8 million. [AGENCY 25]

SENATOR KUEHN: And so that's the total balance in all and so you're planning on utilizing or your request is to utilize all of the unexpended balances totaling at $12.3 in those three programs? [AGENCY 25]

TONY GREEN: In a couple of those programs, there perhaps might be some additional

but most of those that would be the total that would be left over for reappropriation. [AGENCY 25]

SENATOR KUEHN: And do you have any other programs under your supervision that have unexpended balances other than those three? [AGENCY 25]

TONY GREEN: No. And actually the two, the OJS and the public aid, are under my division. Public health obviously is in their own division. [AGENCY 25]

SENATOR KUEHN: Thank you. [AGENCY 25]

TONY GREEN: You're welcome. [AGENCY 25]

SENATOR MELLO: Senator Kintner. [AGENCY 25]

SENATOR KINTNER: Hi. [AGENCY 25]

TONY GREEN: Hi. [AGENCY 25]

SENATOR KINTNER: Now I understand that you got money over here and you can't necessarily move it over here, and there's all kinds of strings attached when you got federal money. But with the hundreds of millions of dollars coming through your agency, you're asking us for a few hundred thousand dollars. Are you serious? You couldn't shake that from somewhere? [AGENCY 25]

TONY GREEN: Asking for a few hundred thousand as it relates to... [AGENCY 25]

SENATOR KINTNER: The request you just made. [AGENCY 25]

TONY GREEN: The $12.3 million? [AGENCY 25]

SENATOR KINTNER: No. You just asked for a few hundred thousand more for, I don't remember what it was for. [AGENCY 25]

SENATOR KUEHN: OJS kids? [AGENCY 25]

SENATOR NORDQUIST: Maybe OJS. OJS kids (inaudible) services. [AGENCY 25]

SENATOR KINTNER: OJS, there we go. [AGENCY 25]

TONY GREEN: So for OJS, we're looking at...you've got a couple different figures there. You've got... [AGENCY 25]

SENATOR KINTNER: And that's the 59 kids...the 59 kids in the system, is that what...? [AGENCY 25]

TONY GREEN: Correct. Those are the 59 that are still remaining with us. In order to continue providing case management to those individuals at the already mandated 1 to 16 or 1 to 17 ratio that we're required to by law, we would request $365,000 in state General Funds. Of that, $271,000 would be the personnel service of staffing, then you've got benefits. Then the services that those 59 kids need to finish out their time with us would be at the $1.1 million. [AGENCY 25]

SENATOR KINTNER: And you couldn't shake that loose anywhere else or? [AGENCY 25]

TONY GREEN: No. [AGENCY 25]

SENATOR KINTNER: Because with all the money going (inaudible), you don't know how many agencies we have that are scraping by. They're asking us for $2,500 to do

this and $4,000 to buy this and do this. And you know, they're returning $4,000 to us and they're trying to be good stewards. You have hundreds of millions of dollars sliding through there. I mean it boggles my mind that you can't shake a couple hundred thousand dollars, at least for the initial money. Maybe $1.1 (million) would be a little more difficult, but. [AGENCY 25]

TONY GREEN: Yeah, and I think if you look at that one issue in isolation, I think that's a fair, you know, comment to make. I also, on the other hand, wouldn't be, you know, for a larger picture of the agency budget, I'm asking for $12.3 million to be reappropriated to shore up many of the issues that we faced where we continue to have to pay prior year obligations with the current year funding. And we just have to get caught up on that so that we can operate at a zero-based budget. [AGENCY 25]

SENATOR KINTNER: Okay. Thank you very much. [AGENCY 25]

TONY GREEN: You're welcome. [AGENCY 25]

SENATOR MELLO: Senator Bolz. [AGENCY 25]

SENATOR BOLZ: I'm trying to get straight in terms of some of the things that have come to our attention in this committee, and two of those things are ongoing training costs for IV-E and maybe some additional foster care reimbursement rates now that we've had that conversation and have a more accurate rate. And I'm just trying to understand how those ongoing costs are going to be covered. I understand you kind of requesting these reappropriated funds to get caught up, but I'm not clear as to whether or not, after that catch-up, we'll have ongoing needs. Can you just help me unravel that a little bit? [AGENCY 25]

TONY GREEN: Sure, I can try. So as it relates to the IV-E training, and I think you alluded to this yesterday maybe in some comments that within the budget that you have

before you there is $3.2 million that's included in both the Governor's budget and your Appropriation Committee recommendation included that money as well specifically for the IV-E training. So historically, that program, since about 2009, has been largely subsidized out of a cash fund due to a lawsuit that we had with administration of Children and Family Services where we were awarded money back to the state in that litigation. We've used that since that lawsuit in 2009. That money runs out now at the end of this fiscal year in '15. So in order to continue on down that path of obviously providing training and subsidizing the salaries of our training staff, we requested that $3.2 million and you included that. You also then have an issue within the IV-E training plan where the reimbursable amounts that you can claim under IV-E vary based on all of the different activities that you do in training. So one component of your training might be reimbursable by the feds at a 50 percent rate while another component of your training is reimbursable at a 75 percent rate. Historically, the department had claimed all training costs up to 75 percent. Through all of the issues that we've been having over the last few years with IV-E disallowances and IV-E deferrals, we took a more conservative approach to avoid having any issues in our training component of IV-E and claimed everything at the minimum 50 percent until we could get some understanding with the feds exactly what was covered at 50 and what was covered at 75. We have that worked out with them now, and so going forward in fiscal year '16 we've worked with the feds to where most of the expenditures as it relates to the training in the IV-E fund will be claimed at the 75 percent rate. [AGENCY 25]

SENATOR BOLZ: That's helpful. [AGENCY 25]

TONY GREEN: Okay. [AGENCY 25]

SENATOR BOLZ: And can you address the foster care rate points? Do we have a plan for that moving forward? Are we squared away? The other thing that came to our attention was that part of the increase in expenditure around IV-E was related to increases of foster care rates that we hadn't predicted. [AGENCY 25]

TONY GREEN: Correct. So early on when projections were made for the foster care rates, we didn't have all of the data in as far as what that was going to cost. And so there were some projections made in last year's appropriation of what the foster care appropriation should be, and found out that that was under what it actually cost once we got all of the assessments in and figured out at what tier each of those children were placed at. I believe in our...in the Governor's budget recommendation as well as your appropriation, the budget that you've put forth, you have shored that up and we're good to move forward with foster care. [AGENCY 25]

SENATOR BOLZ: One more question. Can I address a question related to public assistance to you? [AGENCY 25]

TONY GREEN: You certainly can and I will either answer or get back to you. [AGENCY 25]

SENATOR BOLZ: Okay. Okay. We had some comments yesterday about the ACCESSNebraska system. [AGENCY 25]

TONY GREEN: Sure. [AGENCY 25]

SENATOR BOLZ: And just a very specific question: You have a request here about eligibility systems, maintenance and operation. And this may not be you, Tony, so if it's not you, I can follow up with someone else. But some of that maintenance and operation addresses connecting to the N-FOCUS system. And I just wanted to understand better whether or not that technical update would help make the ACCESSNebraska system work better overall or if it was more related to the Medicaid side? And it's a question you can get back to me on, but in an effort to try to solve technology problems around ACCESS, I'm wondering how important your request for system maintenance and operation is. [AGENCY 25]

TONY GREEN: Sure. And so what you're speaking to is actually in our operations budget for the larger division as a whole, and I can certainly...we have somebody here from operations that could maybe speak to that if you wanted an answer today, or I certainly could follow up with you, Senator. [AGENCY 25]

SENATOR BOLZ: Either way is appropriate. I think at the end of the day we need to understand what real technology needs are in order to make sure that ACCESSNebraska works as it should. [AGENCY 25]

TONY GREEN: Absolutely. [AGENCY 25]

SENATOR BOLZ: Okay. Thank you. [AGENCY 25]

TONY GREEN: Yeah. [AGENCY 25]

SENATOR MELLO: Any other questions from the committee? Senator Kintner. [AGENCY 25]

SENATOR KINTNER: Yeah, I just want to say one more thing. I think I speak for the committee in that we want to make sure you have what you need to do what you need to do. What you're doing is important stuff in the state, but we don't want to give you a nickel more than we need to. And so we're just trying to figure out what that number is. It's why we're asking a lot of these questions. But we're not...this is not a hostile committee to what you're doing. I just wanted to make sure that I didn't come across hostile or anything; that you understand that's where we're coming from. [AGENCY 25]

TONY GREEN: I absolutely understand and I certainly don't take it that way. We obviously, as you're all well aware of, we serve a large portion of Nebraska's vulnerable citizens, whether it's in our public assistance program, our state wards for

abused/neglected children, other programs that may not always get a lot of attention, our vulnerable adult population, protecting them from abuse/neglect and financial exploitation. We have refugee resettlement programs. I mean there's a multitude of programs that we're operating in this division. And I can appreciate your concern and wanting to ensure that we spend that appropriately. [AGENCY 25]

SENATOR KINTNER: Right. Well, thank you. [AGENCY 25]

TONY GREEN: Welcome. [AGENCY 25]

SENATOR MELLO: Senator Stinner. [AGENCY 25]

SENATOR STINNER: Thank you, Senator Mello. One of the biggest things I'm trying to get my mind around is this child care market rate survey, $8.5 million increase. And obviously, when we reflect back on what the Governor was trying to do or anticipate, there's $5 million difference. Tell me about that survey, how you do it, what comprises, why we had such a large discrepancy. [AGENCY 25]

TONY GREEN: Sure. So as I testified, we're required by statute to conduct that survey in odd years. And so we send that out and that then sets the basis for what we set as the market rate for what childcare providers are charging. And then back into then the 60th percentile of what we need to subsidize for that. So part of the, you know, trying to...it's kind of a timing issue that perhaps is relevant to what Senator Mello was speaking to earlier where we're making projections of a budget in late fall of 2014, prior to a survey even being completed and trying to make best guess of what are those rates out there in the last two years that childcare providers are charging. So there was some flawed analysis in that. Kind of speaking to your comment yesterday about making sure that we have the right people, that they're looking at this, this is one area that we do now have the right people in this program... [AGENCY 25]

SENATOR STINNER: Okay. [AGENCY 25]

TONY GREEN: ...and those are different personnel then. [AGENCY 25]

SENATOR STINNER: If you looked back over, say, a period of years, how would...in the odd years, how would those have increases compared to this increase? In other words, has it normally been about $1.5 (million) or $2 million, and this was $8.5 (million)? [AGENCY 25]

TONY GREEN: You know, Senator, I don't have all of the...what the increases have been relative to each of those surveys, but I'd be happy to go back and kind of chart that out for you and get that information to you. [AGENCY 25]

SENATOR STINNER: But you, in your survey, are taking what the market out there...what they're charging, so wouldn't they be incented to increase their charges so that they could get in more money? I mean that... [AGENCY 25]

TONY GREEN: There could be some of that. I mean there's also...this...I don't know if it necessarily would equate to trying to increase the subsidy amounts necessarily that we pay because there's many of these providers also rely on just private pay childcare and certainly can't raise that rate too high that you're going to get to a point where you're not competitive with other childcare centers. So... [AGENCY 25]

SENATOR STINNER: But that... [AGENCY 25]

TONY GREEN: ...is it possible? I think that that could happen, but I don't think that that's likely that you would see that across the board, just given that scenario. [AGENCY 25]

SENATOR STINNER: For this fund, though, that caused an 8.9 percent increase, an

8.9 percent increase over the last biennium. Obviously, that comes back to the sustainability question, which I will not go into, but it's just an observation. Thank you. [AGENCY 25]

TONY GREEN: You're welcome. [AGENCY 25]

SENATOR HILKEMANN: Are there other questions from the committee for Mr. Green? Director Green, thank you for coming. [AGENCY 25]

TONY GREEN: Okay. You're welcome. Thank you. [AGENCY 25]

SENATOR HILKEMANN: Are there other persons who wish to testify for this agency? Again, anyone additional want to testify on the agency's budget? [AGENCY 25]

C.J. JOHNSON: (Exhibit 3) Good afternoon, members of the Appropriations Committee. My name is C.J. Johnson, C.-J. J-o-h-n-s-o-n. I'm the regional administrator of Region V Systems, one of the six regional behavioral health authorities in the state of Nebraska. I am here representing the Nebraska Association of Regional Administrators, behavioral health providers, and the 31,000 consumers who utilize behavioral health services in the public behavioral health system annually. During the 2013 Legislative Session, the Division of Behavioral Health offered a projection of cost savings to the public behavioral health system with the implementation of the Affordable Care Act. The projection of $29 million was dependent on numerous caveats, many of which have not been realized to date, including Medicaid expansion. Because of this projection, $10 million was set aside with an additional $5 million removed from Program 38 allocations beginning July 1, 2014. In 2014, the $10 million was placed back into Program 38 allocation while continuing to leave out the $5 million. Subsequent negotiations allowed any unspent funds in Program 38 as of June 30, 2014, to be redistributed to regional behavioral health authorities to lessen the impact of the reduced $5 million in services across the state. Every year each region, along with the providers and other

stakeholders, determine what they believe the local needs will be and allocate funding for services. However, just like farmers who begin their growing season with certain assumptions, factors which are outside a region's control can greatly impact the ability to draw down allocated funding. This is even more pronounced in a capitated system. Each year, money left on the table is scrutinized as potential cost savings, and that could be used to determine future allocations to the public behavioral health system. As already stated, many factors affect drawdown each year and these factors vary from year to year and even from region to region. For example, last year Region V was engaged in a huge privatization project from a county operated entity to two private entities, which impacted thousands of individuals. Because all the consumers first had to be discharged and subsequently readmitted to services, significant funding was not drawn down from Region V's fiscal year '14 allocation. However, this year Region V is on track to draw down all the fiscal year '15 allocation, including the redistributed funds. Some of the factors that are impacting this year's drawdown include the following: During fiscal year '15, $4.2 million was redistributed to the regional behavioral health authorities, however, the amendment for these funds was not received from the Division of Behavioral Health until December 2014. Contract amendments could not be issued to providers until after DBH amendment was received. This impacted providers' ability to draw down funding, as they had to subsequently hire, train, and build caseloads before they could invoice for the funding. There has been a marked decrease in Magellan authorizing for services are reported by providers. This means that individuals who providers believe meet criteria for certain services are not receiving these services. This also impacts the drawdown of funding. There are provider paybacks throughout the year that are a result of individuals becoming eligible for third-party payments and their eligibility becoming retro. There remains a moratorium on new services, which hampers the ability to develop new services or start pilot projects to address the changing needs of individuals experiencing a behavioral health disorder or the public Behavioral Health system's ability to effectively partner with other systems, such as Corrections, Public Health, and Probation, to address the behavioral health needs of these populations. Work force shortages in nonresidential and residential programs impact the drawdown

of units served. Inclement weather prevents individuals from making appointments, and this can impact drawdown. The redistribution funding was basically one-time funding which hindered providers' willingness to expand capacity because they were not guaranteed the funds for next year. In the lieu of time, at the time the $5 million as removed, it was anticipated the Affordable Care Act and Medicaid expansion would also impact the system. Independent review of the impact of the Affordable Care Act on the public Behavioral Health system was just under $300,000 annually. The loss of $5 million means a significant reduction in services that are the front-line defense into higher levels of care. Additionally, the Division of Behavioral Health has begun rate studies which undoubtedly will result in higher rates and, thus, affect the capacity. We ask that the Appropriations Committee recommend a reinstatement of the $5 million to Program 38 for fiscal year '16 and fiscal year '17. Failure to make this recommendation will render many Nebraskans unable to access services, or it will result in them needing higher and more expensive levels of care. [AGENCY 25]

SENATOR HILKEMANN: Thank you, Mr. Johnson, for your testimony. Are there questions from the committee members of Mr. Johnson? Senator Nordquist. [AGENCY 25]

SENATOR NORDQUIST: Thank you. And I appreciate the regions doing the analysis that was done. Certainly myself and Senator Mello were very involved in the initial discussion of this over the last couple years. And what came from the department at the time was, you know, we're going to save $29 million because more people will pick it up through private insurance. But it was clear from your analysis that the patients you're serving--correct me if I'm wrong--but fall more into the Medicaid expansion population, not the private insurance side. So the savings really aren't materializing because of private insurance expansion, but we would see much more savings if Medicaid was expanded. [AGENCY 25]

C.J. JOHNSON: We would. There would be some additional savings here, although you

know a lot of the services that the regions fund, like a lot of the emergency services and specialty service coordination components, still would not be covered, even if Medicaid was expanded. [AGENCY 25]

SENATOR NORDQUIST: Great. Okay. Great. Thank you. [AGENCY 25]

SENATOR HILKEMANN: Additional questions from the committee? Senator Stinner. [AGENCY 25]

SENATOR STINNER: Thank you. Your comment, there was a market decrease in Magellan authorizing for services as reported by providers. And you go on to talk about that. I've heard quite a little bit about that. Could you give me an indication of what that number looks like or what...how many cases or is it just...just tell me how that all works or it doesn't work. [AGENCY 25]

C.J. JOHNSON: Well, actually, what I can tell you, because we don't specifically deal with Medicaid in that sense as a region, I do know that there are some other organizations who are currently trying to gather those kind of numbers and get those together. [AGENCY 25]

SENATOR STINNER: Okay. [AGENCY 25]

C.J. JOHNSON: We just simply...we hear about that, the concern we have always though is, is there a cost shift being done to the public Behavioral Health system, you know, if it's not being covered under the Medicaid. [AGENCY 25]

SENATOR STINNER: Thank you. [AGENCY 25]

SENATOR HILKEMANN: Any additional questions? Seeing none, thank you very much, Mr. Johnson. [AGENCY 25]

C.J. JOHNSON: Thank you. [AGENCY 25]

TOPHER HANSEN: (Exhibit 4) You'll receive my testimony and I will correct it to say acting-Chair Hilkemann instead of Chairman Mello, but I do have members of the committee. And my name is Topher Hansen. I am president/CEO of CenterPointe, but I am here today on behalf of the Nebraska Association of Behavioral Health Organizations, known as NABHO. We are comprised of 43 organizations representing hospitals, consumer organizations, community-based providers like CenterPointe, and regional governing authorities. The term "behavioral health," for those of you that may not be familiar with the whole area, we're still a young area. We're getting our act together. But behavioral health is sort of translated to mean mental health and substance use issues. So services to address those issues are paid for by private insurance carriers, Medicaid, Medicare, the Nebraska Behavioral Health System or NBHS dollars which are administered through the Nebraska's six regions. County funds, grants, federal dollars, and donations also fund services needed to make the whole thing work. The safety net for our state and our local communities is NBHS dollars coming out of the Division of Behavioral Health and administered through the region. This is a trickle-up issue. If we do not invest our dollars to help people suffering from mental illness and addiction, their illness will go unchecked and we will see an increased use of hospitals, crisis centers, jails, and other high-cost public services. The increase in cost is exponential. If we are successful in helping them address their chronic health conditions, we have a better community and we save money. Letting these issues go unattended never saved anyone any money. The better off the least well among us, the better our communities. We need more dollars to cover the uninsured. Every single day CenterPointe serves 600 people, 63 percent of whom are uninsured and require NBHS dollars to get services for the complex situations they present. Let me note also that 74 percent of the people that we serve are serving...that we are serving are also homeless and most everyone has physical health problems. Neither homelessness or physical health issues will be directly solved through NBHS

dollars, but addressing both these issues is a necessity in providing care. If we are to begin to address these complex, chronic, costly, serious health conditions, we must have NBHS dollars to cover the gap for Nebraska citizens who do not have private insurance, Medicare, or Medicaid. Cutting dollars out of the system is not the way to decrease cost. This is an investment, not an expense. The dollars work towards solutions that reduce overall costs. The unnecessary expense here is the dollars that go to the temporary solutions, like hospital emergency rooms, jails, crisis centers, policing costs, etcetera. Invest in long-term solutions and save money in temporary solution expenses. That's got to be our financial plan. Let's take who you all know, because we all know everybody knows somebody who has a substance use or a mental health problem or both. If they have no insurance, no financial resource, no Medicaid means they are going to rely on the assistance of the NBHS dollars to get care so they can get back on their feet. There is no other way. It all...I know personally a physician, a Ph.D., and a former police chief who all needed this help. It all tumbled out of control for them in a way they lost everything: their family, their job, their house, insurance, money, everything. One of them died. One is currently very sick and getting help. And the other is healthy, recovering, engaged in life and being well. Nebraska's behavioral health system is fragile. The regional system needs the funds to buy more capacity in outpatient and residential services for individuals who are uninsured. Additionally, behavioral health rates need to keep pace with the cost of providing services but are woefully behind. This is not anecdotal or without substantiation. You have seen the data about cost-of-living increases during the Medicaid testimony yesterday. The same applies for behavioral health rates. Those are anywhere between 21 and 50 points behind cost-of-living indexes. The $5 million, or after the testimony today maybe I should say the $7.2 million, that we are referring to was taken out in anticipation of savings with the implementation of Affordable Care Act and Medicaid expansion. It didn't happen. Even if Medicaid expands and takes place in Nebraska, the transition and cost savings will be gradual, not a complete shift in expenditures in one fiscal year. Please restore these fund and help NABHO and other providers meet the needs of the most ill among us so we can all live the good life. Thank you not only for the time to do

this but thank you all for your service to the state. [AGENCY 25]

SENATOR MELLO: Thank you for your testimony this afternoon, Mr. Hansen. Are there any questions from the committee? Seeing none, thank you, Topher. [AGENCY 25]

TOPHER HANSEN: Thank you. [AGENCY 25]

JOHN CAVANAUGH: (Exhibit 5) Mr. Chairman, members of the committee, my name is John Cavanaugh, J-o-h-n C-a-v-a-n-a-u-g-h. I'm here today representing the Holland Children's Movement, the Holland Children's Institute, and I also serve as cochair of the Nebraska Children's Health Alliance. I'm here today to present, first of all, to thank you for really the last four or five years of dedicated service to children and to present this report, the "Nebraska Children's Budget: Investing in Possibilities," which focuses on many of the questions that you have addressed today. It's an effort to simplify to present a clear and concise understanding of who are the children at risk in the state of Nebraska, what services are we committing to them, what dollars are we expending in support of them, and what are the gaps in terms of service and coverage and needs of children and families in poverty. We have seen very positive developments over the last several years, beginning with the very first important thing in any child's life, which is prenatal care. And providing universal prenatal care is one of those issues where Nebraska stands above the country in terms of availability. As the report indicates, we still have about 6,000 women per year who don't access that care, so we still have access issues. But that is something that this Legislature did and many of you provided the leadership for that effort. Also the next thing is when the mother who gave birth has to return to the workplace and she cannot do that because they are more always in low-paying jobs without childcare, and there is no childcare without the childcare subsidy that this Legislature, in partnership with federal funding, provides. So we are tracking that as well. Two years ago, this Legislature took the important step of establishing quality standards for large recipients of childcare subsidy from the state of Nebraska, a huge first step forward, and we see that...we also invited other childcare

providers to voluntarily move into those standards which will eventually be available to the parents and to the public, so we'll be able to see how childcare providers are rated on a five point scale. So what we have done here is attempt to assist this committee, this Legislature, and in fact the general public with having access and understanding in an easy, clear, concise way about the stairsteps of progress that we are making in terms of improving opportunities for children at risk and in poverty in this state. So we want your constituents to understand what it is you have been doing to improve those opportunities and we want to assist you in understanding the challenges that remain yet to be addressed. So we thank you for the work that you have done, for the work that you are doing, and to...for you to know that the Holland Children's Movement is here to assist you going forward. Thank you very much. [AGENCY 25]

SENATOR MELLO: Thank you for your testimony this afternoon, Mr. Cavanaugh. Are there any questions from the committee? Seeing none, thank you, John. [AGENCY 25]

JOHN CAVANAUGH: Thank you. [AGENCY 25]

ANDREA SKOLKIN: (Exhibit 6) Good afternoon. Little tough to be short. Members of the committee, Senator Mello, my name is Andrea Skolkin, A-n-d-r-e-a S-k-o-l-k-i-n, and I'm here today on behalf of the seven federally qualified health centers in Nebraska and testifying to ask your support of an appropriations of $2 million each year in the proposed biennium budget for integrated primary and behavioral healthcare. Carole Boye, who's the executive director of Community Alliance, will present after me and share about this integrated model which I will talk about from a behavioral health perspective, and I will speak in general to the primary care side. I want to make the case today to you that supporting this innovative model in our highest need communities is a great investment, not only for the people whose health is improved but for our communities, our schools and, as we've heard about, the justice system as well as for government. Nebraska's health centers care for about 65,000 individuals a year. Eighty-five percent of them have incomes at or below 200 percent of poverty and our

mission is to be the healthcare home for the underserved. Over the past decade, integrated care services delivery models, those that connect behavioral health and physical health by improving the screening and treatment of mental health and substance abuse problems in primary care settings and improving the medical care of individuals with serious mental health problems and substance abuse in behavioral health settings--are two growing areas of best practice. In the interest of time I won't review all of the statistics, but they are attached--a summary to my testimony. But I do want to highlight a few things. Seventy percent of all medical care visits really stem from psychosocial issues. One in four adults suffer from mental disorders, and half of all lifetime mental disorders are established by the time a child reaches age 14, and 75 percent by the time that child reaches adulthood at age 24. Mental health, you heard, impacts the ability of a family to function, the success of children in school, the ability to work, support a family, absenteeism in the workplace, and oftentimes can place undue burden on the justice system. Now we as health centers can solve all of this, but we certainly can make a significant impact through prevention and through disease management in an integrated primary and behavioral healthcare model. Severe and persistent mental illness is a significant challenge in our communities but is one that can be addressed efficiently and effectively through integrated care. We would make that a priority of this appropriation. There clearly is a case for the impact on schools, social services, and the prison system, but in our limited time today let me just address the impact on the Medicaid budget. People with co-occurring disorders--those that both have a mental health issue and a physical illness--can be expensive patients. Giving them an integrated healthcare home can result in better medication management, chronic disease management, independence, and connection to community resources as well as family support. We know that for many with severe mental illness most are comfortable going to the emergency room. Unfortunately, that's what they know how to do, and we feel we can change that cycle through this integrated care model. We are asking for an appropriation of $2 million in each year of the biennium to help our health centers implement this integrated model. In this plan, each health center would receive $120,000 in base funding and the rest to be distributed based on patient volume. The

map of health centers across the state is also included, attached to my testimony. Funds would be used to care for children and adults by hiring or contracting for behavioral health clinicians, navigators, social workers, and care coordination, as well as medications and the operational costs of expanded integration. The model would be implemented at federally qualified health clinics and could be used also to integrate care in behavioral health settings. We know it's time for change in the behavioral health system and we are here to be your partner and ask for your support in this innovative model. Thank you for your consideration and I'm happy to answer questions. [AGENCY 25]

SENATOR MELLO: Thank you for your testimony this afternoon, Ms. Skolkin. Are there any questions from committee? Senator Hilkemann. [AGENCY 25]

ANDREA SKOLKIN: Yes. [AGENCY 25]

SENATOR HILKEMANN: I would make...I'd make a comment. We talk about that so many of them go to the emergency rooms. [AGENCY 25]

ANDREA SKOLKIN: Uh-huh. [AGENCY 25]

SENATOR HILKEMANN: And I have a little theory on this. If you ask...having to had to call a lot of different offices in Omaha over the years, particularly after 4:00, almost every office tells people to go to the emergency room. Why is that the case? [AGENCY 25]

ANDREA SKOLKIN: Senator Hilkemann, you bring up a good point. I think our office hours in primary care aren't always the most friendly. I would probably say that holds true for many behavioral health. But I have seen over the past few years a number of providers, both behavioral health and primary care, extending their hours, plus the offering of urgent care as an option. But it's very difficult as an employer to recruit

physicians and therapists to work those evening hours. And I think that is part of the issue when you call and you...it's hard to get people to work those hours. [AGENCY 25]

SENATOR HILKEMANN: I would put out a challenge that in some way we need to, and I know part of it is simply because of the legal ramifications, you know, call 9-1-1 or if there's some way that we could...and it's not just your institution. It's universal. We talk about a group of people overutilizing the emergency rooms... [AGENCY 25]

ANDREA SKOLKIN: Uh-huh. [AGENCY 25]

SENATOR HILKEMANN: ...and yet I would say that if we go, it's probably 16 hours through the day if they're calling health institutions they're told to go to an emergency room. [AGENCY 25]

ANDREA SKOLKIN: Senator, thank you for your comments. I know I can only speak for our health center. We have expanded our hours and we will look toward this resource to help us extend both the primary and behavioral healthcare hours. [AGENCY 25]

SENATOR HILKEMANN: Thank you. [AGENCY 25]

SENATOR MELLO: Any other questions from the committee? Seeing none, thank you, Ms. Skolkin. Could I get a quick show of hands who all are left to testify on Agency 25, the Department of Health and Human Services' budget? Okay. Thank you. [AGENCY 25]

CAROLE BOYE: We'll try to talk faster. [AGENCY 25]

SENATOR MELLO: You're fine. [AGENCY 25]

CAROLE BOYE: (Exhibit 7) Good afternoon, Senators. Happy St. Patrick's Day. I don't

know that anyone said that this afternoon yet. My name is Carol Boye, C-a-r-o-l-e, Boye, B-o-y-e. I am the chief executive officer of Community Alliance, which is a mental health agency based in Omaha, Nebraska. We serve about 2,200 individuals every year, all with serious mental illness in the Region 6 behavioral health area. I'd like to add our voice today in support of integrated medical and behavioral healthcare, and to amplify on both the need and the promise of this approach. People with the most serious mental illnesses, those with schizophrenia, bipolar disorder, major recurrent depression, die, they die on average 25 years younger than those without serious mental illness. These are the people that are served by Community Alliance. Forty percent of those we serve have schizophrenia, thirty-five percent have bipolar disorder, over fifty percent have a co-occurring substance use disorder. But it's not their mental illness that is the predominant factor in this early death rate. It is largely due to treatable medical conditions, such as diabetes, hypertension, heart disease, respiratory disease. I care very deeply about the people that we serve. That's why I'm here today. But I also care about smart public policy and about our state making changes that make sense. That's also why I'm speaking today on this issue. Nearly one-fourth of all adult stays in U.S. hospitals involve individuals with schizophrenia, bipolar, depressive, or other major health disorders. What we have learned is that much of what puts these people in the hospital or drives them to our emergency room is attributable to physical health systems and conditions. People with schizophrenia are 45 percent less likely to have a primary care doctor than those without mental disorders. I would suggest, Senator, that that's also driving that emergency room. There's no alternatives for them. People with bipolar disorder are 26 percent less likely to have a PCP. What the research today tells us is that for most people the primary care physician may be the first point of contact for identifying a behavioral health disorder, and it can be treated there and we can treat those by putting behavioral healthcare within the primary healthcare setting. But for those with serious and persistent mental illness, the research today is telling us that we will achieve the best result by delivering physical healthcare right alongside mental healthcare in the behavioral health setting. That is what Community Alliance is doing in collaboration with our FQHC partner, OneWorld. We are the first agency in a four-state

area to be awarded a competitive federal SAMHSA grant for primary and behavioral health integration. Under that grant, we partnered with OneWorld and now have a medical clinic inside our building at Community Alliance. It is at Community Alliance because that is where people are already engaged in their own mental health recovery, where we already know the trauma that they've experienced which keeps them from seeking out medical care on their own, where we can teach clients how their physical health and wellness is absolutely interconnected with their mental health and wellness. At this integrated site, the psychiatrists and the primary care physician can and do talk with each other face to face and work together to coordinate the complex conditions, treatment, medications that before have always been treated in separate silos. As part of this new model, we have developed and seen the benefits of dedicated whole health navigators, helping individuals to access follow-up care, educating them about disease management, the importance of medications and exercise, and maintaining a singular integrated health home. While our numbers are still fairly small on this project, we've already seen impressive results, significant improvements among people, their rates of diabetes, high cholesterol, body mass index, high blood pressure. We've also seen a decline in the emergency room and hospital usage. Again, our numbers are small, but while 7 to 9 percent of participants reported use of emergency room and hospital services in a 30-day period before being connected with our program, this dropped to 5 percent in a 12-month reassessment period. In Missouri, they're having similar results. They're actually sustaining a reduction in emergency room visits and hospital stays by 8 and 9 percent respectively. Other states are also migrating here. My point today really is this. Based on what is being experienced in the Community Alliance-OneWorld partnership and the results that they're seeing in other states, integrated care in various forms and settings is the kind of practical, common-sense model that Nebraska should be exploring and investing in--a model that impacts both cost and quality of life. This committee's leadership and support would go a long way in allowing organizations such as ours to continue to innovate and develop such promising new approaches. Thanks for your time. [AGENCY 25]

SENATOR MELLO: Thank you for your testimony this afternoon, Ms. Boye. Are there any questions from the committee? Senator Bolz. [AGENCY 25]

SENATOR BOLZ: Thanks for coming this afternoon. And I think you make some excellent points about integrated behavioral and physical healthcare. [AGENCY 25]

CAROLE BOYE: Uh-huh. [AGENCY 25]

SENATOR BOLZ: Here's what I'm trying to understand and maybe you can help illuminate it for me. I was under the understanding that the department is going to move forward with some managed care approaches to integrate physical and behavioral healthcare, so I'm just trying to understand how this...would this be complementary. Would it be a different population base? Would it be another pilot initiative? Help me understand how those two... [AGENCY 25]

CAROLE BOYE: Sure. [AGENCY 25]

SENATOR BOLZ: ...concepts fit together. [AGENCY 25]

CAROLE BOYE: My understanding is, yes, the department is going to at some point on the Medicaid piece is have a singular contract or RFP let out so that both mental health and primary health would be paid for under one (inaudible). I personally see that as a very, very good step forward because as long as we...it actually kind of interrelates to some things that C.J. Johnson was talking about in terms of cost shifting. Until we merge those two, there is an incentive for the behavioral health side to say this is a medical condition, treat it there; there's an incentive for the medical payer to say this is a behavioral health condition, treat it there. And so we keep them separated. And yet, what everything is showing us is that it goes hand in hand. The other interesting point about this, as I'm speaking from the behavioral health side, is that most of the cost savings in terms of reduced emergency room visits and hospitalizations and specialty

care, most of those cost savings are really being experienced on the primary healthcare side, not the behavioral health side. And again, it has everything to do with that interrelationship of untreated chronic diseases that people with serious and persistent mental illness in particular just don't get treated until it is an emergency. [AGENCY 25]

SENATOR BOLZ: So would your initiative serve a different population? Would it be a pilot that starts before that...I'm just trying to understand how what you're doing would complement or be different from what... [AGENCY 25]

CAROLE BOYE: What we're doing is serving some folks on the Medicaid side. So, yes, it would be complementary to that piece. But we're also serving a substantial portion of people who are not Medicaid eligible who do not have private insurance, and so therefore need DBHS funding, primary FQHC funding, you know, for that underserved population. [AGENCY 25]

SENATOR BOLZ: Okay. Thank you. [AGENCY 25]

SENATOR MELLO: Thank you, Senator Bolz. Senator Haar. [AGENCY 25]

SENATOR HAAR: Yes. You used the term "whole health navigator." [AGENCY 25]

CAROLE BOYE: Uh-huh. [AGENCY 25]

SENATOR HAAR: Tell me briefly what that means. [AGENCY 25]

CAROLE BOYE: What that means to us is it is someone who can negotiate both the behavioral health system and the primary healthcare system on behalf of or along side the individual. One of the things we experienced, and it really resonated with me with your question about emergency rooms, is one of the first clients that we saw came to the integrated health side, got medical care, was very pleased with that. Found out the

person had diabetes and high blood pressure, and we started treating all of that. And then a month or two into it, got a respiratory illness, you know, got a cough, got the flu, whatever, and went to the emergency room. And we found out about it and we said, so what (laugh) what's going on here? We got the doctor services here. Oh, I didn't know I could come here for that. The mentality is that that's where you go when you have an acute...when you need your antibiotics. And so we have to educate folks and that navigator becomes one of the primary persons. The doctor doesn't have time and they're too expensive to educate them as to where you go for what or the diabetes education or the mental health education. You want somebody there that can navigate that system, teach them that here's where you go for this. Let's access these in-home services here so then we don't have to go to the hospital. [AGENCY 25]

SENATOR HAAR: So I mean are these people nurses or social workers or... [AGENCY 25]

CAROLE BOYE: In our model, they're bachelor's level social workers, caseworkers, yes. [AGENCY 25]

SENATOR HAAR: Okay, a caseworker. [AGENCY 25]

CAROLE BOYE: Yes. [AGENCY 25]

SENATOR HAAR: Okay. Thank you. [AGENCY 25]

SENATOR MELLO: Thank you, Senator Haar. Any other questions from the committee? Seeing none, thank you, Ms. Boye. [AGENCY 25]

CAROLE BOYE: Senator, if I may, just because I'm here, I do want to go on record in terms of the regional program administrator's testimony about the impact of $5 million, and I have a letter here from...signed by Rhonda Hodge (phonetic) but from the

Behavioral Health Support Foundation that is also in support of that, that I would enter into the record. (Exhibit 8) [AGENCY 25]

SENATOR MELLO: Okay. [AGENCY 25]

CAROLE BOYE: Thank you. [AGENCY 25]

SENATOR MELLO: Thank you, Ms. Boye. [AGENCY 25]

ROBERT SANFORD: (Exhibit 9) Good afternoon, Chairman Mello and members of the Appropriations Committee. My name is Robert Sanford, R-o-b-e-r-t S-a-n-f-o-r-d. I am the legal director for the Nebraska Coalition to End Sexual and Domestic Violence, formerly known as the Nebraska Domestic Violence Sexual Assault Coalition. The coalition is a nonprofit organization whose membership is made up of 20 organizations providing services to victims of domestic violence and sexual assault throughout Nebraska. In the room behind me are representatives of The DOVES Program in Scottsbluff; The Spouse Abuse Sexual Assault Crisis Center from Hastings; Friendship Home, and Voices of Hope in Lincoln; Women's Center for Advancement in Omaha; and Heartland Family Services from Papillion. You will hear from two of these programs in a few minutes, but we are here asking for additional funding for the network of programs. I have handed you a packet of information for you to reference, as Amy Evans and Jamie Manzer testify following me. Included with this packet is a list of the core services to be provided to victims under the Protection from Domestic Abuse Act found in Chapter 42. Health and Human Services contracts with the 20 programs to provide these services in each of the 93 counties in Nebraska. The local programs forming the network of service providers were originally funded in 1978. In 1981, the network received $68,000 to provide these services. Through a series of increases shown in one of the documents provided you will see that the last funding increase was in 2002 when the current level of $1,347,300 was set. Even though there has not been an increase in funding, there has been an increase in demand for services. According to

reports filed for 2002-2003, the network of service providers assisted more than $9,900 individuals under this program. The most current statistical information shows that during 2013-2014 more than 23,600 individuals received services in Nebraska. This is a 138 percent increase in services without an increase in state appropriations. Services provided in 2013-2014 also included 57,592 bed nights and over 46,000 hot line calls. We ask that funding for the programs to provide these services be increased by 10 percent. Thank you. [AGENCY 25]

SENATOR MELLO: Thank you for your testimony this afternoon, Mr. Sanford. Are there any questions from the committee? Seeing none, thank you. [AGENCY 25]

ROBERT SANFORD: Thank you. [AGENCY 25]

JAMIE MANZER: (Exhibit 10) Hello, everyone. We originally thought we had two minutes, so we'll be very fast. (Laughter) Good afternoon, Chairman Mello, the rest of the Appropriations Committee. Thank you so much for hearing our programs here today. We're really grateful for your time. My name is Jamie Manzer, J-a-m-i-e M-a-n-z-e-r. It's what happens when the French and the Germans get together. I'm the executive director at the Spouse Abuse Sexual Assault Crisis Center based out of Hastings, Nebraska. We currently serve Adams, Clay, Nuckolls, and Webster Counties. We're a nonprofit organization and we provide 24-hour wraparound services to over 2,000 victims of domestic and sexual violence every year. Today I represent not just myself and my program but 14 other programs who provide rural services to 83 or, excuse me, 84 of Nebraska's 93 counties. Statewide it's true we did experience a 138 percent increase in demand for services provided yet we did not receive an increase in funding. Doing more with less is always difficult, especially for our rural programs. As Robert mentioned, there's a list of core services provided in your packet that our network of 20 programs must provide, whether we're urban or rural. Much like many DHHS-funded programs behind me, our network operates on a 24-hour basis. We are mandated to respond quickly and we're mandated to respond free of charge. With an

increase in demand and no increase in funding, naturally you can imagine that these services are becoming more and more of a challenge to provide. These are life and death situations in many circumstances and they're for victims of violence. One program is our 24-hour access to free emergency transportation. This is one of the seven core services profoundly affected by funding limitations in our rural area. For example, staff must travel hundreds of miles to provide equivalent services that are otherwise readily and locally available in our more urban communities, like Lincoln or Omaha. There is no access to public transportation in our areas and absolutely minimal taxi services. Therefore, transportation is almost always entirely the responsibility of our programs who are providing those services. For example, SASA has a 14-year-old sexual assault victim. My advocate travels 288 miles round trip on 11 different occasions in the last six months in order for her to meet with her attorney and to ensure that her perpetrator is seen behind bars. That actually translated to over 3,000 miles traveled by my agency and over $1,500 in required costs. SASA only serves four counties. We like to think we serve a lot but I actually have counterparts in the room who serve the entire Nebraska Panhandle. Recruiting, hiring, and retaining qualified and capable staff to provide these essential services is both burdensome and expensive for rural programs. Primarily because the population we recruit for is in a small area, advertising is costly. And once we hire the staff, retaining them, because they must traverse this Panhandle with a very low wage to aid a victim at 3:00 in the morning, is very difficult. One new issue we'd like to bring to your attention is with all this talk of federal healthcare and ensuring universal coverage for individuals, our network of programs, and particularly in the rural areas, really struggle to make this a possibility, largely because we are small. And subsequently, insurance providers, who are giving us these suggestions for rates, make rates very difficult and problematic for agencies to cover. And without funding increases, we are unable to provide insurance for the majority of our programs and, subsequently, for the staff. So retaining these capable staff is difficult. Someone behind me mentioned that hiring staff who would be willing to work hours that are 24 hours a day is difficult, and so when you have a lower wage as well as lack of health insurance, that is a challenge. Doing more with less is everyone's problem in the room, and I see that and

hear that. But doing more with less makes subscribing to our particular mandate, which is to provide 24-hour, around-the-clock services to victims of domestic and sexual violence who are potentially in life or death situations, particularly difficult and somewhat ineffective. We would ask that funding for programs be increased by the 10 percent that Robert mentioned, which one of my colleagues will be discussing in more detail below. Thank you very much for your time. I really appreciate it. And if you have any questions, I'd be happy to try to answer. [AGENCY 25]

SENATOR MELLO: Thank you for your testimony this afternoon, Ms. Manzer. [AGENCY 25]

JAMIE MANZER: Uh-huh. [AGENCY 25]

SENATOR MELLO: Are there any questions from the committee? Seeing none, thank you. [AGENCY 25]

JAMIE MANZER: Thank you. [AGENCY 25]

AMY EVANS: Good afternoon, Chairman Mello and members of the Appropriations Committee. My name is Amy Evans, A-m-y E-v-a-n-s. I'm the executive director of the Friendship Home, Lincoln's shelter for survivors of domestic violence and their children. Friendship Home is one of five urban programs in Nebraska's network. The sheer number of individuals reaching out for our services is daunting given our limited funding. But across the state our programs are all grappling with need that stretches far beyond our means. The annual census conducted by the National Network to End Domestic Violence documents the need. This point-in-time count conducted across the nation on one day in 2013 provides a clear picture. The programs in our network served 532 victims on that one day alone. However, there were 257 requests for services that day that could not be met because we simply did not have the resources. That's 257 voices on the telephone on that one day, mostly women with children who were being beaten

in their homes, who were living in terror, who did not receive the services that they needed. Across the state survivors are asking for our help every day, sometimes asking us to help save their lives. And so it's our duty to ask you today on their behalf for an increase in state funding. The Nebraska network currently receives approximately $1,347,000 in state funding. Our last increase was in 2002. Over that period, we've more than doubled the number of people we serve. These services are mandated by state statute. We are asking for a 10 percent increase, just 134,700 additional dollars to help sustain these lifesaving services. Thank you very much. [AGENCY 25]

SENATOR MELLO: Thank you for your testimony this afternoon, Ms. Evans. Are there any questions from the committee? Senator Bolz. [AGENCY 25]

SENATOR BOLZ: The $134,000, what can you do with that? What need are we...I mean I guess maybe put slightly differently, 257 unmet calls in a day is tens of thousands of calls in a year. [AGENCY 25]

AMY EVANS: It is. [AGENCY 25]

SENATOR BOLZ: How far will this go? [AGENCY 25]

AMY EVANS: You know, because we haven't had an increase in a long time and we have all seen decreases in local funding and in federal funding, this increase will help us keep the lights on. [AGENCY 25]

SENATOR BOLZ: So it would help you sustain current levels of service. [AGENCY 25]

AMY EVANS: Yes, and to maintain a safety net of services across the state. [AGENCY 25]

SENATOR BOLZ: And is there a direct federal match or is that...are those federal

grants? How does the federal drawdown work? [AGENCY 25]

AMY EVANS: There are federal funds that are distributed to us along that come down to the state and are distributed to us along with the state appropriation. And then we also have access to federal grants and many of our programs have accessed those federal grants in order to maintain a level of services. [AGENCY 25]

SENATOR BOLZ: And one last question. [AGENCY 25]

AMY EVANS: Sure. [AGENCY 25]

SENATOR BOLZ: Do you do any work around violence prevention or education of individuals to address the other side of this coin? [AGENCY 25]

AMY EVANS: Absolutely. That's a priority for programs across the state. In Lincoln, Nebraska, we divide services between Voices of Hope and Friendship Home, and that violence prevention education falls to Voices of Hope while shelter falls to Friendship Home. [AGENCY 25]

SENATOR BOLZ: Great. Thank you. [AGENCY 25]

SENATOR MELLO: Thank you, Senator Bolz. Are there any other questions from the committee? Seeing none, thank you, Ms. Evans. [AGENCY 25]

AMY EVANS: Thank you. [AGENCY 25]

SARITA PENKA: Hello. Thank you for letting me testify today. My name is Sarita Penka, S-a-r-i-t-a, last name Penka, P-e-n-k-a. I'm from District 6 in Omaha, Nebraska, and I represent an organization called Omaha Together One Community, or OTOC. What we do is we find out community problems through congregations, 25 congregations that are

from north Omaha to Gretna, and solidarity groups such as the Sisters of Mercy, Habitat for Humanity, people that have their thumb on what's going on. In the last three years some pastors came to us and they said they were having difficulty talking to their parishioners that come to them with problems with their family members that are mentally ill. What we do is we do a research thing. We had an issues conference. We invited people of the community. And interestingly enough, in that 150 people that came to the issues conference, actually 60 people came to my part of it which was on mental illness. I wanted to hear what was the problems. And since then, we have been meeting for 18 months to...with families who have these difficulties. So what do we know now? There are a number of families who have someone suffering from mental illness who are...and who are only recognized when there's an incident. That incident might bring the police, might take them to the emergency room, but that incident must be serious enough to get admitted. They're much more likely admitted to hospitalization if they have a physical problem, such as diabetic coma going on or COPD incident, such as my sister. This happened to her. Once she got into the hospital, a regular hospital like Creighton or Bergan, they dealt with the physical issues. They would not...they did not deal with the mental issues. And so she went back, right back into an incident that I had her back in the hospital again. So what is my point? My point is that we need this $5 million to go back into the behavioral services. The OTOC people in their research have visited the people at Behavioral Health. We have visited the county commissioners that deal with that. We have talked to Fremont, we have talked to all these people and they keep saying, and I'm here, money, money, money. So please, I'm in support of this, getting this money back into it. I see that in many cases besides the prison. I'm just talking about families that need this. Thank you. [AGENCY 25]

SENATOR MELLO: Thank you for your testimony this afternoon, Ms. Penka. Are there any questions from the committee? Seeing none, thank you. [AGENCY 25]

SARITA PENKA: Thank you. Uh-huh. [AGENCY 25]

JOE HIGGS: My name is Joe Higgs, H-i-g-g-s, and I'm here actually testifying on my own behalf. I actually work with the Coalition of Congregations, Omaha Together One Community, but I thought I would testify because, number one, I'm in favor of restoring the $5 million to the behavioral health centers. I've seen in the last 18 months of research that these centers really provide absolutely necessary care for people who have no other way to get it and who go in and out of our jails and who ultimately go to state prison. And it's a lot more cost-effective if we can get the continuity of care for these folks in their local communities, and I know of no other way to do it. Secondly, I'm here to testify for anything that would help integrate care across systems. Because as we've also learned over the last 18 months, we have wonderful centers of care and nodes of mental healthcare, but it's a very fragmented system. People can go from, you know, one excellent four or five days of mental healthcare at a hospital, but they have nowhere to go. And when they have no one helping them follow up on their meds and they have no one really helping make sure they get to doctor's appointments, they eventually don't get there and then they're recurring. They're right back into the same problem of the jail or going back to the hospital. I will just say I had...this interest in mental health sort of came upon me unexpectedly. A year ago I got a call that my...I have four children and our third daughter had been put in the hospital, suffering from mania. We didn't know where that came from. She's a very good child, never taken drugs, gone to Catholic schools, wanted to be a scripture scholar, and she's in the hospital for mania. Well, she spent a week in the hospital, came back, went to college, and about three weeks later the mania returned even worse and she was psychotic and they eventually expelled her from...or they suspended her from the school because her behavior was so out of bounds. And you know, finally, you know, we got her home. And it's through, frankly, going to Community Alliance and the parent to parent program that they have there and really learning things that we can do as a family but also talking to so many other families who have suffered this and who have adult children, that this is a larger problem and it's a problem that keeps its head buried because people are ashamed of it. People don't want to admit that their children are having problems. My daughter never did a thing other than go to Catholic high school and be as good a kid

as she could be, and this is a problem that has thrust itself on her. Thankfully, with the help we've gotten through Community Alliance and others, she's now back at UNO. She's studying to be a teacher. But she can be a contributor. But we happen to have insurance and she happens to be covered on my plan now that she's back in college. But if we didn't have insurance, we would have no help for her. During that interim when she's 21 years old, she would have had no insurance had there not been the Affordable Care Act. She would have dropped off of our policy. So and, you know, we're talking about tens of thousands of dollars that I don't have the money in my nonprofit salary to pay for. So I'm thankful that she had insurance. But I think the Region 6 and other regions provide some care for those who have absolutely no care; they need to get funding. And I'm certainly in favor of anything that could help integrate care across systems. I've talked to a bunch of other families that were in the parent family to family program, and they have kids in their 30s. The hardest thing to deal with is co-occurring disorders where they have mental illness and they have drug addiction. And unfortunately, they'll go hand in hand because an unhappy, depressed child tries to medicate themselves. They get addicted to drugs. They can't find a way out. And from what I've heard from Douglas County Prosecutors and others, there is not enough treatment facility for people that have drug addiction and mental illness. And so they're in the system constantly until they get bad enough that we ship them off to the state prison. And then we don't deal with them there, and then they come back and they cause havoc. So it seems to me it is a good investment as a state if we think about how do we help these folks at the front end. And believe me, it causes a lot less anguish with families, because I've been with some with some of those families who are just scared to death of their adult children and they have to put them out of the house. They have to lock the doors on them, and they hate doing that but they have to do it because the system has not...has just broken down. So I would just encourage us this year and next year and years to figure out how we can come up with a more integrated behavioral health system for the state so that people go from one excellent center to the next excellent center to the next one until they're in some sort of stability. So with that, I'll pass. [AGENCY 25]

SENATOR MELLO: Thank you for your testimony, Mr. Higgs. Are there any questions from the committee? Seeing none, thank you. [AGENCY 25]

JOE HIGGS: Thanks. [AGENCY 25]

SENATOR MELLO: How many testifiers are left to testify on Agency 25, Department of Health and Human Services? [AGENCY 25]

AUBREY MANCUSO: (Exhibit 11) Good afternoon, Senator Mello, members of the committee. My name is Aubrey Mancuso, A-u-b-r-e-y M-a-n-c-u-s-o, and I'm here on behalf of Voices for Children in Nebraska. I know you hear a bit about this yesterday but we want to add our voice to those requesting that the committee consider following through with some of the recommendations of LR400, the ACCESSNebraska Special Investigative Committee. As you likely recall, the report from the LR400 Committee concluded that: one, additional staffing is needed to maintain meaningful access to public safety net programs until larger systemic issues can be addressed; and two, the current technology used by DHHS dates back to the mid-1990s and is creating barriers to meaningful access. As many on the committee are likely aware, the majority of participants in our public safety net programs are children and these children face challenges when we create artificial barriers to accessing these programs. In Nebraska in 2013, 77 percent of ADC Program participants, 64 percent of Medicaid enrollees, half of SNAP participants were kids. The Child Care Subsidy Program is another safety net program available only to children. We need to ensure that these federal programs, designed to meet the basic needs of vulnerable kids, are truly accessible to Nebraska families. At the end of last year we conducted almost 300 surveys in four focus groups with lower income women in Nebraska on barriers to economic opportunity. Among the findings that emerged from this process was that 30 percent of participants had experienced significant challenges in accessing programs through the ACCESSNebraska system. Among other things, survey participants complained of staff

mistakes, lack of communication, difficulties related to limited phone or Internet access, slow response times, and having to frequently resubmit paperwork. As one focus group participant stated when referring to the system: I appreciate all the money I do get but they don't need to make it any harder. Our lives are already hard enough. We would urge the committee to consider making additional investments in staff and technology to mitigate the ongoing issues with ACCESSNebraska. Thank you. And I'm happy to answer any questions. [AGENCY 25]

SENATOR MELLO: Thank you for your testimony this afternoon, Ms. Mancuso. Are there any questions from the committee? Seeing none, thank you. [AGENCY 25]

AUBREY MANCUSO: Thanks. [AGENCY 25]

GWEN THORPE: (Exhibit 12) Good afternoon, Senator Mello and members of the Appropriations Committee. I'm Gwen Thorpe, G-w-e-n T-h-o-r-p-e. I'm the deputy chief administrative officer for the Lancaster County Board of Commissioners. And as you discuss funding for the Department of Health and Human Services, Lancaster County would request monies be included for community-based treatment for sex offenders with mental health issues. These offenders have been committed to community treatment by a mental health board or are required to attend community treatment by...as a condition of their parole or probation, and many of these offenders to not have the means to pay for their treatment and they don't have insurance to cover it. If they are working they are, for the most part, in low-wage jobs and can't pay for their treatment. In Lancaster County, Counseling Affiliates is currently providing this treatment. They provide treatment for three groups of sex offenders. Those on probation, and Probation has some funding for that for community treatment dollars, we would recommend that Probation set some funding aside specifically for sex offender community-based treatment. There are those, the second group, that are discharged from the Lincoln Regional Center and their community treatment costs are paid for by the Lincoln Regional Center. The third group is the group I'm speaking with you about

today. Those are those with mental health issues or who are on parole. They have...we have funded this Counseling Affiliates program through the end of this fiscal year in the following way: Lancaster County paid for three months and DHHS, the Behavioral Health Division, used one-time funds to pay for the remaining nine months of this current fiscal year. At this time, no funding has been identified for this group beginning July 1, 2015. For your information, I have attached a document, the long page, showing the numbers of registered sex offenders by county in 2014. This information is available on the Sex Offender Registry Web page. You'll notice some of the numbers seem kind of large in the...like Lancaster County, 739. These numbers don't separate out those who are in prison, jails, or mental health regional centers. But you can drill down to each county and find where they live. So we have a number of sex offenders in the community. In Lancaster County, we estimate the amount needed to run this program for one fiscal year is around $250,000. That amount would serve approximately 30 clients, about three sessions individual per month and two group sessions per month. To fund services for the entire state we estimate an annual amount of around $800,000 to $1 million. I don't really know what that amount would be, depending upon the need. We recommend an amount should be annually appropriated to DHHS Division of Behavioral Health to allow the department the ability to contract with providers, such as Counseling Affiliates in Lincoln and others around the state, to provide this treatment. We all know community-based treatment is much less costly than prisons. Programs such as the one Counseling Affiliates runs run approximately $6,000 annually per person as compared to an average of $35,950 for a year in prison. We respectfully request that an amount be set aside in the budget for community-based sex offender treatment for those with mental health issues who have no means to pay for their treatment. Thank you for considering this request. We believe it's important to public safety and it plays a role in corrections reform. I'd be happy to answer any questions. [AGENCY 25]

SENATOR NORDQUIST: Thank you. Are there any questions from the committee? Seeing none, thank you. Additional testifiers on Agency 25? Last call. All right, seeing

none, the committee is going to...that will conclude the hearing on Agency 25. The committee is going to take a five-minute break and we'll start back up at 3:40. [AGENCY 25]

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